

Attachment B

July 15, 2010

**Preliminary Report for the
Proposed Merger of the
Northwest Redevelopment
Projects, and Proposed
Amendment No. 4 to the Villa-
Parke Redevelopment Plan**

**PASADENA COMMUNITY DEVELOPMENT
COMMISSION**



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PRELIMINARY REPORT

Prepared for the Proposed

MERGER

of the

NORTHWEST REDEVELOPMENT PROJECTS

And the Proposed

AMENDMENT NO. 4

to the

VILLA-PARKE REDEVELOPMENT PLAN

Prepared by

URBAN FUTURES, INC.



In Cooperation with the

PASADENA COMMUNITY DEVELOPMENT COMMISSION

Preliminary Report for the Proposed Merger of the Northwest Redevelopment Projects, and Proposed Amendment No. 4 to the Villa-Parke Redevelopment Plan

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Executive Summary

In a joint action February 2008, the City Council and Pasadena Community Development Commission (PCDC) directed staff to begin the process to amend five existing Northwest Redevelopment Project Areas and to amend the tax increment cap limit in the Villa-Parke Project Area.

The benefit of merging the project areas is twofold. First, it permits tax increment dollars that are generated in one project area to be spent in another project area. Second, a merged project area will significantly increase the overall bonding capacity. These combined benefits provide the PCDC with the financial flexibility and diversity needed to address the significant blight that remains throughout the Northwest Redevelopment Project Areas.

The amendment to increase the tax increment cap in the Villa-Parke Project Area is needed because the current cap is about to be met, which would prohibit the PCDC from making new improvements in an area with significant remaining blight.

In order to process the amendments to merge and the amendment to increase the tax increment cap, California Community Redevelopment Law requires the preparation of a Preliminary Report. This Report documents, on a parcel basis, blight conditions within the five redevelopment project areas and identifies projects and programs that are needed to eliminate the significant blight that remains.



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1.0 INTRODUCTION

The Pasadena Community Development Commission (the "PCDC") was established in 1959 as the Pasadena Redevelopment Agency and has several redevelopment areas in the City of Pasadena (the "City"). Some of these redevelopment areas include:

- The **Fair Oaks Avenue Redevelopment Project**¹ – adopted on September 11, 1964 (by Ordinance No. 4677), and amended on May 14, 1968 (by Ordinance No. 4870), November 28, 1972 (by Ordinance No. 5094), May 27, 1986 (by Ordinance No. 6154), July 21, 1986 (by Ordinance No. 6174), December 22, 1986 (by Ordinance No. 6193), December 15, 1999 (by Ordinance No. 6805), December 15, 1999 (by Ordinance No. 6806), and February 23, 2009 (by Ordinance No. 7158).
- The **Villa-Parke Redevelopment Project** – adopted on December 26, 1972 (by Ordinance No. 5097), and amended on December 22, 1986 (by Ordinance No. 6193), December 15, 1999 (by Ordinance No. 6813), and February 23, 2009 (by Ordinance No. 7158).
- The **Orange Grove Redevelopment Project** – adopted on January 23, 1973 (by Ordinance No. 5103), and amended on May 1, 1999 (by Ordinance No. 5418), December 22, 1986 (by Ordinance No. 6193), December 15, 1999 (by Ordinance No. 6812), and February 23, 2009 (by Ordinance No. 7158).
- The **Lake/Washington Redevelopment Project** – adopted on June 15, 1982 (by Ordinance No. 5571), and amended on December 15, 1999 (by Ordinance No. 6804) and February 23, 2009 (by Ordinance No. 7158).
- The **Lincoln Avenue Redevelopment Project** – adopted on July 21, 1986 (by Ordinance No. 6175), and amended on December 15, 1999 (by Ordinance No. 6808), December 15, 1999 (by Ordinance No. 6809), and February 23, 2009 (by Ordinance No. 7158).

These five redevelopment projects are known as the "Northwest Redevelopment Projects" as they are located in the northwest portion of the City. See Figure 1 for a map of all of the Northwest Redevelopment Projects (together, the "Project Areas").

1.1 WHAT IS PROPOSED

The PCDC is proposing to:

1. Amend the Redevelopment Plans for the Villa-Parke, Lake/Washington, Orange Grove, Lincoln Avenue and Fair Oaks Avenue Redevelopment Projects to merge and create the "Northwest Merged Redevelopment Project." Each area would then be a "component area" of the Northwest Merged Redevelopment Project and would retain its existing limits, timelines, policies, goals, etc.
2. Amend the Redevelopment Plan for the Villa-Parke Redevelopment Project, which is a Component Area of the Northwest Merged Redevelopment Project,

¹ The "Fair Oaks Avenue Redevelopment Project" was originally called the "Pepper Redevelopment Project." Its name was changed in 1986.

to increase the tax increment limit because the current limit is about to be met and there is still significant blight remaining in the area.

For the purposes of this report, the amendments to merge the five Project Areas will be referred to as the "Merger Amendments" and the amendment to increase the tax increment limit in the Villa-Parke Redevelopment Project will be referred to as the "Tax Increment Cap Amendment." See Chapter 2.0 for additional definitions.

1.2 THE PROJECT AREAS

Table 1, below, shows the breakdown of the existing land uses in each area.

Table 1 Breakdown of Existing Land Uses in Each Area

EXISTING LAND USE	FAIR OAKS AVENUE		VILLA-PARKE		ORANGE GROVE		LAKE/WASHINGTON		LINCOLN AVENUE		TOTAL	
	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%
Single Family Residential	32.9	21.7%	28.4	24.8%	0.2	0.4%	4.5	15.2%	1.0	3.4%	67.0	18.7%
Multi-Family Residential	29.9	19.6%	39.2	34.2%	0.6	1.8%	1.2	4.3%	0.0	0.0%	70.9	19.8%
Condominium	0.0	0.0%	4.6	4.0%	14.7	42.6%	0.8	2.6%	4.0	14.5%	24.0	6.7%
Residential / Commercial	0.7	0.5%	0.2	0.2%	0.0	0.0%	1.0	3.4%	0.1	0.5%	2.1	0.6%
Residential / Quasi-Public	0.1	0.0%	0.7	0.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.8	0.2%
Commercial	14.4	9.5%	8.2	7.2%	0.0	0.0%	11.7	39.7%	1.8	6.3%	36.0	10.0%
Office Professional	11.6	7.6%	0.3	0.3%	5.1	14.7%	0.2	0.7%	5.3	19.1%	22.5	6.3%
Industrial	3.4	2.2%	0.2	0.2%	0.0	0.0%	0.0	0.0%	2.7	9.9%	6.3	1.8%
Public	24.5	16.1%	11.2	9.8%	5.3	15.4%	0.6	2.0%	0.0	0.0%	41.6	11.6%
Quasi-Public	2.7	1.7%	1.8	1.5%	5.8	16.9%	2.6	9.0%	1.1	3.8%	13.9	3.9%
Previously Urbanized	1.4	0.9%	1.3	1.1%	0.0	0.0%	0.5	1.8%	0.0	0.0%	3.2	0.9%
Vacant	0.3	0.2%	0.3	0.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.6	0.2%
SUB-TOTAL	121.9	80.1%	96.4	84.1%	31.6	91.7%	23.1	78.8%	16.0	57.6%	289.0	80.7%
Public Rights-of-Way	30.3	19.9%	18.2	15.9%	2.8	8.3%	6.2	21.2%	11.7	42.4%	69.3	19.3%
TOTAL	152.2	100.0%	114.6	100.0%	34.5	100.0%	29.3	100.0%	27.7	100.0%	358.3	100.0%

* The acreage is approximate.

See Figure 2 for a map of all existing land uses in the Project Areas.

As required by law, the land use control over properties in the Project Areas will continue to be governed by the City's General Plan. There is no new layer of land use designations and no changes in zoning brought on by the Merger Amendments, the Tax Increment Cap Amendment, or redevelopment in general. Continued implementation of redevelopment in the Project Areas will be consistent with land use designations permitted by the General Plan and the City's Zoning Ordinance, as they now exist and as they may be amended from time to time.

Table 2, below, shows the land uses proposed for each area as designated by the General Plan.

Table 2 Land Uses Proposed for Each Area

GENERAL PLAN / SPECIFIC PLAN LAND USE	FAIR OAKS AVENUE		VILLA-PARKE		ORANGE GROVE		LAKE/WASHINGTON		LINCOLN AVENUE		TOTAL	
	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%	ACRES*	%
<i>GENERAL PLAN LAND USE</i>												
Low Density Residential	19.9	13.0%	0.0	0.0%	0.0	0.0%	2.9	10.0%	0.0	0.0%	22.8	6.4%
Low-Medium Density Residential	0.0	0.0%	32.4	28.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	32.4	9.0%
Medium Density Residential	0.0	0.0%	27.7	24.2%	16.7	48.5%	0.4	1.2%	1.0	3.6%	45.8	12.8%
Medium-High Density Residential	6.8	4.5%	9.9	8.6%	0.0	0.0%	1.5	5.1%	0.0	0.0%	18.3	5.1%
General Commercial	0.0	0.0%	0.0	0.0%	7.6	22.0%	0.0	0.0%	11.3	40.8%	18.9	5.3%
Neighborhood Commercial	0.0	0.0%	0.4	0.3%	0.0	0.0%	0.0	0.0%	3.7	13.2%	4.0	1.1%
Institutional	0.0	0.0%	0.0	0.0%	7.3	21.1%	0.0	0.0%	0.0	0.0%	7.3	2.0%
Open Space	0.0	0.0%	10.6	9.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	10.6	2.9%
<i>SPECIFIC PLAN LAND USE</i>												
Fair Oaks/Orange Grove Specific Plan	95.2	62.6%	15.5	13.5%	0.0	0.0%	0.0	0.0%	0.0	0.0%	110.7	30.9%
North Lake Specific Plan	0.0	0.0%	0.0	0.0%	0.0	0.0%	18.3	62.5%	0.0	0.0%	18.3	5.1%
SUB-TOTAL	121.9	80.1%	96.4	84.1%	31.6	91.7%	23.1	78.8%	16.0	57.6%	289.0	80.7%
Public Rights-of-Way	30.3	-	18.2	-	2.8	-	6.2	-	11.7	-	69.3	-
TOTAL	152.2	100.0%	114.6	100.0%	34.5	100.0%	29.3	100.0%	27.7	100.0%	358.3	100.0%

* The acreage is approximate.

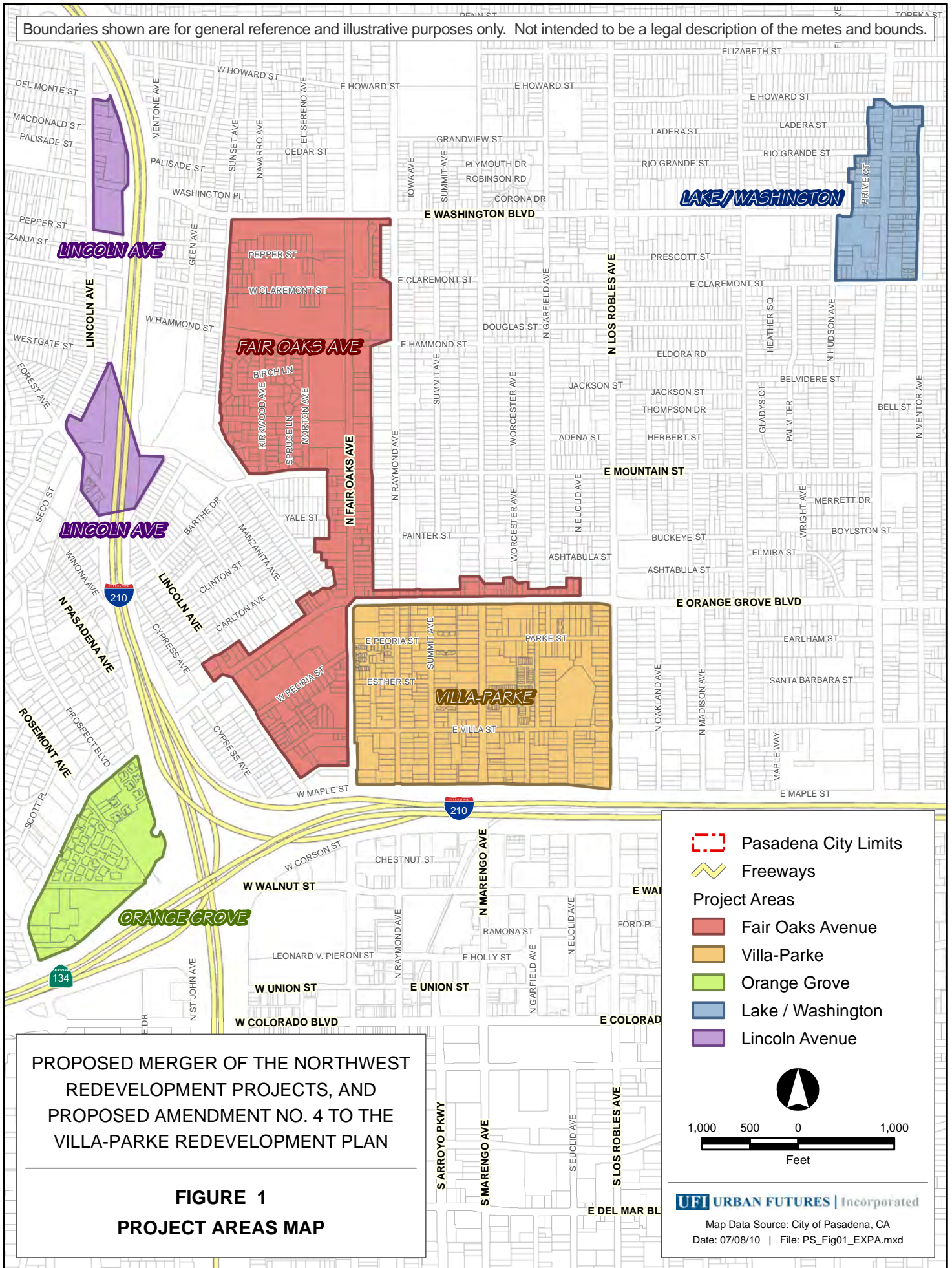
See Figure 3 for a map of all General Plan land uses in the Project Areas.



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Boundaries shown are for general reference and illustrative purposes only. Not intended to be a legal description of the metes and bounds.



PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 1
PROJECT AREAS MAP

UFI URBAN FUTURES | Incorporated

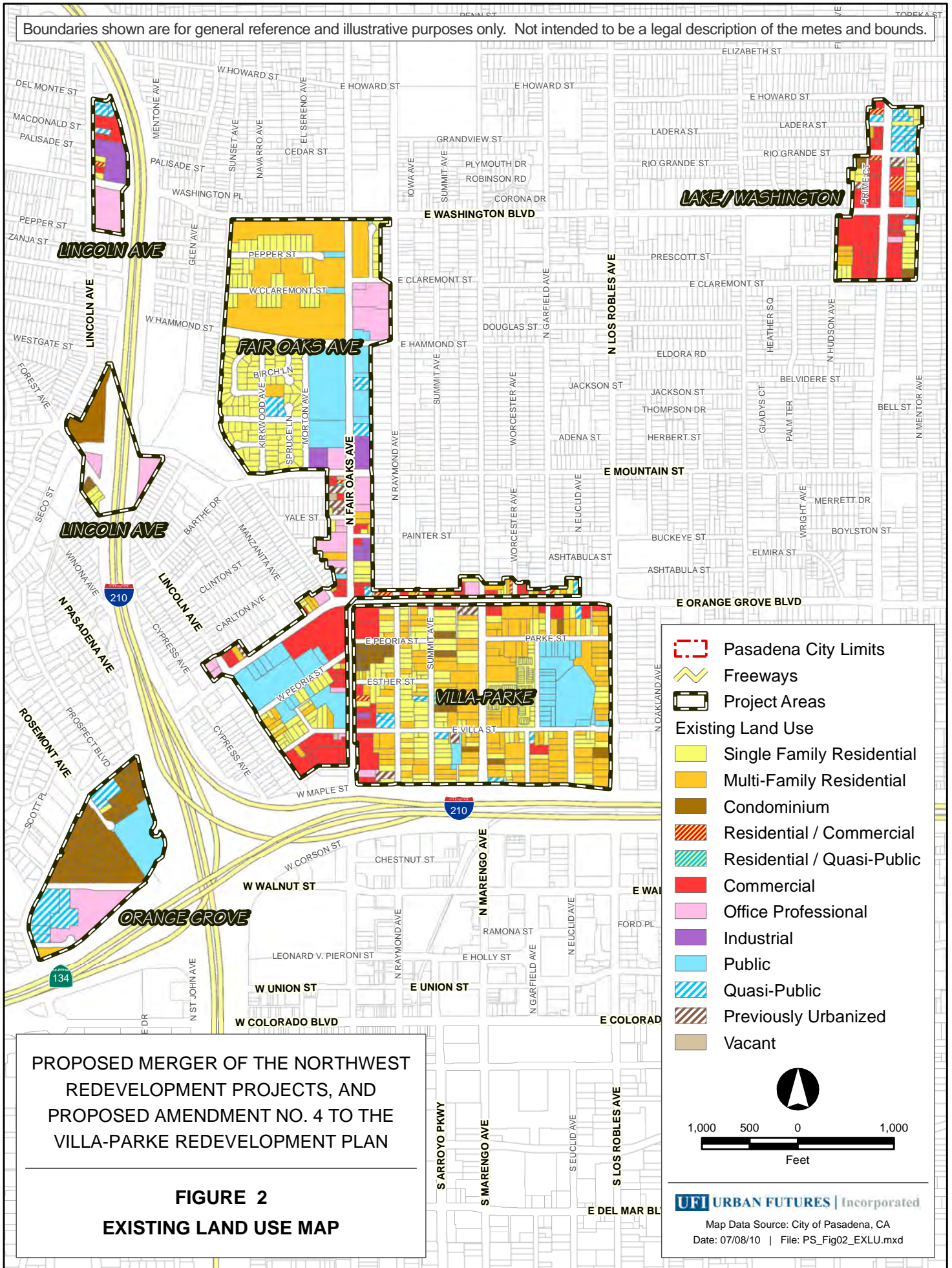
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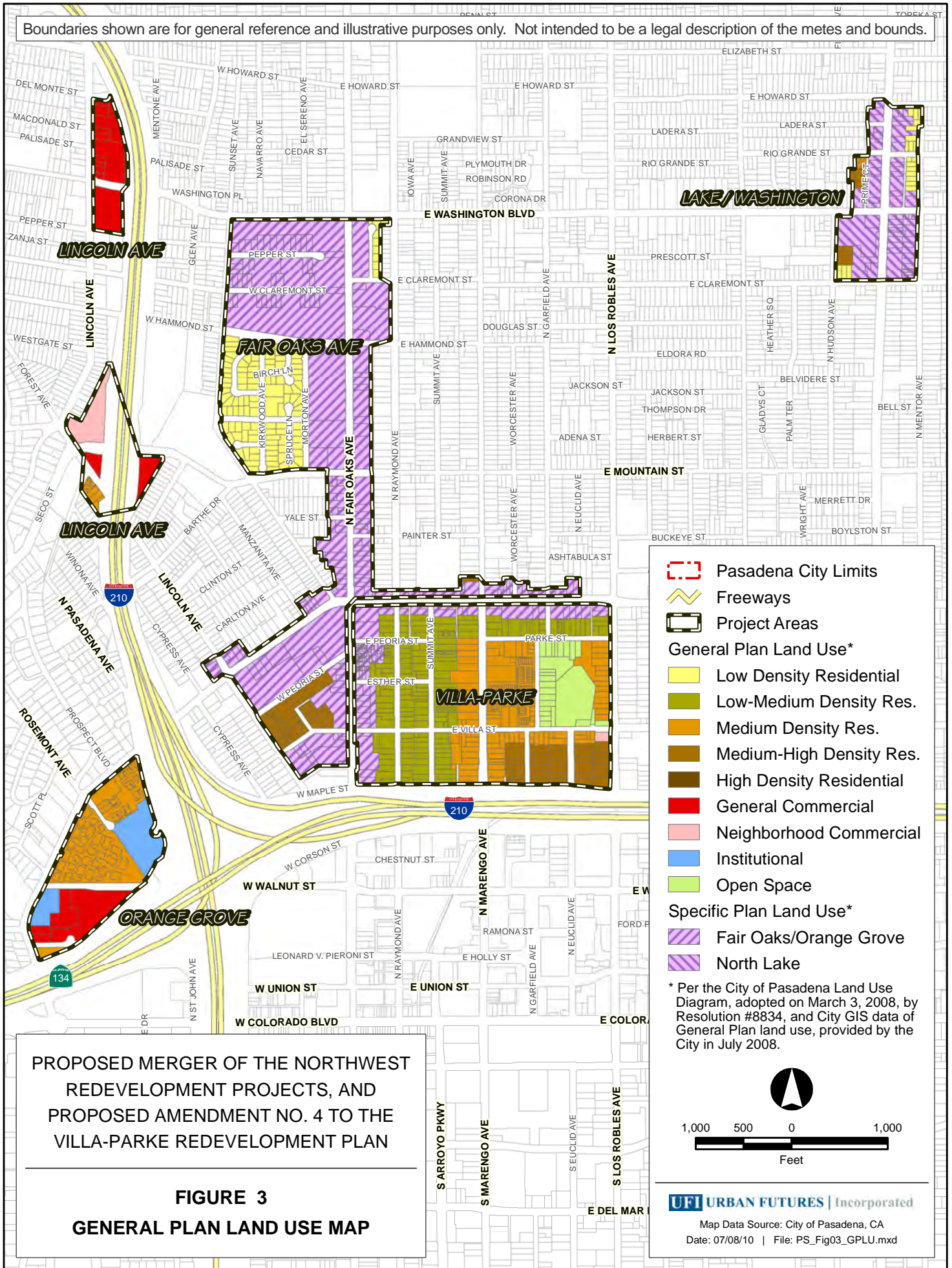




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2.0 DEFINITIONS

The following **bold** terms shall have the following meanings unless the context in which they are used clearly requires otherwise:

"Affected Taxing Entity" means any governmental taxing agency that levies a property tax on all or any portion of the property located in the adopted redevelopment project area in the fiscal year prior to the fiscal year in which the report prepared pursuant to CCRL Section 33328 is issued or in any fiscal year after the date the redevelopment plan is adopted, as defined in CCRL Section 33353.2.

"Blight Indicators" means the list of conditions fully described in Section 6.0 of this Preliminary Report. Blight Indicators are specific conditions that cause serious physical and economic blight based upon the definitions established in CCRL Sections 33030 and 33031.

"CCRL" means the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) as currently drafted or as it may be amended from time to time.

"CEQA" means the California Environmental Quality Act, inclusive of the following elements: Public Resources Code Section 21000, *et seq.*, referred to as the "CEQA Statutes"; Title 14, California Code of Regulations, Section 15000, *et seq.*, referred to as the "State CEQA Guidelines."

"City" means the City of Pasadena.

"City Council" means the City Council of the City. The members of the City Council are also the members of the PCDC Board.

"Component Area" means one of the five project areas that make up the proposed Northwest Merged Redevelopment Project.

"County" means County of Los Angeles, State of California.

"Field Reconnaissance" means the investigative work completed by UFI to document existing conditions.

"FY" means fiscal year and runs from July 1 of any given calendar year to June 30 of the subsequent calendar year.

"General Plan" means the City of Pasadena General Plan, as currently drafted or as it may be amended from time to time.

"Merger Amendments" means the proposed amendments to the Redevelopment Plans for the Villa-Parke, Lake/Washington, Orange Grove, Lincoln Avenue and Fair Oaks Avenue Redevelopment Projects to merge and create the Northwest Merged Redevelopment Project.

"Metroscan" means First American Real Estate Solutions software program allowing access to records of the County Assessor. First American Real Estate Solutions provides the following

caveat: "Information compiled from various sources. Real Estate Solutions makes no representations or warranties as to the accuracy or completeness contained in [any] report."

"**PCDC**" means the Pasadena Community Development Commission, which is the City's redevelopment agency.

"**PCDC Board**" means the Board of Directors of the Pasadena Community Development Commission. The members of the PCDC Board are also the members of the City Council.

"**Planning Commission**" means the Planning Commission of the City.

"**Preliminary Report**" or "**Report**" means this document, which is the Preliminary Report required by CCRL Section 33344.5 and the report to the State Departments of Housing and Community Development and Finance required by CCRL Section 33451.5, both of which are constituent parts herein.

"**Project Areas**" means the areas within the Villa-Parke, Lake/Washington, Orange Grove, Lincoln Avenue and Fair Oaks Avenue Redevelopment Projects.

"**State**" means the State of California.

"**Tax increment**" means a portion of the property tax funds collected from assessable properties located in a redevelopment area to be allocated to the PCDC pursuant to CCRL Section 33670 and other applicable sections of the CCRL.

"**Tax increment cap**" means the limit set forth in CCRL Section 33333.4 on the total amount of tax increment funds to be allocated to the PCDC over the life of the Redevelopment Plan for the Villa-Parke Redevelopment Project.

"**Tax Increment Cap Amendment**" means the proposed Amendment No. 4 to the Villa-Parke Redevelopment Plan to increase the tax increment cap.

"**UFI**" means Urban Futures, Inc., redevelopment advisors retained by the City to assist it to complete the adoption of the Amendment/Merger.

"**Zoning Ordinance**" means the City's zoning ordinance as codified in Title 9 of the City's Municipal Code. The Zoning Ordinance is consistent with the policies and programs of the General Plan as required by State Law.

3.0 REQUIREMENTS OF STATE LAW

Urban Futures Inc. (UFI) has prepared this report for the PCDC to include the requirements for a Preliminary Report as defined in the CCRL, and it will be transmitted to each affected taxing entity in full compliance with CCRL Sections 33344.5 and 33354.6. Additionally, this document functions as the report to the State Department of Finance and the State Department of Housing and Community Development required by CCRL Section 33451.5(c), and will be delivered to these departments in conformance with CCRL Section 33451.5(b).

3.1 REQUIREMENTS FOR THE MERGER AMENDMENTS

In order to complete the Merger Amendments, the PCDC must follow the provisions of Articles 4, 12, and 16 in the CCRL, and must provide at least the following:

- Preliminary Report to affected taxing agencies pursuant to CCRL Sections 33344.5 and 33344.6.
- Report to the State Departments of Finance, and Housing and Community Development, pursuant to CCRL Section 33451.5 (combined with the Preliminary Report noted above, creates this Preliminary Report)
- Report to the "legislative body" (the City Council) pursuant to CCRL Section 33352

The City Council may then consider an ordinance adopting the Merger Amendments, which will include findings required in CCRL Section 33367.

CCRL Section 33486 requires that before two or more redevelopment plans may be amended to be merged, the City Council shall find, based on substantial evidence, that both of the following conditions exist:

1. Significant blight remains within one of the project areas
2. This blight cannot be eliminated without merging the project areas and the receipt of property taxes

In addition, CCRL Section 33488 requires that the PCDC notify the California Department of Housing and Community Development no later than 30 days prior to the adoption of the Merger Amendments ordinance of its intention to merge the five Project Areas. The transmittal of this Preliminary Report, required by CCRL section 33451.5 to be sent at least 45 days prior to the Joint Public Hearing for the proposed Merged Amendments, constitutes such notification.

3.2 REQUIREMENTS FOR THE TAX INCREMENT CAP AMENDMENT

In order to complete the Tax Increment Cap Amendment, the PCDC must follow the provisions of Articles 4 and 12 in the CCRL, and must provide at least the following:

- Preliminary Report to affected taxing agencies pursuant to CCRL Sections 33344.5 and 33344.6.

- Report to the State Departments of Finance, and Housing and Community Development, pursuant to CCRL Section 33451.5 (combined with the Preliminary Report noted above, creates this Preliminary Report)
- Report to the "legislative body" (the City Council) pursuant to CCRL Section 33352

The City Council may then consider an ordinance adopting the Tax Increment Cap Amendment, which will include findings required in CCRL Sections 33354.6(b) and 33367.

According to CCRL Section 33354.6 (in pertinent part), "when an agency proposes to amend a redevelopment plan which utilizes tax increment financing to increase the limitation on the number of dollars to be allocated to the redevelopment agency, it shall describe and identify, in the report required by Section 33352, the remaining blight within the project area, identify the portion, if any, that is no longer blighted, the projects that are required to be completed to eradicate the remaining blight and the relationship between the costs of those projects and the amount of increase in the limitation on the number of dollars to be allocated to the agency. The ordinance adopting the amendment shall contain findings that both (1) significant blight remains with the project area and (2) the blight cannot be eliminated without the establishment of additional debt and the increase in the limitation on the number of dollars to be allocated to the redevelopment agency.

In addition, CCRL Section 33488 requires that the PCDC notify the California Department of Housing and Community Development no later than 30 days prior to the adoption of the Merger Amendments ordinance of its intention to merge the five Project Areas. The transmittal of this Preliminary Report, required by CCRL section 33451.5 to be sent at least 45 days prior to the Joint Public Hearing for the proposed Merged Amendments, constitutes such notification.

3.3 REQUIREMENTS FOR THIS REPORT

As shown above, several sections of the CCRL apply when amending a redevelopment plan. CCRL Section 33344.5 describes the requirements for a Preliminary Report, and Sections 33354.6 and 33451.5 describe additional requirements for an amendment to merge or extending financial limits.

Some of the elements required by the sections noted above are similar, and others are unique. For example, CCRL Section 33344.5(e) requires a "description of the specific project or projects then proposed by the Agency" [emphasis added] while CCRL Section 33451.5(c)(3) requires a "description of the projects or programs proposed to eliminate any remaining blight" [emphasis added]. Because the primary purpose of this Report is to discuss the Merger Amendments and the Tax Increment Cap Amendment to address blight that remains in the Project Areas, it is reasonable to assume that the latter requirement supersedes because of its reference to "remaining blight" and, therefore, should be addressed in this Report.

In another example, CCRL Section 33344.5 requires the inclusion of the reasons for the selection of the project area. Presumably this requirement does not apply to the proposed Merger Amendments or the Tax Increment Cap Amendment as no new territory is being added. Nonetheless, is it a required element and the CCRL does not provide an exception. However, that section, included in this Report as Chapter ____, will

instead discuss the reasons for the Merger Amendments and the reasons for the Tax Increment Cap Amendment.

Therefore, in order to avoid repetition and confusion, this Report is structured in a way that addresses all required elements by noting those requirements that are not applicable, combining requirements that are similar, and including requirements that are unique.

CCRL Section 33344.5 requires that this Report contain all of the following:

- (a) The reasons for selecting the project area.
- (b) Description of the physical and economic conditions existing in the project area.
- (c) A description of the project area which is sufficiently detailed for a determination as to whether the project area is predominantly urbanized. The description shall include at least the following information, which shall be based upon the terms described and defined in Section 33320.1:
 - (1) The total number of acres within the project area.
 - (2) The total number of acres that is characterized by the condition described in paragraph (4) of subdivision (a) of Section 33031.
 - (3) The total number of acres that are in agricultural use. "Agricultural Use" shall have the same meaning as that term is defined in subdivision (b) of Section 51201 of the Government Code. 1
 - (4) The total number of acres that are an integral part of an area developed for urban uses.
 - (5) The percent of property within the project area that is predominantly urbanized.
 - (6) A map of the project area that identifies the property described in paragraphs (2), (3) and (4), and the property not developed for an urban use.
- (d) A preliminary assessment of the proposed method of financing the redevelopment of the project area, including an assessment of the economic feasibility of the project and the reasons for including a provision for the division of taxes pursuant to Section 33670 in the redevelopment plan.
- (e) Description of the specific projects or programs then proposed by the agency.
- (f) A description of how the project or projects to be pursued by the agency in the project area will improve or alleviate the conditions described in subdivision (b).
- (g) If the project area contains lands that are in agricultural use, the preliminary report shall be sent to the Department of Conservation, the county agricultural commissioner, the county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice. A separate written request for notice shall be required for each proposed redevelopment plan or amendment that adds territory. A written request for notice applicable to one redevelopment plan or amendment shall not be effective for a subsequent plan or amendment.

Government Code Section 51201(b) defines "agricultural use" as "use of land, including but not limited to greenhouses, for the purpose of producing an agricultural commodity for commercial purposes." An "agricultural commodity" is defined in Government Code Section 51201(a) as "any and all plant and animal products produced in this state for commercial purposes."

In addition, as noted above, CCRL Section 33354.6 requires the PCDC to describe and identify the remaining blight within the project area, identify the portion, if any, that is no longer blighted, the projects that are required to be completed to eradicate the remaining blight and the relationship between the costs of those projects and the amount of increase in the limitation on the number of dollars to be allocated to the agency. This information is only required to be in the report required under CCRL Section 33352 and only for the Tax Increment Cap Amendment. However, because it is pertinent information, it will also be included in this Preliminary Report.

CCRL Section 33344.6 requires that the PCDC shall send this Report to the affected taxing agencies no later than 90 days before the date set for a public hearing held pursuant to Section 33355 or 33360.

The PCDC is also required to follow the provisions of CCRL Section 33451.5:

- (a) This section shall apply only to proposed plan amendments that would do any of the following:
 - (1) Change the limitation on the number of dollars of taxes which may be divided and allocated to the redevelopment agency.
 - (2) Change the limit on the amount of bonded indebtedness that can be outstanding at one time.
 - (3) Change the time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670.
 - (4) Change the time limit on the effectiveness of the redevelopment plan.
 - (5) Change the boundaries of the project area.
 - (6) Merge existing project areas.
- (b) No later than 45 days prior to the public hearing on a proposed plan amendment by an agency or the joint public hearing of the agency and the legislative body, the agency shall notify the Department of Finance and the Department of Housing and Community Development by first-class mail of the public hearing, the date of the public hearing, and the proposed amendment. This notice shall be accompanied by the report required to be prepared pursuant to subdivision (c).
- (c) No later than 45 days prior to the public hearing on a proposed plan amendment by the agency or the joint public hearing by the agency and the legislative body, the agency shall prepare a report that contains all of the following:
 - (1) A map of the project area that identifies the portion, if any, of the project area that is no longer blighted, the portion of the project area that is blighted, and the portion of the project area that contains necessary and

essential parcels for the elimination of the remaining blight.

- (2) A description of the remaining blight.
 - (3) A description of the projects or programs proposed to eliminate any remaining blight.
 - (4) A description of how these projects or programs will improve the conditions of blight.
 - (5) The reasons why the projects or programs cannot be completed without the plan amendment.
 - (6) The proposed method of financing these programs or projects. This description shall include the amount of tax increment revenues that is projected to be generated as a result of the proposed plan amendment, including amounts projected to be deposited into the Low and Moderate Income Housing Fund and amounts to be paid to the affecting taxing entities. This description shall also include sources and amounts of moneys other than tax increment revenues that are available to finance these projects or programs. This description shall also include the reasons that the remaining blight cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without the use of the tax increment revenues available to the agency because of the proposed amendment.
 - (7) An amendment to the agency's implementation plan that includes, but is not limited to, the agency's housing responsibilities pursuant to Section 33490. However, the agency shall not be required to hold a separate public hearing on the implementation plan pursuant to subdivision (d) of Section 33490 in addition to the public hearing on the amendment to the redevelopment plan.
 - (8) A new neighborhood impact report if required by subdivision (m) of Section 33352.
- (d) Upon receiving the report, the Department of Finance shall prepare an estimate of how the proposed plan amendment will affect the General Fund. The Department of Finance shall determine whether the amendment will affect the need for school facilities.
 - (e) Within 21 days of the receipt of the report, the Department of Finance or the Department of Housing and Community Development may send any comments regarding the proposed plan amendment in writing to the agency and the legislative body. The agency and the legislative body shall consider these comments, if any, at the public hearing on the proposed plan amendment. If these comments are not available within the prescribed time limit, the agency and the legislative body may proceed without them.
 - (f) The Department of Finance or the Department of Housing and Community Development may also send their comments regarding the proposed plan amendment to the Attorney General for further action pursuant to Chapter 5 (commencing with Section 33501).



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4.0 METHODOLOGY USED TO GATHER AND ANALYZE DATA FOR PHYSICAL CONDITIONS OF BLIGHT

Blight is a complex subject. To the layperson, it is likely to include run-down buildings, maybe graffiti, and little else. However, according to the CCRL, there are specific physical and economic conditions of blight. Conditions of blight are defined in CCRL Section 33031:

(a) This subdivision describes physical conditions that cause blight:

- (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building 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 or sewer utilities.
- (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

(b) This subdivision describes economic conditions that cause blight:

- (1) Depreciated or stagnant property values.
- (2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with CCRL Section 33459).
- (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- (4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- (5) Serious residential overcrowding that has resulted in significant public health

or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.

- (6) An excess of bars, liquor stores, or adult oriented businesses that has resulted in significant public health, safety, or welfare problems.
- (7) A high crime rate that constitutes a serious threat to the public safety and welfare.

If this were an adoption of a new redevelopment area, the PCDC would need to establish that the area has a combination of conditions so prevalent and so severe that it causes a reduction of, or lack of, proper utilization to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated without the use of redevelopment. The area would also have to be characterized by one or more conditions of physical blight (as defined in 33031(a), above) and one or more conditions of economic blight (as defined in 33031(b), above).

However, because this is an amendment to merge and an amendment to increase a tax increment limit, the PCDC only has to demonstrate that significant blight remains to the extent that warrants the amendments.

The CCRL is clear – for an adoption or an amendment – that not every parcel in a redevelopment area is required to have at least one condition of physical blight and at least one condition of economic blight. Rather, as outlined in CCRL Section 33030, it is the "combination of conditions set forth in Section 33031" that creates blight. In other words, some parcels may have conditions of serious physical blight and others may have conditions of serious economic blight, but such conditions do not have to exist together on each and every property in a redevelopment area.

In fact, the CCRL permits parcels in a redevelopment area to have no blight whatsoever as long as their inclusion is found to be necessary for effective redevelopment. CCRL Section 33321 states that a "project area need not be restricted to buildings, improvements, or lands which are detrimental or inimical to the public health, safety, or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area." This implies that blight is an area-wide condition and not necessarily one that can be evaluated on a parcel-specific basis. Yet, conditions of blight are certainly recorded, and often measured, on a parcel-specific basis.

So the challenge is to provide parcel-specific data to prove an area-wide condition. The methodology employed by the PCDC includes an evaluation of existing conditions on each property and notation of serious problems, called "Blight Indicators," that were observed. These Blight Indicators, which are discussed in detail below, provide the layers of detrimental conditions that cause blight. This, along with other information provided by City staff and other sources, creates the basis for evidence of physical blight.

Evidence of economic blight, by its nature, is more area-wide than physical blight. Declines in property values, for example, generally do not stop at property lines. Instead, this and other conditions of economic blight affect larger areas because a decline in value of one property can affect the neighboring property, and so on. Crime is similar because, although a particular crime may occur on a specific property, its impact goes well beyond that property.

Another issue with economic blight is that most characteristics cannot be observed in the field. While there may be an instinctive "sense" that such conditions exist based on the physical character of an area, conditions such as declining property values, high crime, low lease rates, residential overcrowding, and several others can only be discovered through secondary research. Therefore, the Blight Indicators generally apply to conditions of physical blight, and evidence of economic blight is generally provided through other sources.

According to CCRL Section 33030(c), inadequate public improvements can be introduced as a condition of blight, but only if the area is demonstrated to suffer from the physical and economic conditions described above. Problems with sewer and water lines, drainage, streets, and other public works systems can be a significant burden on the community and an important aspect of redevelopment implementation. But because inadequate infrastructure is often area-wide and underground, UFI relies on information from City staff and other sources to document this condition of blight.

The CCRL requires that the legislative body – in this case, the City Council – must make blight findings; it is not the responsibility of PCDC staff or consultants. In addition, blight, as discussed above, is an area-wide condition. Therefore, this Report does not identify individual parcels as "blighted." After all, a property with a dilapidated building is located in a blighted area only if certain economic conditions of blight also exist in the area. Rather, this Report will demonstrate the extent of remaining blight by showing the number and location of each Blight Indicator that was found.

The PCDC's applied methodology to documenting conditions that cause blight is designed to address these issues, and is discussed in detail below.

4.1.1 Field Reconnaissance

The first major step in determining whether conditions of blight exist, where they exist, and if they exist to the extent required by the CCRL, is to study each parcel (the "Field Reconnaissance") in the Project Areas. UFI conducted the Field Reconnaissance for the Merger Amendments and the Tax Increment Cap Amendment in the summer of 2009, during daylight hours by teams of two individuals in an automobile. Field notes were recorded on copies of assessor's parcel maps and included such elements as current land use; condition of the structures, the site, and visible public infrastructure; and other pertinent information. The observed conditions were abbreviated into Blight Indicator codes (see below) and entered into a GIS database for analyzing and mapping purposes.

4.1.2 Blight Indicators

The Blight Indicators used in the methodology have developed over time based on the extensive combined experience of senior UFI staff as well as applicable portions of Health and Safety Code Section 17920.3, which provides a comprehensive list of conditions that create substandard buildings. These Blight Indicators are divided into the blight categories as defined by CCRL Section 33031, and include only those conditions that seriously affect the health and safety of a person living or working in a building. Because of recent redevelopment case law, minor problems such as peeling paint, lack of landscaping, obsolete signage, and damaged fences – conditions often observed on distressed properties – were not considered. The result is empirical data of significant conditions of blight that is necessary for decision-makers to consider prior to making blight findings.

Some Blight Indicators apply to more than one category of blight. For example, the Blight Indicator, Substandard Construction Materials (SCM), present a distinct safety issue because structures with SCM are not safe, especially during an earthquake. Therefore, the structures would fall under CCRL Section 33031(a)(1) because the condition creates an unsafe or unhealthy building. In addition, a use is not as viable in a building with SCM as it costs a significant amount of money to alleviate the problems, and people are less likely to invest in a substandard building because of the additional costs. Therefore, the property would also qualify under CCRL Section 33031(a)(2) because it contributes to the prevention or hindrance of viable uses.

Lists of the Blight Indicators that were looked for during the Field Reconnaissance are shown and discussed throughout Chapter 6.0.

4.1.3 Personnel for this Amendment/Merger

Summaries of the qualifications of staff members who participated in the Field Reconnaissance and/or subsequent review and analysis of the Field Reconnaissance data are provided below. This Preliminary Report, including the Field Reconnaissance, was completed under the direction of Mr. Jon Huffman, Managing Principal, UFI, and Mr. Ernie Glover, Managing Principal. Other key participating professional UFI staff included: Mr. Paul Schowalter, Principal; Mr. Ryan Bensley, Senior Planner; Mr. Jung Seo, Senior Planner; Ms. Kiran Bhalla, Assistant Planner; and Ms. Yen Cao, Planning Technician.

Mr. Huffman holds a Bachelor of Architecture Degree from the University of Oregon, a Masters of Landscape Architecture Degree from the California State Polytechnic University, Pomona, and Certificates in Real Estate Appraisal from the California State University, Fullerton, and has personally participated in over 80 field reconnaissances and managed over 175 redevelopment plan adoptions and amendments; he has been with UFI since 1987.

Mr. Glover holds a Master of City Planning from San Diego State University; Bachelor of Arts in Political Science and Sociology, with honors, from the University of California at Santa Barbara, with post-graduate studies completed at the University of Southern California. Mr. Glover joined UFI after 14 years as President of GRC Redevelopment Consultants, Inc. where he was responsible for the adoption and/or amendment of over 200 Redevelopment Plans and Implementation Plans throughout California.

Mr. Schowalter earned a Bachelor of Architecture Degree with an Urban Design Emphasis from the California State Polytechnic University, Pomona. He has been a redevelopment project manager for nearly 20 years, and has personally participated in over 100 field reconnaissances and provided analysis and document preparation in over 150 redevelopment plan adoptions and amendments in California.

Mr. Bensley holds a Bachelor of Arts Degree in Geography from the California State University, Long Beach, and has completed numerous field investigations for UFI and has over six years' experience with municipalities in Southern California and the private real estate sector. Ms. Bhalla earned a Bachelor of Arts Degree in International Relations and Political Science from Boston University, and a Masters

of Arts in Security Studies from Georgetown University, and has participated in multiple redevelopment field investigations, GIS analysis, and project management. Mr. Seo holds a Bachelor of Engineering in Architecture and Urban Planning from the Handong University, South Korea, and a Masters in Planning from the University of Southern California, heads the firm's GIS division, has participated in field reconnaissance activities, and is instrumental to preparing site analyses and GIS/fiscal projections for numerous redevelopment projects.

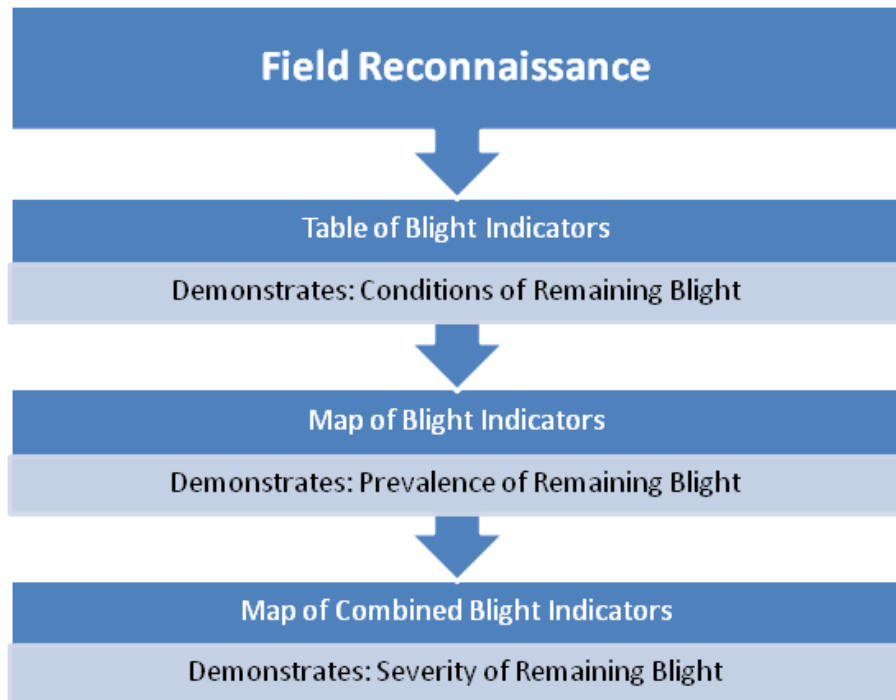
Data from certain agencies and public officials, including various media such as print, database, oral interview, anecdotal, and photographic, is also helpful in documenting conditions of blight. These data are well-suited to determining historic rates, area-wide conditions, and other blighting influences. However, use of these data is limited primarily because reporting district boundaries are generally not coterminous with the boundaries of a project area. As a consequence, proper use of these data often requires interpolation to rationalize differing geographies, time spans, and data sets. The different types of data used in the preparation of this Report are listed below and by this reference are incorporated herein:

- The General Plan and applicable Specific Plans
- The Zoning Ordinance to determine applicable building capacities, lot size standards, parking ratios, set back requirements, etc., for each land use type
- U.S. Census
- Interviews with various City officials
- First American Real Estate Solutions (Metro scan)

4.1.4 Organization of the Blight Documentation in this Report

Chapter 6.0 discusses the specific Blight Indicators that were observed in the Project Area. These details are divided into the blight categories as defined by the CCRL, and include a table showing the number of instances specific Blight Indicators were found. A map showing the locations of Blight Indicators (again, divided by blight category as defined by the CCRL) then follows to demonstrate the prevalence of remaining blight. Finally, a map showing the combined effects of all physical conditions of blight and all economic conditions of blight on each parcel is provided to demonstrate the severity of remaining blight.

Therefore the next sections of this Report are designed to show the logical progression of the analysis of data using the PCDC's employed methodology, as diagrammed below:



5.0 REASONS FOR SELECTING THE PROPOSED PROJECT AREA

CCRL Section 33344.5(a) requires that the PCDC describe the reasons for selecting the Project Area(s). However, the proposed Amendment/Merger does not add territory to or change the boundaries of the Project Areas. Therefore, there is no need to discuss reasons for selecting the Project Areas as this was completed when each area was adopted.

Nonetheless, it is appropriate to discuss the reasons for the Merger Amendments and the Tax Increment Cap Amendment.

5.1 REASONS FOR THE MERGER AMENDMENTS

According to the CCRL Section 33485, merging existing redevelopment areas into one financial and administrative unit is "desirable as a matter of public policy if it results in substantial benefit to the public and if it contributes to the revitalization of blighted areas through the increased economic vitality of those areas, and through increased and improved housing opportunities in or near such areas." Mergers provide financial flexibility and diversity for future improvements, and are advantageous for redevelopment agencies.

In the Project Areas, the Merger Amendments will increase the PCDC's ability to implement remaining redevelopment projects and programs designed to:

- Eliminate blight
- Upgrade public facilities and infrastructure
- Promote and facilitate economic development and job growth
- Help property owners rehabilitate their properties
- Increase, improve, and preserve affordable housing opportunities
- Generally improve the quality of life for residents, and business, and property owners within the limits of the Project Areas as well as the City overall.

The Merger Amendments will not affect the boundaries, or the time or financial limits, of either Component Area.

5.2 REASONS FOR THE TAX INCREMENT CAP AMENDMENT

The CCRL requires that every redevelopment plan include certain fiscal limits. For the Redevelopment Plan for the Villa-Parke Redevelopment Project, the limit on the amount of tax increment the PCDC may receive is too low and is about to be met. Once that limit is met, the PCDC will be unable to pay for new improvements that are needed in the area. If the PCDC were finished alleviating blight in the Project Areas, the existing cap

limit would not be problematic. However, as will be discussed and proven in this Report, significant blight remains in the Project Areas, and additional funds – that directly correspond to the amount of remaining blight – are needed.

Therefore, the PCDC is proposing to increase the existing \$20,400,000 tax increment cap by \$44,600,000 to create a new cap of \$65,000,000.

6.0 URBANIZATION

CCRL Section 33344.5(c) requires that the PCDC describe urbanization in the Project Area(s) as defined in CCRL Section 33320.1. However, the proposed Amendment/Merger does not add territory to or change the boundaries of the Project Areas. Therefore, there is no need to discuss urbanization as this was completed when each area was adopted.



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7.0 DESCRIPTION OF THE PHYSICAL AND ECONOMIC CONDITIONS THAT REMAIN IN THE PROJECT AREA

7.1 PHYSICAL CONDITIONS

The purpose of this section is to describe the existing physical conditions as defined by CCRL Section 33031(a) within the Project Areas. This section satisfies the pertinent parts of CCRL Sections 33344.5(b), 33354.6(b), and 33451.5(c)(2). Information contained in this section will be used to document the extent and significance of remaining physical blighting conditions and their pervasive negative effect on the community. It is organized in the following manner:

- A table showing the Blight Indicators that were evaluated in the Project Areas during the Field Reconnaissance (divided by the CCRL categories of blight), a description of each Blight Indicator, and the reason(s) those Blight Indicators qualify under the CCRL;
- A chart summarizing the number of occurrences of each identified Blight Indicator; and
- A map showing the locations where the identified Blight Indicators were found

7.1.1 CCRL Section 33031(a)(1) - Buildings in Which it is Unsafe or Unhealthy for Persons to Live or Work

Buildings that are considered to be unhealthy or unsafe may be affected by serious building 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 or sewer utilities. Such buildings suffer from physical conditions that are dangerous or unhealthy to inhabitants.

Table 3, below, shows the Blight Indicators that were evaluated during the Field Reconnaissance and the reasons they cause buildings that are unsafe or unhealthy in which to live or work.

Table 3 Blight Indicators – CCRL Section 33031(a)(1)

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unsafe Lack of Access (ACC)	Lack of handicapped ramps or other access issues on non-single-family residential uses; only serious access problems that make buildings unsafe were considered; does not include site-related issues, such as the number or location of parking spaces	Buildings not compliant with the Americans with Disability Act of 1990 are unsafe for those with mobility issues. A public accommodation shall "remove architectural barriers...in existing facilities... where such removal is readily achievable." In 2003, more than 100,000 wheelchair related injuries were treated in emergency departments in the U.S. ²
Unsafe Addition Not Permitted (ANP)	Room addition(s) or other major construction that City staff has verified as unpermitted	No building or structure shall be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished unless a separate permit for each building or structure has first been obtained from the building official. ³ Questionable building materials and techniques make unpermitted construction vulnerable to electrical problems, which can lead to serious injury, death, and fire, and plumbing problems, which can lead to a host of health issues. Unpermitted construction is also vulnerable to serious damage during high winds, heavy rain, and seismic events.

² Nonfatal wheelchair-related accidents reported to the National Electronic Injury Surveillance System, Ummat S, Kirby RL, Department of Medicine, Dalhousie University

³ California Building Code.

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
<p>Unsafe Bars on Windows (BAR)</p>	<p>Security bars that do not have quick-release mechanisms on all visible windows, which could trap occupants due to unsafe ingress/egress; does not include screen doors with bars</p>	<p>According to Health and Safety Code 17920.3(l), a building shall be deemed and hereby is declared to be substandard if it has inadequate building exits. Bars on windows make a building unsafe unless they have a quick-release device, which requires a building permit. On average about 25 people in the U.S. are injured or die each year in fires where escape is compromised by unauthorized bars or gates.⁴ In the City of Los Angeles, about 5 people die every year in structures where security bars were a contributing factor to the fatalities.⁵ According to the National Fire Protection Association, while the number of fire deaths in America is on the decline, the number of fire deaths related to improper security bars is on the rise. In addition, most fire deaths related to security bars occur in lower-income neighborhoods, such as those surveyed in the Project Areas – particularly the Villa-Parke Project Area – the residents of which cannot afford expensive quick-release devices or effectively navigate a city’s permit process.⁶</p>
<p>Boarded Windows (BW)</p>	<p>Blockage of multiple windows or doors with plywood, paint, or other opaque material that restricts emergency access or reduces light and ventilation</p>	<p>According to International Property Maintenance Code Section 403.1, an unhealthy home is one where every habitable space does not have at least one operable window.⁷ Fire officials warn that boarded or sealed windows may prevent occupants from getting out of the house to safety in event of a fire, or make it harder for rescue workers to get in.</p>

⁴ National Fire Incident Reporting System

⁵ Los Angeles Times, August 3, 2001.

⁶ BurnInstitute.org

⁷ International Property Maintenance Code Section 403.1

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unsafe Chimney (CHIM)	Chimneys that are damaged, or lean, bulge, or have settled	According to Health and Safety Code 17920.3(b)(8), a building shall be deemed and hereby is declared to be substandard if it has a chimney that is damaged, or leans, bulges, or has settled. Chimneys, generally made of bricks or similar heavy block, can fall into homes and/or onto people especially as a result of a seismic event. "The hazard of a leaning or cracked chimney was a major factor in the number of red- and yellow-tagged homes" after the 1994 Northridge earthquake. ⁸ Damaged chimneys also significantly increase the risk of fire.
Electrical Hazard (EH)	Dangling electrical wires or unsafe electrical connections (does not include TV/satellite wires); unstable electrical masts; exposed extension cords for long-term usage; electrical boxes with damaged or missing covers; or major household appliances being used outdoors	According to Health and Safety Code 17920.3(d), a building shall be deemed and hereby is declared to be substandard if wiring exhibits conditions that endanger the life, limb, health, property, safety, or welfare of the public or the occupants thereof.
Fire Hazard (FH)	Structures made of old, dried wood; overgrown or dead vegetation touching a building, or within 10 feet of a chimney; chimney lower than a nearby roof; firewood stacked within 30 feet of wooden building; severe trash and debris, all of which have been verified by City staff as being fire hazards	According to Health and Safety Code 17920.3(h), a building shall be deemed and hereby is declared to be a substandard if it is in such a condition as to cause a fire or explosion or provide a ready fuel to augment the spread and intensity of fire or explosion arising from any cause.
Damaged Foundation (FND)	At least one severe crack in foundation; diagonal cracks in corners of windows or doors; bowed or sagging exterior walls; or separation between wall elements	According to Health and Safety Code 17920(b)(1), a building shall be deemed and hereby is declared to be a substandard if it has deteriorated or inadequate foundations. Damaged foundations can lead to serious structural failure and unsafe and unhealthy conditions due to settling or cracking of the foundation of a structure and/or large cracks from the corners of windows, which could lead to water infiltration, which creates further damage and/or collapse during a seismic event.

⁸ U.S. Department of Housing and Urban Development Office of Policy Development and Research, Assessment of Damage to Residential Buildings Caused by the Northridge Earthquake, July 30, 1994

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unsafe Gas Meters (GAS)	Unprotected gas meter or line within 36" of driveway, alley, parking area, or garage door; within 36" of an operating window or air intake vent; or directly under down-spout	Statistics are unavailable, but an internet search shows that fires, explosions, and evacuations due to vehicles hitting unprotected gas meters are common and can cause serious property damage and personal injury or death. On March 26, 2010, a Montessori school in New Mexico was severely damaged when a car crashed into the gas meter and it exploded. ⁹ On January 10, 2010, a 65-year old man was seriously injured when a truck crashed into the gas meter of his home and caught on fire. ¹⁰
Garage Conversion Not Permitted (GC)	A garage converted into living space and verified by City staff as unpermitted	Health and safety issues arise when living spaces are made from structures or portions of structures that were not planned or designed for occupation. Unpermitted garage conversions may not have windows, and because garages are not insulated in the same manner as the rest of the home, and heating or air-conditioning ducts are not extended to the garage, portable heaters and extension cords are often used as well, creating a substantial fire risk. Unpermitted and frequently gerrymandered garage conversions also often have been modified with kitchens and makeshift electrical systems. Besides fire risks, carbon dioxide poisoning also is a danger in an enclosed room with little ventilation. Any appliances in the garage, such as an improperly vented water heater, can poison the air with the tasteless, odorless gas. In addition, garages that do have windows often do not meet the required opening to allow occupants to escape in case of a fire, further contributing to the unsafe and unhealthy condition of the property.
Junk (J)	Unsafe or unhealthy amount of junk, weeds debris, stagnant water, or other condition that creates a fire, health, or safety hazard	According to Health and Safety Code 17920.3(j), a building shall be deemed and hereby is declared to be substandard if the property has an "accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage, offal, rodent harborages, stagnant water, combustible materials, and similar materials or conditions to the extent that it constitutes fire, health, or safety hazards."

⁹ <http://losalamoscountyviews.blogspot.com/2010/03/quemazon-fire.html>

¹⁰ <http://www.timesdaily.com/article/20100131/ARTICLES/1315058?Title=One-injured-in-house-fire>

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unsafe Nuisance (NU)	Major appliance (particularly a refrigerator) stored or used outside, large equipment stored openly on site, empty swimming pool, swimming pool without a ladder (including large above-ground pools, but excluding small "kiddie" pools), large holes in ground, or other similar condition that could cause injury or death	According to Health and Safety Code 17920.3(c), a building shall be deemed and hereby is declared to be substandard if it has "any" nuisance. The applied methodology for blight documentation provides that the nuisance must present a condition that will lure people, particularly children, into a health or safety risk. The Consumer Product Safety Commission recommends removing the door of an old refrigerator that is being discarded or stored so as to prevent children from becoming trapped inside.
Roof with Unsafe or Unhealthy Deterioration (R)	A deteriorated or damaged roof; or roof supports that sag, are split, or buckle; tarp on roof; would likely need replacement vs. repair	Deteriorated or damaged roofs create unsafe and unhealthy conditions due to water intrusion, which weakens structural elements due to wood rot and promotes mold growth. Other health and safety problems include: <ul style="list-style-type: none"> • Wallboards, corkboard walls, and dry walls become mushy and lose their ability to support once they get water-soaked • Bacteria starts growing in stagnant water and causes waterborne diseases to spread to the inhabitants of the home • Wooden floors and wooden stairs swell, lift, and rot • Electrical appliances, sockets, and outlets become a source of an injurious electric shock • The foundation of the house can become weak and unstable¹¹

¹¹ Is There a Leak in Your Roof? therestorationresource.com

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Substandard Construction Materials (SCM)	Inappropriate building materials providing unsafe support or unhealthy weather protection, such as plywood or corrugated plastic or metal panels, load-bearing PVC pipes, rolled roofing on steep slopes, or other cheap or gerrymandered solution	Substandard materials and design errors are identified as major causes of component failure. ¹² Inappropriate building materials increase the risk for premature deterioration and failure, especially during a seismic event, making a building unsafe for occupants. Substandard building materials also elevate the risk of leaks, mold, and vermin infestation, making a building unhealthy for occupants. Even seemingly standard materials, such as drywall, can be substandard as evidenced by recent problems with tainted materials coming to the U.S. from China. A federal district judge in New Orleans awarded \$2.6 million in damages to seven Virginia families. ¹³
Unsafe Building Exit (UBX)	Building with blocked exits that prevent ingress or egress in an emergency	According to Health and Safety Code 17920.3(l), a building shall be deemed and hereby is declared to be a substandard if it has inadequate building exits. Similar to bars on windows, blocked exits make a building unsafe.
Unsafe or Unhealthy Mechanical Equipment (UME)	Deteriorated or damaged HVAC units, or those attached to building, or supported, in unsafe manner	According to Health and Safety Code 17920(a)(7), a building shall be deemed and hereby is declared to be substandard if it lacks or has improper operation of required ventilating equipment. According to Health and Safety Code 17920.3(f), a building shall be deemed and hereby is declared to be a substandard if its mechanical equipment has not been maintained in good and safe condition. A poorly installed air conditioner can pose as much of a danger to pedestrians as unsafe facade conditions. ¹⁴ Air conditioner manufacturers themselves acknowledge the health and safety risk of air conditioners that are poorly secured: "If the units are improperly installed, the results can be catastrophic. These units can weigh quite a bit, and if they were to fall out the window, they could cause major damage and even severe injury." ¹⁵

¹² constructionweekonline.com, Why Buildings Fail, Aug 31, 2009

¹³ Wall Street Journal, April 9, 2010.

¹⁴ RAND Engineering, randpc.com

¹⁵ casementairconditioner.net

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unreinforced Masonry Buildings (URM)	Masonry building, regardless of condition, that has been verified by City staff as unreinforced	According to the U.S. Geological Survey, unreinforced masonry buildings are at risk because of the inherent brittleness and lack of tensile strength of the materials. It is generally accepted that the intensity of seismic events that could be reasonably expected to occur in California would be sufficient to cause buildings with minimal seismic resistance characteristics to be seriously damaged or, perhaps, to collapse, causing serious injury or death to the occupants or passers-by. ¹⁶ Hundreds of URMs have been seriously damaged in California after earthquakes in just the past 30 years. Unreinforced masonry buildings were responsible for almost 2,000 of the uninhabitable units resulting from the 1989 Loma Prieta earthquake, and 3,100 of the uninhabitable units resulting from the 1994 Northridge earthquake. ¹⁷ In the 1983 Coalinga earthquake, 36 of the city's 37 URMs were damaged. ¹⁸
Unsafe Stairs, Walkways, or Balconies (UST)	Stairs that lean or have damaged/missing steps; stairs with 4 or more steps without handrails; Stair or deck balusters spaced over 4" apart; a damaged/missing balcony or deck guard; damaged/missing balustrades or those wider than 4"; or unsafe walkway from public area to main entrance	The Building Code requirement is to install balusters and newel posts between the handrail and flooring materials so that a 4" sphere (the head of an infant) cannot pass through. Staircase and handrail deficiencies should be considered a priority for safety repair. ¹⁹ The U.S. Consumer Product Safety Commission notes that over 6,000 people die and another 1,500,000 are injured every year as a result of falls on stairs. ²⁰ The North American Deck and Railing Association estimates that 20 million decks in the U.S. are in need of repair or rebuilding.
Unsafe Vertical Support (VERT)	Walls or columns that are split or lean; may also be combined with foundation issues	According to Health and Safety Code 17920.3(b)(4), a building shall be deemed and hereby is declared to be substandard if it has walls, partitions, or other vertical supports that split, lean, list, or buckle due to defective material or deterioration.

¹⁶ "The Shake Out Scenario: Unreinforced Masonry Buildings," U.S.G.S., May 2008.

¹⁷ Structural Engineers Association of Northern California

¹⁸ Unreinforced Masonry Buildings and Earthquakes, Developing Successful Risk Reduction Programs, FEMA, October 2009

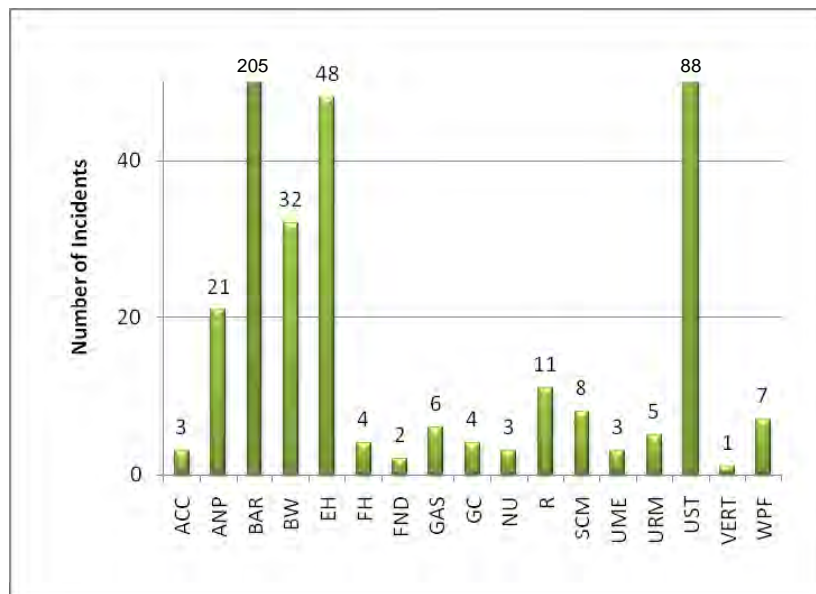
¹⁹ Is Your Deck Safe? allsafehomeinspection.com

²⁰ *The Staircase: Studies of Hazards, Falls, and Safer Design*, by John Templer, MIT Press, 1995.

BLIGHT INDICATOR (CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(1)
Unhealthy Weather Protection - Fenestration (WPF)	Substandard building caused by broken or cracked windows or doors – or poorly repaired broken or cracked windows and doors – to the point where weather protection is breached	According to Health and Safety Code 17920.3(g)(2), a building shall be deemed and hereby is declared to be a substandard if it has deteriorated or ineffective waterproofing of exterior walls, roof, foundations, or floors, including broken windows or doors. Similar to roof damage, broken or cracked windows promote wood rot, mold, vector harborage, and other serious health and safety problems.

Table 4 below shows the number of parcels where CCRL Section 33031(a)(1) Blight Indicators were found.

Table 4
Number of Parcels with CCRL Section 33031(a)(1) Conditions



*Note: Certain Blight Indicators have been truncated to fit the table format.

In addition, data from the City's Code Enforcement Department, which is on file with the PCDC and hereby incorporated by reference, indicates a substantial increase in serious building code violations.²¹ Since 2005, serious building code violations in

²¹ Includes such serious violations as illegal occupancy, illegal construction, rat and roach infestation, property and building maintenance, and unhealthy accumulations of trash and junk, and excludes such minor violations as illegal signs, parking on yards, shopping carts, and unpermitted yard sales.

the Project Areas have increased 56% (from 73 to 114). At the same time, the Citywide total for serious building code violations has increased only 16% (from 1,911 to 2,214). In addition, although incorporating only 2% of the City's area, the Project Areas account for 5% of the serious building code violations in the City.

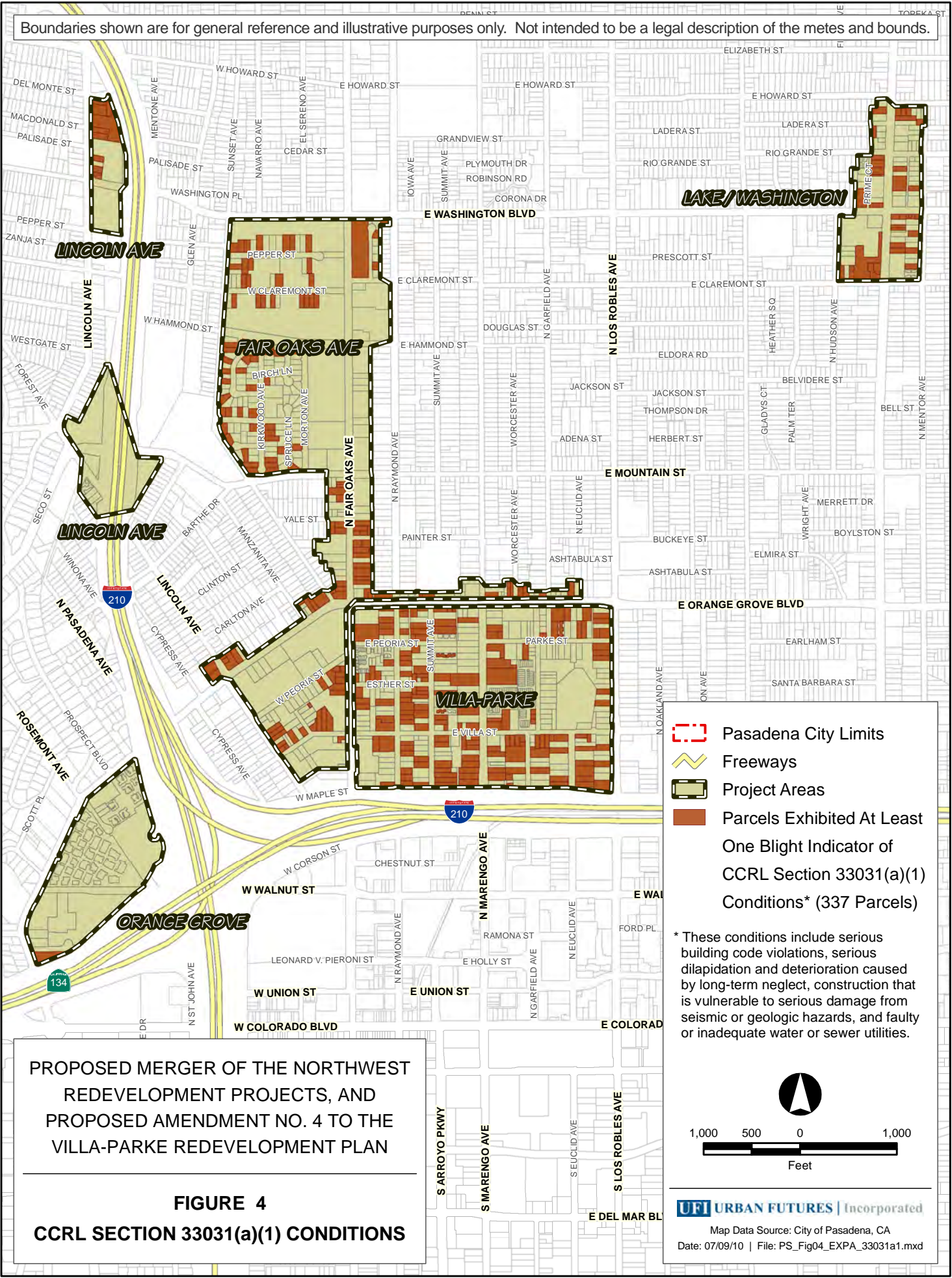
This data demonstrates a significant amount of blight remains in the Project Areas. Photographs of sample properties affected by these conditions may be found in Appendix A.

7.1.1.1 Summary

Overall, 337 parcels exhibited at least one Blight Indicator that causes unsafe or unhealthy buildings, as discussed above and defined in CCRL 33031(a)(1). The locations of each of these parcels are shown in Figure 4. The widespread existence of these conditions demonstrates the substantial prevalence of remaining blight within the Project Areas.





Photographs of sample properties affected by these conditions may be found in Appendix A.

Boundaries shown are for general reference and illustrative purposes only. Not intended to be a legal description of the metes and bounds.

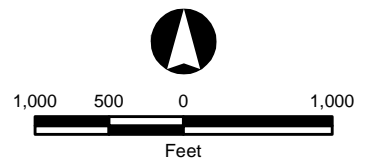


PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 4
CCRL SECTION 33031(a)(1) CONDITIONS

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  Parcels Exhibited At Least One Blight Indicator of CCRL Section 33031(a)(1) Conditions* (337 Parcels)

* These conditions include serious building 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 or sewer utilities.





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7.1.2 CCRL Section 33031(a)(2) - Conditions That Prevent or Substantially Hinder the Viable Use or Capacity of Buildings or Lots

Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots include buildings of substandard, defective, or obsolete design, or construction given the present general plan, zoning, or other development standards.

Table 5, below, shows the Blight Indicators that were evaluated during the Field Reconnaissance and the reasons they cause conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. Note that some of the Blight Indicators below are also those that cause unsafe or unhealthy conditions. These conditions apply to both categories because certain physical conditions have significant economic impacts, not only to property values but to the costs to repair such conditions, both of which prevent or hinder viable uses. In the cases where Blight Indicators are on both lists, the reasons for inclusion are tailored to the specific category of blight.

Table 5 Blight Indicators – CCRL Section 33031(a)(2)

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Lack of Handicapped Access (ACC)	Lack of handicapped ramps or other access issues on non-single-family residential uses; only serious access problems that make buildings unsafe were considered; does not include site-related issues, such as the number or location of parking spaces	Significant liability for property owners that do not conform. In July 2008 alone, there were 204 private lawsuits filed in federal courts for lack of handicapped access. The cost to retrofit a three-story office building can be about \$300,000. ²²
Addition Not Permitted (ANP)	Room addition(s) or other major construction that City staff has verified as unpermitted	It is illegal for an owner to rent property that has any unpermitted portions. Most appraisers will reduce the price of the property based on any unpermitted construction. If problems occur as a result of unpermitted construction, the property owner could be held financially liable and insurance claims may be denied.

²² ADA compliance in real life, Journal of Property Management, July-August, 1994 by Doug Halberstadt. Amount adjusted for 2010 dollars.

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Unsafe Chimney (CHIM)	Chimneys that are damaged, or lean, bulge, or have settled	Significant liability for property owners if someone is injured or killed. The cost to rebuild a chimney is estimated to be \$750 - \$1,000. ²³ Costs to repair a roof from a toppled chimney would be substantially higher.
Electrical Hazard (EH)	Dangling electrical wires or unsafe electrical connections (does not include TV/satellite wires); unstable electrical masts; exposed extension cords for long-term usage; electrical boxes with damaged or missing covers; or major household appliances being used outdoors	During a typical year, home electrical problems in the U.S. account for 67,800 fires, 485 deaths, and \$868 million in property losses. Home electrical wiring causes twice as many fires as electrical appliances. ²⁴
Damaged Foundation (FND)	At least one severe crack in foundation; diagonal cracks in corners of windows or doors; bowed or sagging exterior walls; or separation between wall elements	Repairing simple cracks is estimated to cost up to \$800, extensive repairs can cost more than \$500 per linear foot. ²⁵ Such costs significantly hinder the viable use or capacity of buildings and lots.

²³ mgihomeinspection.com, costs are ballpark estimates only and can vary up to 300%.

²⁴ United States Fire Administration.

²⁵ Ibid

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Functional Obsolescence (FO)	Substandard or obsolete design; buildings converted into uses other than they were designed/planned for and do not serve the current use well, such as residences converted into businesses without improvements; vacant or apparently underperforming commercial/industrial/quasi-public uses in outdated facilities	<p>Obsolete commercial and industrial buildings are at a competitive disadvantage to those with modern facades, facilities, and parking areas. These include older commercial buildings with antiquated designs that have not been upgraded or modernized, which leads to a piecemeal development pattern and a hodgepodge aesthetic, the alleviation of which is vital for overall economic health because the viability of the area is compromised. Such uses also reduce the "curb appeal" of properties and can significantly reduce appraisal estimates as value is deducted for physical deterioration, and functional or economic obsolescence.</p> <p>Commercial buildings often lose value over the decades as they become obsolete.²⁶ If shoppers do not feel safe, if the building is not inviting, if pedestrian amenities are not available, or if parking is not convenient, they will go elsewhere, which reduces sales and further reduces the amount of money property owners have to spend on improvements.</p> <p>The County of Los Angeles recognizes the need for redevelopment activities in obsolete areas in its 2010-2014 Strategic Plan, where two of the County's main Economic Development goals are:</p> <ul style="list-style-type: none"> • Develop, adopt and implement an incentive program to retain commercial and industrial activities and revitalize obsolete industrial land • Create and promote public/private collaboration programs to facilitate infill development and redevelopment of Brownfield sites, underutilized industrial and commercial properties and functionally obsolete buildings
Unsafe Gas Meters (GAS)	Unprotected gas meter or line within 36" of driveway, alley, parking area, or garage door; within 36" of an operating window or air intake vent; or directly under down-spout	The cost to install protective bollards is between \$250 and \$1,300 for each bollard, ²⁷ while the cost to move a gas meter can be into the several thousands of dollars, depending on the site and how far it is to be moved. This significantly reduces the viable use and capacity of the lot.

²⁶ How to Find Cheap Commercial Real Estate Properties, Dees Stribling, ehow.com

²⁷ parkinglotplanet.com

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Garage Conversion (GC)	A garage converted into living space and verified by City staff as unpermitted	A property owner with an illegal garage can be required to convert it back or bring it up to code at a significant cost. Therefore, the value of unpermitted garage conversions can cause issues for re-sale. In addition, most appraisers will reduce the price of the property based on any unpermitted construction. If problems occur as a result of unpermitted construction, the current property owner could be held financially liable and insurance claims may be denied. Another concern is the fact that garage conversions reduce the availability of parking, which often results in vehicles being parked on front lawns or on the street. This further hinders the viable use of the property.
Inadequate Loading/ Docking (ILD)	Loading/unloading of trucks in a way that blocks a majority of the site, or a public right-of-way; property with insufficient turn-around area for trucks	Inadequate space and functional limitations are indicative of substandard and/or obsolete design. The lack of available space for shipping and receiving limits the types of uses that can viably exist on a parcel. This substantially hinders the viable use or capacity of commercial and industrial uses as major rehabilitation, and possibly site assembly, is needed to alleviate. This condition almost always affects nearby streets and traffic circulation safety when loading dock activities occur in the public right-of-way.
Junk (J)	Junk, weeds debris, stagnant water, or other condition that creates a fire, health, or safety hazard	Excessive junk on a property creates eyesores, which repel customers in commercial areas, act as a deterrent for property buyers, create liability issues related to trip-and-fall accidents, block emergency ingress/egress, create fire hazards, and promote vermin infestation. These are conditions that affect property values and make properties less viable.
Poor Quality Building (PQ)	Cheap building materials or construction, such as a Quonset hut or Butler Building; generally a metal or cinder block building	Poor quality buildings affect the viability of the building and site because it is a low-cost alternative with limited upgrade/expansion possibilities. Steel buildings are much less expensive to build than other materials, which can sometimes bring down the value of the building when it is appraised. ²⁸ Metal and cinder block buildings are also more difficult to heat and cool, which raises costs and makes them less desirable.

²⁸ How to Determine Buying Property in a Steel Building Is a Good Buy, ehow.com

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Deteriorated/ Missing Private Infrastructure (PRI)	Damaged or missing driveways or parking lots	Damaged or missing driveways and parking lots are eyesores, which can affect property values and repel customers in commercial areas, act as a deterrent for property buyers, and can create liability issues related to trip-and-fall accidents. Paving a gravel driveway or repairing an existing damaged driveway greatly enhances curb appeal as well as increases real estate value. ²⁹ Resurfacing a parking lot can cost about \$1 per square foot, ³⁰ and a new driveway can cost up to \$15 per square foot. ³¹ These are substantial costs that hinder economic viability.
Poor Site Layout (PSL)	Inefficient and potentially dangerous use of the site, including poor access (especially for emergency vehicles), poor parking and circulation, excessive FAR, or other similar condition	Similar to Inadequate Loading/Docking, Poor Site Layout is indicative of substandard and/or obsolete design where the viability of uses is compromised because of the property's functional limitations. The lack of available space for adequate open space and circulation limits the types of uses that can viably exist on a parcel. This substantially hinders the viable use or capacity of residential, commercial, and industrial uses as major rehabilitation, and possibly site assembly, is needed to alleviate.
Roof with Unsafe or Unhealthy Deterioration (R)	A deteriorated or damaged roof; or roof supports that sag, are split, or buckle; tarp on roof; would likely need replacement vs. repair	It is estimated that a new roof can cost up to \$8.50 per square foot. This cost increases to over \$50 per square foot if the old roof needs to be removed. ³² Costs increase dramatically if there is subsequent damage to walls, floor, or other structural members. These financial impacts greatly lower the property's value and, as a result, substantially hinder the viable use of buildings.

²⁹ 101 Ways to Increase the Real Estate Market Value of Your Home, handyamerican.com

³⁰ fixasphalt.com

³¹ mgihomeinspection.com, costs are ballpark estimates only and can vary up to 300%.

³² mgihomeinspection.com

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Substandard Construction Materials (SCM)	Inappropriate building materials providing unsafe support or unhealthy weather protection, such as plywood or corrugated plastic or metal panels, rolled roofing on steep slopes, or other cheap or gerrymandered solution	Unsafe and unhealthy building materials impact the value and usability of properties as no renovations of the property can occur until the property is brought into compliance with existing codes. Fixing exterior siding with proper materials can cost up to \$5,000, and new stucco can cost up to \$14 per square foot. Replacing a rolled roof can cost up to \$8.50 per square foot. ³³
Unsafe Building Exit (UBX)	Building with blocked exits that prevent ingress or egress in an emergency	Appraisers will reduce the price of the property based on such hazards. If problems occur as a result of blocked exits, the current property owner could be held financially liable and insurance claims may be denied. Blocked exits impact the value and usability of properties as no renovations of the property can occur until the property is brought into compliance with existing codes.
Unreinforced Masonry Buildings (URM)	Masonry building, regardless of condition, that has been verified by City staff as unreinforced	Seismic retrofit work may add between \$10 and \$100 per square foot to the cost of rehabilitation work depending on the level of intervention, the condition of the building, and whether work will be undertaken while the building is occupied. Costs can exceed several hundred dollars a square foot for combined restoration and seismic upgrade costs in major public buildings. ³⁴
Unsafe Stairs, Walkways, or Balconies (UST)	Stairs that lean or have damaged/missing steps; stairs with 4 or more steps without handrails; Stair or deck balusters spaced over 4" apart; a damaged/missing balcony or deck guard; damaged/missing balustrades or those wider than 4"; or unsafe walkway from public area to main entrance	Stair repair can cost up to \$50 per linear foot and new installation can be up to \$100 per linear foot. ³⁵ These financial impacts greatly lower the property's value and, as a result, substantially hinder the viable use of buildings.

³³ Ibid

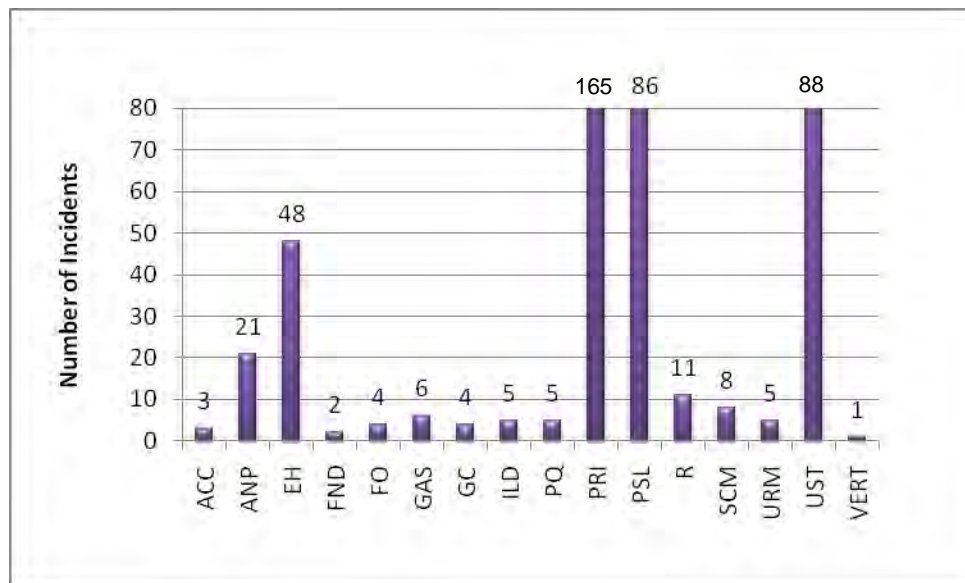
³⁴ Assessing the Cost of Seismic Retrofit, National Park Service, nps.gov

³⁵ mgihomeinspection.com, costs are ballpark estimates only and can vary up to 300%

BLIGHT INDICATOR(CODE)	A PARCEL WAS IDENTIFIED AS HAVING THIS BLIGHT INDICATOR IF ANY OF THE FOLLOWING WERE OBSERVED	REASON(S) IT QUALIFIES UNDER CCRL SECTION 33031(A)(2)
Unsafe Vertical Support (VERT)	Walls or columns that are split or lean; may also be combined with foundation issues	The repair/replacement of unsafe vertical supports generally involves significant construction and related costs, which has a substantial impact on the current property owner and/or future owner. This, in turn, affects the viable use or capacity of buildings and increases liability.

Table 6 below shows the number of parcels where CCRL Section 33031(a)(2) Blight Indicators were found.

Table 6
Number of Parcels with CCRL Section 33031(a)(2) Blight Indicators



*Note: Certain Blight Indicators have been truncated to fit the table format.

7.1.2.1 Summary

Overall, 368 parcels exhibited at least one Blight Indicator that prevents or substantially hinders viable uses, as discussed above and defined in CCRL 33031(a)(2). The locations of each of these parcels are shown in Figure 5. The widespread existence of these conditions demonstrates the substantial prevalence of remaining blight within the Project Areas.

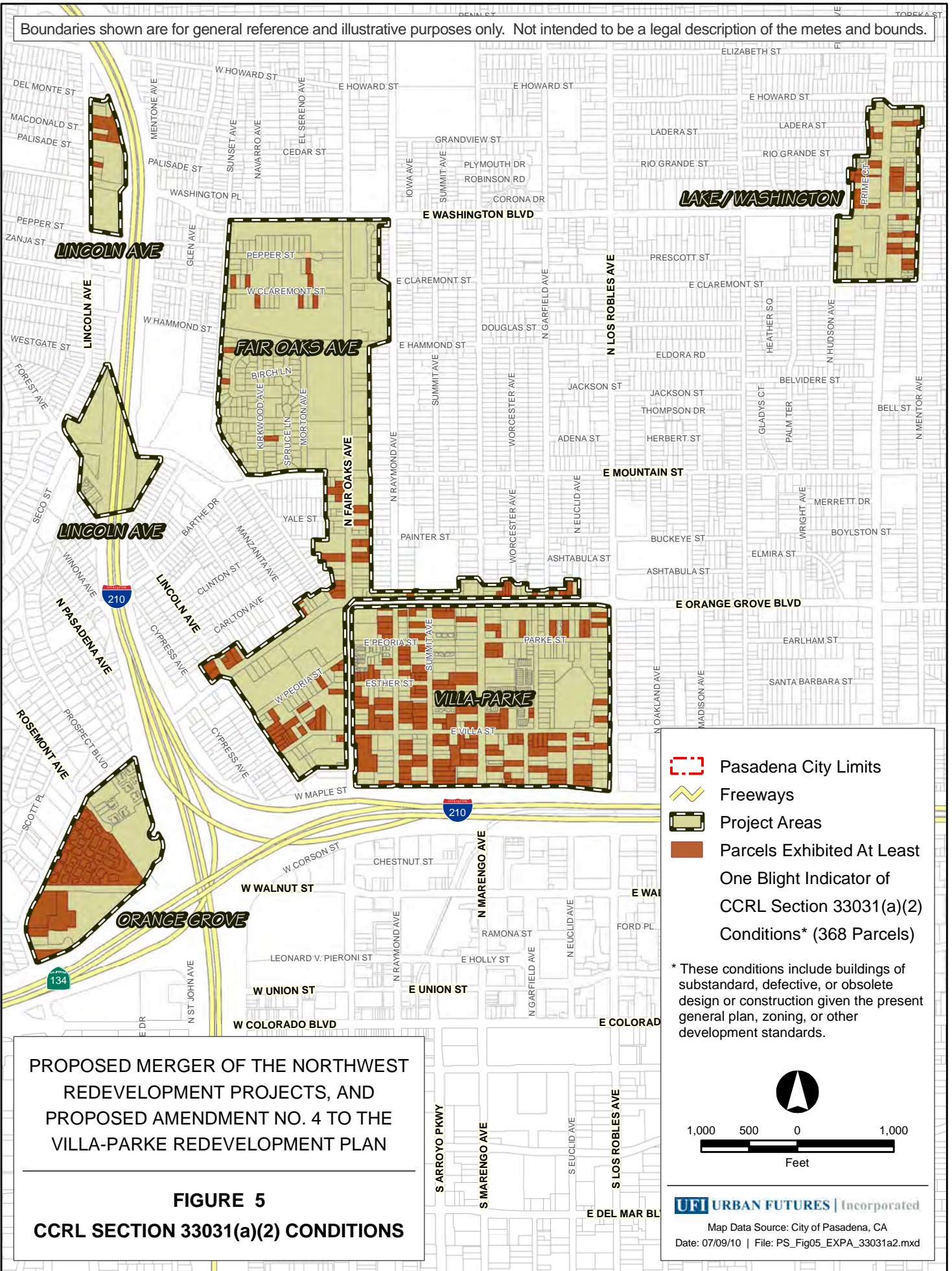
Photographs of sample properties affected by these conditions may be found in Appendix A.



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Boundaries shown are for general reference and illustrative purposes only. Not intended to be a legal description of the metes and bounds.



PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 5
CCRL SECTION 33031(a)(2) CONDITIONS

UFI URBAN FUTURES | Incorporated

Map Data Source: City of Pasadena, CA
Date: 07/09/10 | File: PS_Fig05_EXPA_33031a2.mxd



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7.1.3 CCRL Section 33031(a)(4) - The Existence of Irregular, Subdivided Lots in Multiple Ownership Whose Physical Development has been Impaired Given Present Conditions

CCRL Section 33031(a)(4) provides that a physical condition which causes blight consists of subdivided lots which are in multiple ownership and whose physical development has been impaired by their irregular shape and size, given present general plan and zoning standards, and present market conditions.

Irregular parcels exist in a number of ways:

- Too narrow and too deep (those that exceed a ratio of 1:4)³⁶
- Unusual shapes that limit or prevent development
- Those that do not meet City standards for minimum width, depth, and/or area

Overall, 4 parcels in the Project Areas are of irregular shape and size and have limited development potential, all of which are subdivided in multiple ownerships. Three parcels on Maple Street in the Villa-Parke Project Area are excessively long and narrow, and one parcel at the intersection of Fair Oaks Avenue and Mountain Street in the Fair Oaks Avenue Project Area is under the minimum area requirements.

The limitations of the land as it is subdivided severely restrict what can be built on these parcels. A traditional method of determining the "carrying capacity" of a parcel of land is to determine maximum building "envelope" available on that parcel after parking, landscaping, setbacks, and other limiting factors have been considered. Parking and circulation tend to be the major considerations as to the size of the building envelope. Parking layouts demand specific minimum dimensions to accommodate turning radii, standard parking spaces, and efficient traffic flow. Where parcels are of regular shape, the land designer is able to efficiently accommodate these demands. Where parcels are of irregular shape, such as those described above with unusual angles and excessively deep land, the designer must waste that irregular portion of the lot which cannot accommodate these demands. That wasted portion represents lost building envelope and, consequently, lost economic value.

7.1.3.1 Summary

The location of the parcels with the Blight Indicator for CCRL Section 33031(a)(4) are shown in Figure 6. These parcels contribute to the significant blight that remains in the Project Areas.

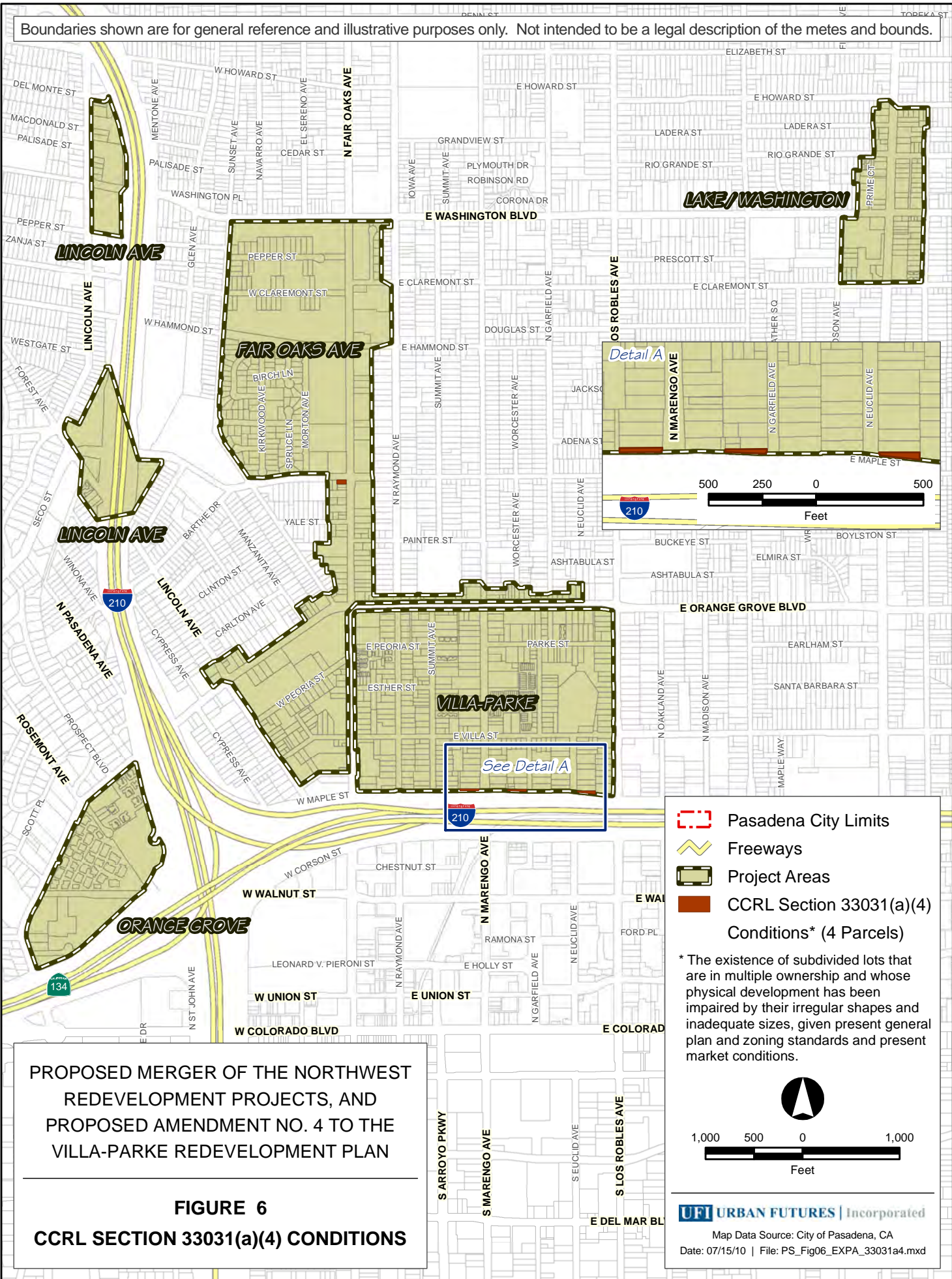
³⁶ A common planning standard based on UFI's research.



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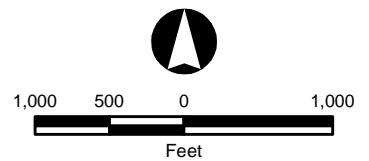


PROPOSED MERGER OF THE NORTHWEST
REDEVELOPMENT PROJECTS, AND
PROPOSED AMENDMENT NO. 4 TO THE
VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 6
CCRL SECTION 33031(a)(4) CONDITIONS

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  CCRL Section 33031(a)(4) Conditions* (4 Parcels)

* The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.





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7.1.4 Statement Providing Compelling Evidence of Significant Remaining Physical Blight

A review of the information provided above shows that there are a substantial number of parcels that were found to have conditions of blight that cause unsafe or unhealthy buildings, cause the viable use or capacity of buildings or lots to be prevented or substantially hindered, and/or impair the physical development of land due to subdivided lots that are in multiple ownership by their irregular shape or size.

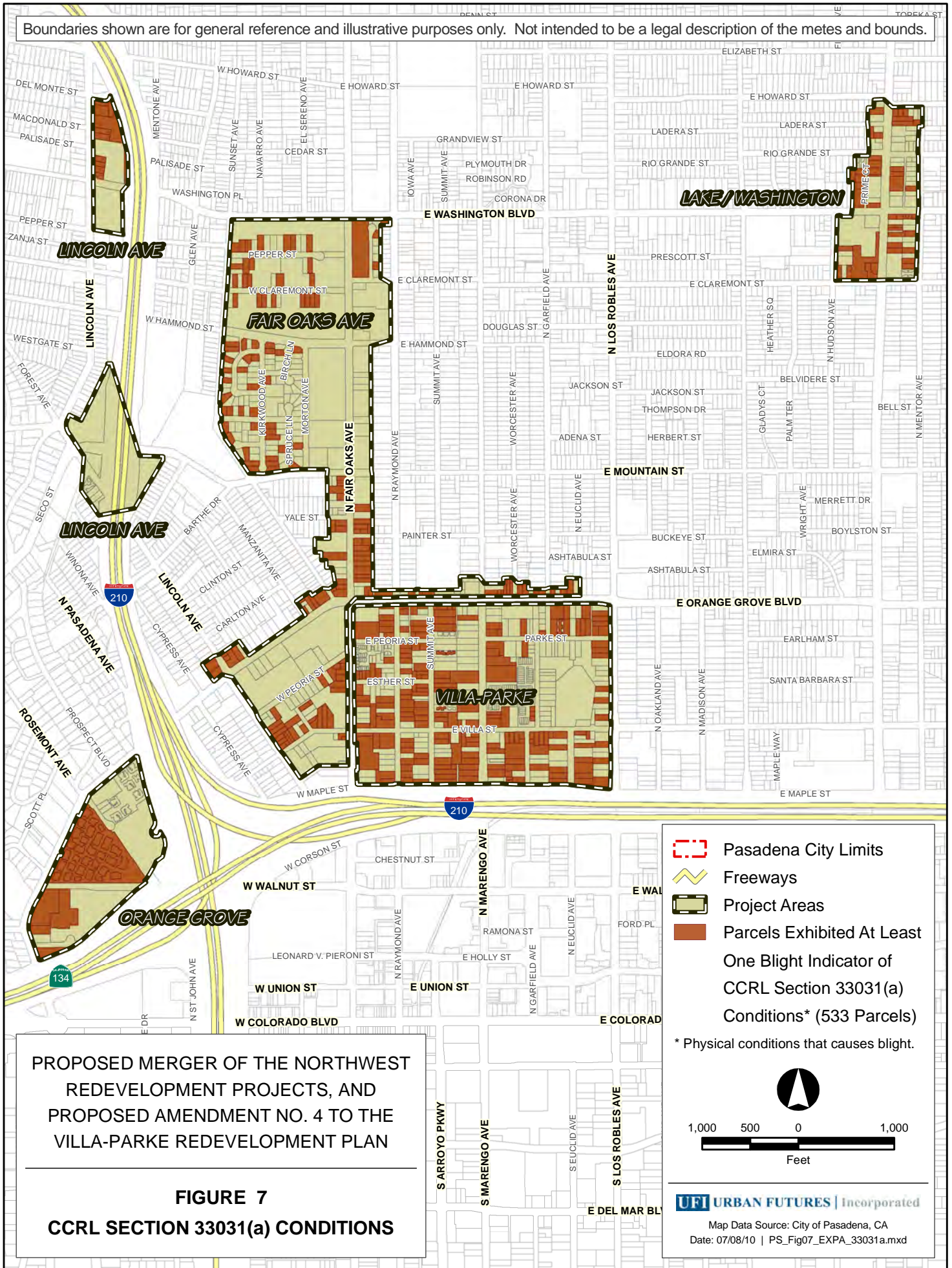
Overall, 533 parcels in the Project Areas have at least one condition of serious physical blight. Of those, 197 (37%) are located in the Villa-Parke Project Area. Figure 7 shows the location of all serious physical Blight Indicators throughout the Project Areas.



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PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 7
CCRL SECTION 33031(a) CONDITIONS

UFI URBAN FUTURES | Incorporated

Map Data Source: City of Pasadena, CA
Date: 07/08/10 | PS_Fig07_EXPA_33031a.mxd



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7.2 ECONOMIC CONDITIONS

The purpose of this section is to describe the existing economic conditions as defined by CCRL Section 33031(b) within the Project Areas. This section satisfies the pertinent parts of CCRL Sections 33344.5(b), 33354.6(b), and 33451.5(c)(2). Information contained in this chapter will be used to document the extent and significance of remaining economic blighting conditions and their pervasive negative effect on the community.

7.2.1 CCRL Section 33031(b)(1) - Depreciated or Stagnant Property Values

7.2.1.1 Values, Reinvestment, and Sale Tax

With the current worldwide economic decline, it would be simple to prove that property values in the Project Area are depreciating. After all, most areas of California have recently experienced double-digit percentage declines in property values. The PCDC could point to this fact, use data from only the years of decline, and be done with its economic blight analysis because such conditions affect all properties in the Project Areas and, according to CCRL Section 33031(b)(1), they constitute blight.

However, to be fair and further demonstrate reduced property values within the Project Area, it is reasonable to compare the Project Areas with the remainder of the City, use data from several years instead of just the past two, and use values for properties that sold during that time to show the true market value.

As shown in Table 7 of the properties that sold in the Project Areas between 2006-2010, 38% increased over inflation. This compares to 41% for the rest of the City. The bulk of properties in the Project Areas (62%) grew at inflation, were stagnant, or declined.

Table 7
Property Value Analysis

PROPERTY VALUE ANALYSIS 2006-2010		
PASADENA	Citywide*	Project Areas
Depreciated	4.68%	4.93%
Stagnated	0.03%	0.00%
Increased below Inflation	2.11%	1.10%
Increased at Inflation	52.16%	55.62%
Increased above Inflation	41.02%	38.36%
TOTAL	100.00%	100.00%
*Citywide DOES NOT include Existing Project Parcels **2006 Data from Parcel Quest; 2010 Data from Metroscan		

Table 8 shows a similar comparison for specific land uses. Commercial property that sold between 2006-2010 increased over inflation on 29% of the properties in the Project Areas compared to 44% for the rest of the City. Residential property that increased over inflation was a virtual tie, with 36% for the Project Areas and 37% for the rest of the City. Industrial property showed the biggest gap, with 27% for the Project Areas and 47% for the rest of the City.

Table 8
Property Value Analysis by Land Use

PROPERTY VALUE ANALYSIS BY LAND USE 2006-2010		
COMMERCIAL PROPERTY	Citywide*	Project Areas
Depreciated	0.87%	5.71%
Stagnated	0.00%	0.00%
Increased below Inflation	0.87%	0.00%
Increased at Inflation	52.69%	62.86%
Increased above Inflation	45.58%	31.43%
TOTAL	100.00%	100.00%
RESIDENTIAL PROPERTY	Citywide*	Project Areas
Depreciated	4.85%	4.84%
Stagnated	0.02%	0.00%
Increased below Inflation	2.17%	1.29%
Increased at Inflation	52.34%	53.87%
Increased above Inflation	40.62%	40.00%
TOTAL	100.00%	100.00%
INDUSTRIAL PROPERTY	Citywide*	Project Areas
Depreciated	3.90%	9.09%
Stagnated	0.00%	0.00%
Increased below Inflation	0.00%	0.00%
Increased at Inflation	46.75%	63.64%
Increased above Inflation	49.35%	27.27%
TOTAL	100.00%	100.00%
*Citywide DOES NOT include Existing Project Parcels		
**2006 Data from Parcel Quest; 2010 Data from Metroscan		

7.2.1.2 External Obsolescence

"Externalities," is a real estate appraisal term which provides that "economies outside a property have a positive effect on its value while diseconomies outside a property have a negative effect on its value."³⁷ This negative effect is often termed "external obsolescence."³⁸ The CCRL is cognizant of the concept of externalities where, in CCRL Section 33030, it describes "blighted areas" rather than "blighted parcels." It is reasonable to conclude that the intent of this language was to recognize that parcels within an "area" are affected by neighboring parcels within the same "area"; otherwise, the CCRL would have described "blighted parcels" with the clear implication that individual parcels are not necessarily affected by neighboring parcels. According to the Appraisal Institute, "externalities may refer to the use of properties located near the subject property. . ." and "may be as broad as international currency and gold prices or as narrow as a neighbor's standard of property maintenance."³⁹

The effects of external obsolescence and how it depreciates the value of a parcel is described by that parcel's "utility" which is the ability of a property, or improvements to the property, to satisfy a human want, need or desire. The influence of utility on value depends on the characteristics of the property. Size utility, design utility, location utility, and other specific forms of utility can significantly influence property values. The nexus between external obsolescence and diminished, or depreciated, utility is found in "location utility" inasmuch as it is adjacent obsolete properties which "negatively influence" the property in question. Consequently, it follows that external obsolescence is a factor which helps depreciate property values.

In fact, the depreciating effects of external obsolescence are one of the reasons for redeveloping an area pursuant to the CCRL. External obsolescence may cause a depreciation of property values and is therefore evidence of the condition of blight as defined in CCRL Section 33031(b)(1). Secondly, and more to the point, it may be impossible for the owner of property which is experiencing external obsolescence from other properties in the area (but which she or he does not own) to do anything about it. Since individual property owners cannot compel other private property owners to upgrade their premises, it falls upon municipal

37 The principle of externalities provides that diseconomies outside a property have a negative effect on its value. According to the Appraisal Institute of Chicago, "[b]ecause [real property] is physically immobile, [it] is affected by externalities more than any other economic good, service, or commodity" and "is subject to many types of external influences." In regards to the conditions which contribute to economic blight, "[d]iseconomies result when the costs of blighted areas are imposed on adjacent or nearby parcels" (The Appraisal of Real Estate, Appraisal Institute, Chicago, Illinois, Tenth Edition, p. 42).

38 "External obsolescence, the diminished utility of a structure due to negative influences emanating from outside the building, is usually incurable on the part of the owner, landlord, or tenant." "External influences can cause any property to lose value." (The Appraisal of Real Estate, Appraisal Institute, Chicago, Illinois, Tenth Edition, p. 358).

39 The Appraisal of Real Estate, Appraisal Institute, Chicago, Illinois, Tenth Edition, p. 42.

governments to do so. This is not easily accomplished for at least two reasons:

1. Municipal governments generally do not have the legal power to compel property improvement other than code violations, nor do they have any other authority to induce property improvement
2. Local governments, ever since Proposition 13, have found that the majority of their discretionary income must be committed to public safety activities, leaving few funds for activities such as neighborhood improvement in any meaningful fashion.

Consequently, external obsolescence is precisely the type of blighting characteristic for which it is difficult in the extreme for individuals acting alone or government acting alone to rectify. Redevelopment, and the reinstated authority of eminent domain in a limited capacity, brings to the table precisely the two conditions described above which municipal government lacks.

A parcel that has serious physical blight conditions on it will, per the concept of external obsolescence discussed above, negatively affect the economic value of neighboring parcels. For example, a property in good condition adjacent to a blighted property will suffer some form of external obsolescence from that blighted parcel; alternatively a property in good condition a mile away from a blighted property would not.

To help determine where the "range" of external obsolescence ends, State law and standard city planning practice acknowledge that applicants who wish planning commission approvals for discretionary acts notify owners of property within 300 feet of the requesting parcel prior to any planning commission action on the applicant's request.⁴⁰ This requirement presumes that any property within 300 feet of a property will be affected by the physical attributes of that property and/or the actions necessary to modify the subject property. Therefore, since State law provides for a 300 foot radius, this Report assumes the effect of external obsolescence in the City is 300 feet.

7.2.1.3 Summary

Figure 8 identifies each parcel that suffers the most from conditions of serious physical blight and then shows a 300 foot circle around each such parcel to represent the negative effects of external obsolescence on neighboring properties. This map demonstrates how the deleterious effects of external obsolescence may occur. The evidence shows that a

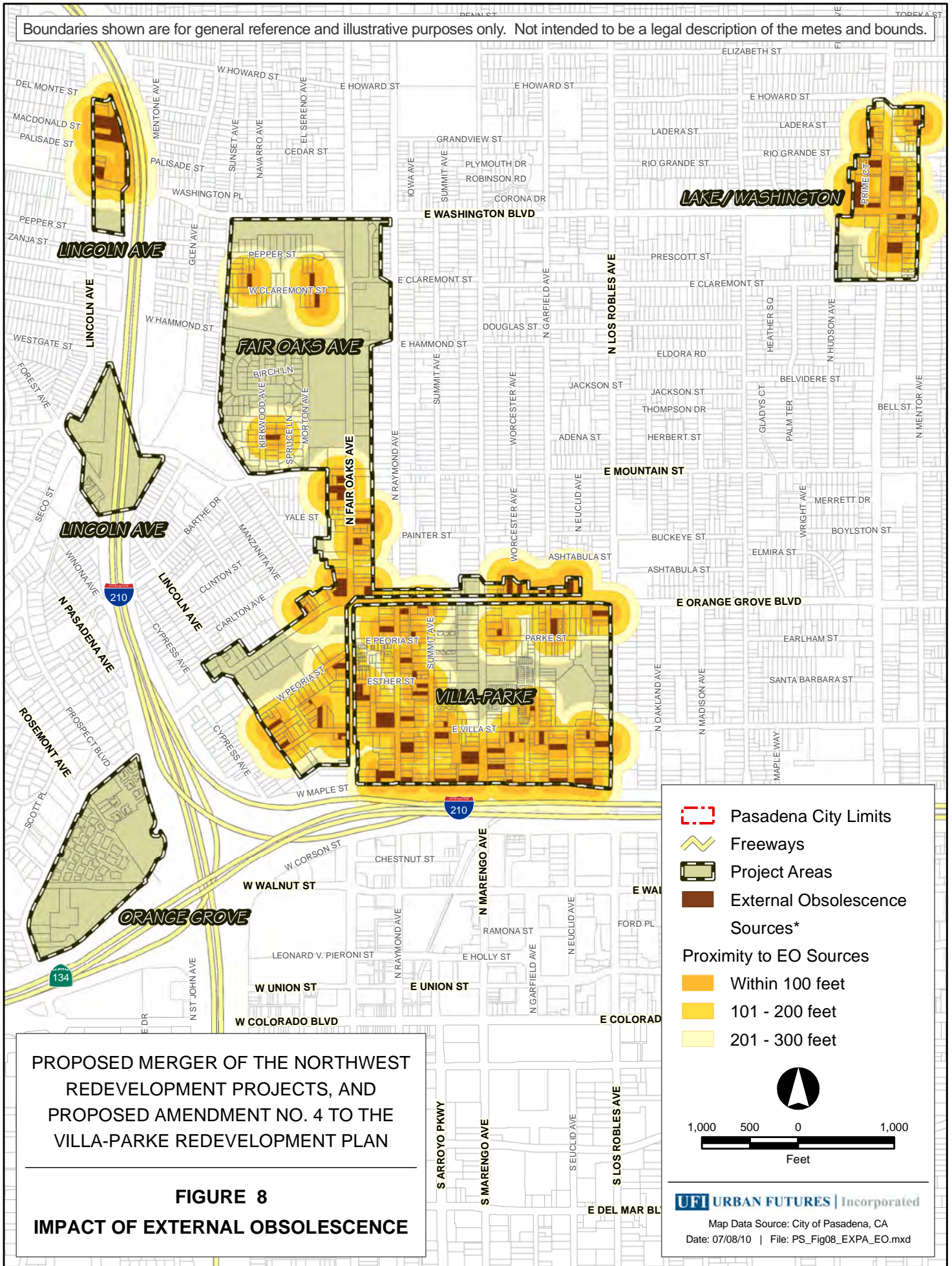
40 Government Code Section 65905 requires that a public hearing be held when a planning commission considers an application for a variance or conditional use permit, a proposed revocation or modification of a variance or use permit, or an appeal from the action taken on any of those applications. This Section also requires that notice of said public hearing be provided pursuant to Government Code Section 65091, which states that "the notice of the hearing shall be mailed or delivered at least 10 days prior to the hearing to all owners of real property as shown on the latest equalized assessment roll within 300 feet of the real property that is the subject of the hearing."

substantial amount of the Project Areas (661 parcels or 54% of the Project Areas) are subject to the adverse effects of external obsolescence and that this blight is significant.

In addition, the current economic climate, which has regularly been identified as the worst since the Great Depression,⁴¹ has affected all 1,214 parcels in the Project Areas. Added to that is the fact that, since 2006, the value of property sales in the Project Areas is less than those for the rest of the City. These conditions are mapped in Figure 9. The widespread existence of these conditions demonstrates the substantial prevalence of remaining blight within the Project Areas.

⁴¹<http://www.bloomberg.com/apps/news?pid=20601087&sid=aNivTjr852TI>,
<http://online.wsj.com/article/SB122169431617549947.html>, and several others.

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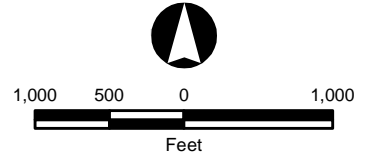


PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 9
CCRL SECTION 33031(b)(1) CONDITIONS

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  CCRL Section 33031(b)(1) Conditions*

* Depreciated or stagnant property values.



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Map Data Source: City of Pasadena, CA
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7.2.2 CCRL Section 33031(b)(3) – Abnormally High Business Vacancies and Low Lease Rates

Vacant businesses illustrate the complex nature of blight. Poor physical conditions lead to decreased values and sales, which, in turn, lead to poor economic conditions. Vacancies not only give the area a run-down look and reduce local job opportunities, but they do not generate sales tax revenue, frequently lower surrounding property values, increase crime and the risk of fire, and pose hazards to children. Therefore, a vacancy affects more than just the one parcel on which the vacancy exists; its negative influences are widespread.

Empty buildings exhibiting characteristics of neglect and abandonment such as broken windows, abandoned garbage, or other such indications of neglect, are typically regarded as attractive nuisances and neighborhood burdens. Additionally, the concept of the “broken window” theory⁴² - where degraded physical surroundings can lead to increased crime, which was recently demonstrated by an academic study⁴³ - points strongly to a very high degree of correlation between apparent building abandonment and crime.

Overall, there were 26 parcels that were observed with at least one vacant business for a total of 42 vacant units. Table 9 shows the vacant units by land use category.

Existing Land Use	Total Units	Vacant Units	Vacancy Rate (%)
Commercial Retail	197	22	11
Commercial Office	148	13	9
Mixed Use	28	4	14
Industrial	7	3	43
TOTAL	380	42	11

With an overall vacancy rate of 11%, vacancies in the Project Areas are higher than the generally acceptable vacancy rate of 5-10%.⁴⁴ In addition, with retail uses at 11% vacant, mixed uses at 14% vacant, and industrial uses at 43% vacant, vacancies are abnormally high. Such a high vacancy also demonstrates the negative effects that remaining blight has on the viability of the Project Areas.

Continued implementation of the redevelopment program can address vacancies through business attraction, businesses expansion, and by facilitating parcel assembly, which could create properties that are more viable in today's market.

⁴² "Broken Windows" James Q. Wilson and George L. Kelling, The Atlantic Monthly, March 1982

⁴³ "The Spreading of Disorder," University of Groningen, Netherlands, *Science*, November 2008

⁴⁴ Daren Blomquist, Marketing Communications Manager, RealtyTrac, as reported by Northwestern University's Medill School: <http://news.medill.northwestern.edu/chicago/news.aspx?id=89115>

7.2.2.1 Low Lease Rates

According to data from the City's Planning and Development Department, lease rates for available commercial uses in the Project Areas are 6% lower when compared to other commercial uses in the northwest portion of the City and substantially lower (18%) when compared to the remainder of the City. Table 10 shows the lease rates for the Project Areas, the northwest portion of the City, and the remainder of the City.

Table 10- Lease Rate Comparison

Area	Lease Rate (per square foot)	% Higher than Project Areas
Project Areas	\$1.74	-
Northwest Portion of City	\$1.85	6%
Remainder of City	\$2.06	18%

7.2.2.2 Summary

Overall, 35 parcels exhibited at least one business vacancy, as discussed above and defined in CCRL 33031(b)(3). The locations of each of these parcels are shown in Figure 10. In addition, lease rates are abnormally lower than the rest of the City, which affects all commercial uses in the Project Areas. The widespread existence of these conditions is illustrative of the substantial prevalence of remaining blight within the Project Areas, and demonstrates the hindrance of viable uses.

Photographs of sample properties affected by these conditions may be found in Appendix A.

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PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 10
BUSINESS VACANCIES
 [CCRL SECTION 33031(b)(3)]

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Map Data Source: City of Pasadena, CA
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7.2.3 CCRL Section 33031(b)(6) – An Excess of Bars, Liquor Stores, or Adult-Oriented Businesses that has Resulted in Significant Public Health, Safety, or Welfare Problems

The Pasadena Police Department provided several examples of adult uses, including day laborer areas that create significant public health, safety, or welfare problems in the Project Areas. Two liquor stores on Orange Grove Boulevard between Raymond Avenue and Los Robles Avenue are currently under suspension from the California Alcoholic Beverage Control. In October 2009, the Police Department made 14 alcohol-related arrests, including drinking and urinating in public. All of the arrests were traced back to a third liquor store in the same area. In November 2009, eight more alcohol-related arrests were made in connection with this liquor store, which is now under further investigation.

Other public health, safety, or welfare problems occur as a result of the day labor area around Raymond Avenue and Villa Street. The Police Department has investigated this area "to improve the quality of life" because it has been "plagued" by problems. In April 2009, eight arrests were made including urinating in public and drinking in public. In October 2009, 22 arrests were made in this area. The types of crimes included drinking in public, marijuana possession, and urinating in public.

7.2.3.1 Summary

With 52 drug and alcohol arrests made in a two-month period alone in a portion of the Project Areas, there is substantial evidence that conditions described under CCRL Section 33031(b)(6) are significant in the Project Areas, especially in the Villa-Parke Project Area where all 519 parcels are affected.

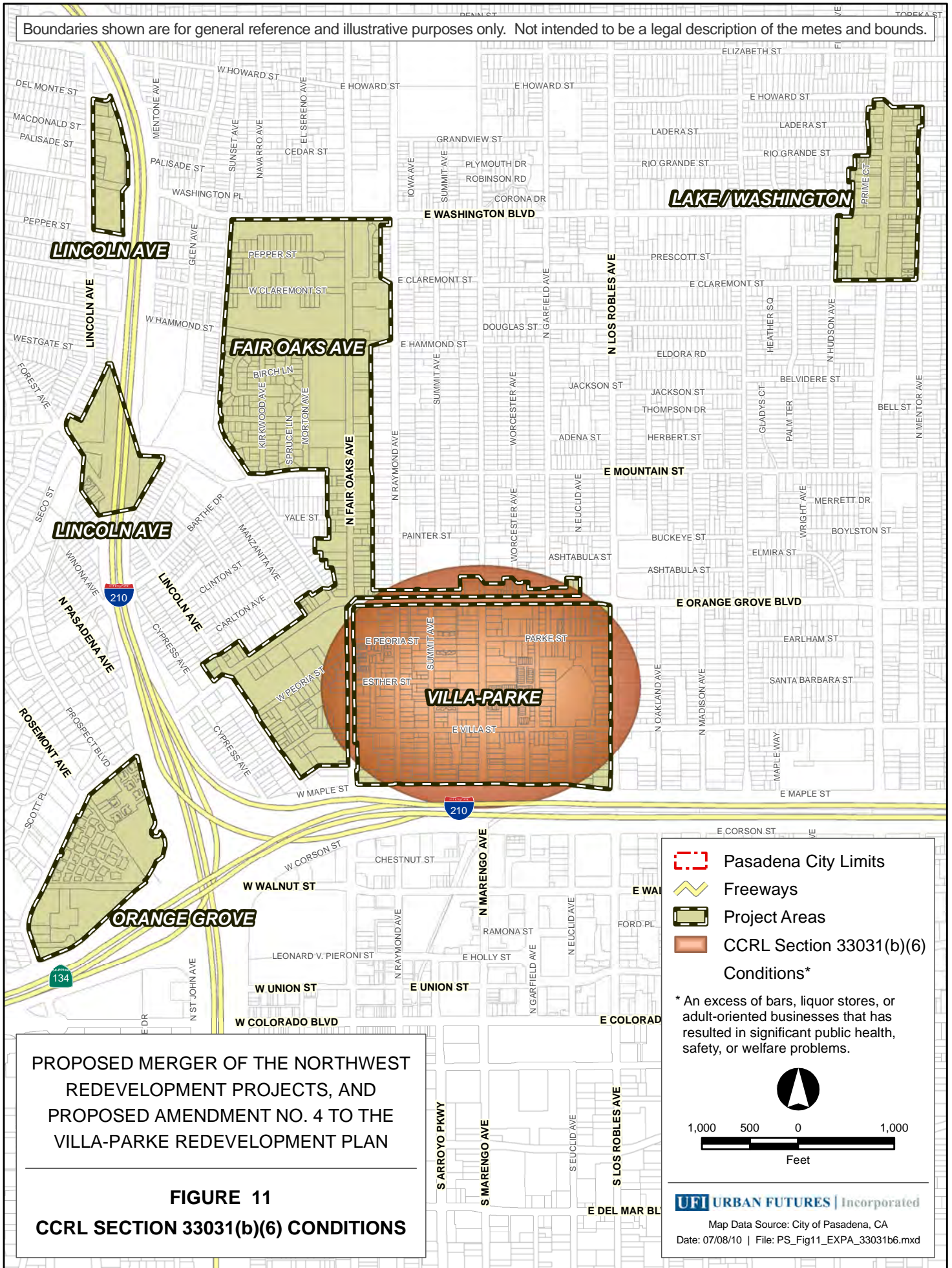
The location of the problem areas identified by the Police Department is shown in Figure 11. The existence of these conditions demonstrates the substantial prevalence of remaining blight within the Project Areas.



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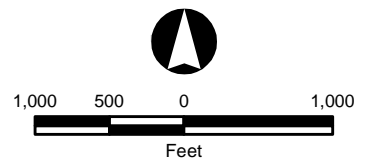


PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 11
CCRL SECTION 33031(b)(6) CONDITIONS

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  CCRL Section 33031(b)(6) Conditions*

* An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.





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7.2.4 CCRL Section 33031(b)(7) - High Crime

Crime data from the City's Police Department shows that for the past five years, there are a disproportionate number of serious crimes in the Project Areas when compared to the rest of the City. For example, although the Project Areas represent just over 2% of the City's area, they account for the following percentage of FBI Part 1 crimes, which are the most serious crimes:

Homicide	25%
Rape	17%
Robbery	23%
Assault	21%
Burglary	9%
Larceny	6%
Vehicle Theft	14%

Overall, the Project Areas account for 9% of the City's total Part 1 crimes.

Other serious crimes such as drug abuse, sex offenses, vandalism, stolen property, simple assault, weapons, and fraud are known as Part 2 crimes. Those account for 19% of the Citywide total. Again, this is despite the fact that the Project Areas total just over 2% of the City's acreage.

The data from the Police Department, which is on file with the PCDC's office and hereby incorporated by this reference, shows that, on average, 5.4 serious crimes occur every day in the Project Areas.

In addition, the following crime-related Blight Indicators were observed during the Field Reconnaissance:

1. Bars on windows, which were observed on 345 in the Original Project Area and are direct indicators of a high crime area.
2. Graffiti, which was observed on 294 parcels in the Original Project Area. The existence of such conditions more than doubles the local crime rate, according to a study performed by the University of Groningen, in the Netherlands.⁴⁵ Graffiti also takes a significant amount of money to remove.
3. Security fences, which were observed on 324 parcels in the Original Project Area. This condition includes fences over 6' tall and those with spikes, barbed wire, or razor wire.

7.2.4.1 Summary

The Project Areas account for a significantly disproportionate number of Citywide crimes. It is clearly a high crime area. This not only leads to poor quality-of-life issues, but adds to the burden on the community due to the costs of law enforcement activities. All 1,214 parcels in the Project Areas are affected by this serious economic blight.

⁴⁵ "The Spreading of Disorder," University of Groningen, Netherlands, Science, November 2008.





The high crime areas are mapped in Figure 12. Photographs of sample properties affected by these conditions may be found in Appendix A.

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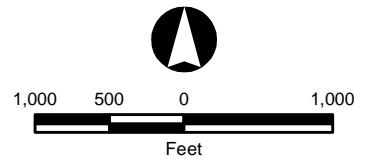


PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 12
CCRL SECTION 33031(b)(7) CONDITIONS

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  CCRL Section 33031(b)(7) Conditions*

* A high crime rate that constitutes a serious threat to the public safety and welfare.





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7.2.5 Statement Providing Compelling Evidence of Significant Remaining Economic Blight

A review of the information provided above shows that there are a substantial number of parcels that are affected by lower property values, external obsolescence, high vacancies, low lease rates, and high crime. While vacancies and certain adult businesses that create public health, safety, and welfare problems can be pinpointed to specific parcels in the Project Areas, depreciated or stagnant property values and high crime negatively impacts all parcels in the Project Area.

Overall, all 1,214 parcels in the Project Areas have at least one condition of serious economic blight. Of those, 519 (43%) are located in the Villa-Parke Project Area. Figure 13 shows the location of all serious economic blight throughout the Project Areas.



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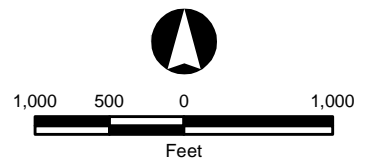
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PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

FIGURE 13
ECONOMIC BLIGHT CONDITIONS
 [CCRL SECTION 33031(b)]

-  Pasadena City Limits
-  Freeways
-  Project Areas
-  CCRL Section 33031(b) Conditions*





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8.0 INADEQUATE PUBLIC IMPROVEMENTS

CCRL Section 33030(c) provides that an area that contains physical and economic conditions of blight may also be characterized by the existence of inadequate public improvements. Because physical and economic conditions of blight remain throughout the Project Areas, as described above, inadequate public improvements may also be used to provide further evidence of detrimental conditions and justification for the proposed Merger Amendments and Tax Increment Cap Amendment.

Public improvement needs throughout the Project Areas include:

- Infrastructure
 - Construct or reconstruct streets
 - Construct or reconstruct curbs, gutters and sidewalks
 - Construct or reconstruct traffic and circulation improvements
 - Construct or reconstruct water, sewer, and drainage systems
 - Construct or reconstruct pedestrian amenities, including landscaping
 - Construct or reconstruct public parking areas
- Community Facilities
 - Provide for public building rehabilitation, to improve building conditions, correct code deficiencies, increase functionality and desirability, and enhance aesthetic qualities
 - Provide for historic preservation to preserve the cultural and architectural value of a public property and its surroundings
 - Provide for financial or other assistance for public uses as authorized by the CCRL and the Redevelopment Plan to individual projects on an as-needed basis, and depending on the availability of PCDC funds or other resources
 - Provide for the construction, reconstruction, or improvement of parks and other community facilities to enhance recreational opportunities in the Project Area

Overall, the costs to make the above improvements are approximately \$39,000,000. Of this amount, about \$12,500,000 is needed in the Villa-Parke Project Area.



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9.0 SUMMARY OF PHYSICAL AND ECONOMIC BLIGHT

A review of the information provided in this Chapter shows that there are a substantial number of parcels (533) in the Project Areas that suffer from at least one serious physical condition of blight (44% of the Project Areas), and all parcels in the Project Area (1,214) suffer from at least one serious economic condition of blight (100% of the Project Areas).

This data shows that conditions of significant remaining blight exist throughout much of the Project Areas. In fact, if the conditions of physical and economic blight were layered, it would reveal that 44% of the Project Areas suffer from both conditions. This is a substantial portion of the Project Areas.

However, the CCRL and case law are clear that the existence of blighted conditions is not enough to adopt or amend a redevelopment area. Such conditions must also be, according to CCRL Section 33030(b)(1), "so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated without the use of redevelopment." In other words, the area must have more than just physical and economic blight; the blight must also be so problematic that it creates special needs that can only be addressed by the use – or, in this case, the continued use – of redevelopment.

Therefore, only the portions of the community that suffer the most from the combination of existing detrimental physical and economic conditions may be used to justify the Merger Amendments and the Tax Increment Cap Amendment. This is a logical and righteous conclusion as the PCDC acknowledges it has alleviated many of the original conditions of blight in the Project Areas, but needs the financial flexibility of the Merger Amendments and the additional funding capacity of the Tax Increment Cap Amendment in order to complete its primary goal of eradicating blight throughout the Project Areas.

Thus, if the parcels with significant remaining blight are evaluated further to focus on those that have the most severe combination of unsafe or unhealthy conditions, conditions that prevent or substantially hinder viable uses, irregular parcels, depreciated values, business vacancies, low lease rates, adult businesses that result in significant health, safety, and welfare problems, high crime, and infrastructure needs – those with the greatest impact on the community – the result is 89 parcels spread throughout the Project Areas, with 41 of those (46%) located in the Villa-Parke Project Area.

The significant remaining blight on these 89 parcels cannot reasonably be expected to be alleviated without the continued use of redevelopment that the Merger Amendments and the Tax Increment Cap Amendment would provide.

A breakdown of the 89 parcels is included below in Table 11. This table shows the parcel number and address of each parcel along with a summary of the physical Blight Indicators that were found on each parcel and described in detail in Chapter 6.0, a summary of the economic blight conditions that were found on each parcel, and a list of comments from City officials (where applicable). A map of the 89 parcels is included in Chapter 9.0.

Table 11- Blighted Parcels with Blight Indicators

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5725-001-006	826 N FAIR OAKS	BAR, GC	Depreciated Property Value, High Crime	(5) Balcony in disrepair, stairway loose, garage conversion, unmaintained property, trash on roof, sewage leaking
5725-002-909	790 N FAIR OAKS AVE	BAR, BW, PRI	Depreciated property value, High crime, Security Fence, Vacancy	
5725-002-911	25 E ORANGE GROVE BLVD	BAR, BW	Depreciated property value, High crime, Graffiti, Security Fence, Vacancy	
5725-002-912	19 E ORANGE GROVE BLVD	BAR, BW	Depreciated property value, High crime, Graffiti, Security Fence, Vacancy	
5725-003-042	407 N RAYMOND AVE	IP	Depreciated Property Value, High Crime	
5725-004-010	645 N RAYMOND AVE	ANP	Depreciated Property Value, High Crime	
5725-006-001	546 N FAIR OAKS AVE	ACC, BAR, FO	Depreciated Property Value, High Crime, Vacancy	
5725-006-003	538 N FAIR OAKS	ACC, ANP, SCM, PSL	Depreciated property value, High crime, Graffiti	(1) Unpermitted construction
5725-006-019	501 N RAYMOND	BAR, PSL	Depreciated property value, High crime, Graffiti, Security Fence	(1) Unpermitted construction
5725-006-023	55 E VILLA ST	BAR, PSL	Depreciated property value, High crime, Graffiti, Security Fence	
5725-007-002	543 SUMMIT AVE	BAR, PSL	Depreciated Property Value, High Crime	

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5725-007-004	557 SUMMIT AVE	BAR, PSL	Depreciated Property Value, High Crime	
5725-007-022	504 N RAYMOND AVE	BAR, PSL	Depreciated Property Value, High Crime	
5725-008-004	99 ESTHER ST	BAR, GAS, PSL, UST	Depreciated property value, High crime, Security Fence	(13) Construction w/o permits, trash/debris throughout, selling canned food from garage
5725-008-018	594 N RAYMOND	GC, WPF	Depreciated Property Value, High Crime	(7) Trash, debris, lack of maintenance, roof w/o permit
5725-009-002	676 N RAYMOND AVE	EH, ANP, R	Depreciated Property Value, High Crime	(6) Dilapidated structure junk/debris, house in disrepair
5725-009-006	112-124 E ORANGE GROVE	ACC, EH, BAR	Depreciated Property Value, High Crime, Vacancy	Liquor store with significant health and safety problems, and trash build up around the building.
5725-009-013	97 E PEORIA ST	EH, BAR, UST	Depreciated Property Value, High Crime	
5725-015-030	151-153 E VILLA	ANP, PSL, UST	Depreciated Property Value, High Crime	(8) Boarded-up vacant house w/ people living in it, junk/debris, dilapidated structure made worse by a fire and safety hazards
5725-016-023	446 & 450 N RAYMOND	PRI, PSL, UST	Depreciated Property Value, High Crime	(1) Junk/debris, lack of maintenance
5725-016-024	460 N RAYMOND	FND, VERT	Depreciated property value, High crime, Security Fence	(3) Piles of trash, people living in trailer behind house - no sewer, lack of maintenance, house divided w/o permits (renting)
5725-016-035	396 N RAYMOND	GC	Depreciated Property Value, High Crime	(2) People living in abandoned house, wood on roof, debris
5725-017-012	515 N GARFIELD AVE	ANP, BAR	Depreciated Property Value, High Crime	
5725-019-002	245 PARKE ST	ANP	Depreciated Property Value, High Crime	

Pasadena Community Development Commission

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5725-020-008	707 WORCESTER AVE	EH, BAR, BW, PRI, PSL	Depreciated property value, High crime, Graffiti	
5725-020-009	259 E ORANGE GROVE BLVD	EH, PRI, PSL, UST	Depreciated Property Value, High Crime	
5725-022-009	309-317 E ORANGE GROVE & 711 N GARFIELD	BAR, BW	Depreciated Property Value, High Crime, Vacancy	(14) Construction w/ out permit
5725-022-014	275 E ORANGE GROVE	BAR, BW	Depreciated property value, High crime, Graffiti	(18) Unmaintained Bldg, Overgrown veget, Construc w/out permit, Prohibited signs, junk & debris
5725-023-020	474 SUMMIT AVE	EH, BAR, PSL, UST	Depreciated Property Value, High Crime	(6) Dilapidated prop, construc w/out permit
5725-023-032	439,441,445 N MARENGO	EH, SCM, NU, PSL, UST	Depreciated Property Value, High Crime	(3) Construction w/out permits
5725-023-037	396 SUMMIT (OR 397 TOWNSEND)	ANP, BAR, BW, PRI, UST	Depreciated Property Value, High Crime	(10) Dilapidated structure, trash & debris, roach & rodent infestation
5725-023-038	398, 400, 400 1/2 TOWNSEND (OR 397 N MARENGO)	ANP, BAR, PRI	Depreciated Property Value, High Crime	(18) Housing violations, construction w/out permit, dilapidated structure
5725-023-041	427 N MARENGO	ANP, PSL, UST	Depreciated property value, High crime, Graffiti	(3) No certificate of occupancy
5725-023-043	389 N MARENGO AVE	IP	Depreciated Property Value, High Crime	
5725-027-023	444 N MARENGO AVE	BW, GAS, UST	Depreciated Property Value, High Crime	
5725-027-028	461 N GARFIELD AVE	EH, BAR, PSL	Depreciated Property Value, High Crime	
5725-027-031	264 E VILLA ST	BW, GAS	Depreciated Property Value, High Crime	(8) People living in garage conversion; junk on property
5725-027-035	418 N MARENGO AVE	BAR, SCM, PSL, UST	Depreciated Property Value, High Crime	

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5725-027-041	396 PEARL PL	ANP, BAR, PSL	Depreciated property value, High crime, Graffiti, Security Fence	
5725-027-042	396 PEARL PL	ANP, BAR, IP, PSL	Depreciated property value, High crime, Graffiti, Security Fence	
5725-028-015	373 E. ORANGE GROVE BLVD	BAR, PSL	Depreciated Property Value, High Crime	(2) Property maintenance, Deteriorated roof
5725-028-018	333 E ORANGE GROVE BLVD	FO, PSL	Depreciated property value, High crime, Security Fence	
5725-029-008	669 N LOS ROBLES AVE	BAR, R	Depreciated Property Value, High Crime	
5725-029-020	335 PARK STREET	EH, ANP, PRI, UST	Depreciated Property Value, High Crime	(8) Prop maintenace-exterior, trash, junk & debris, construction w/out permit
5725-031-006	314 E. VILLA STREET	ANP, PSL, UST	Depreciated Property Value, High Crime	(6) Construction w/out permit, sewage, housing violations
5725-031-013	393 N. EUCLID	EH, ANP, UST	Depreciated property value, High crime, Graffiti	(5) Illegal Garage conversion
5725-031-018	449 N EUCLID AVE	GAS	Depreciated Property Value, High Crime	
5725-033-003	388 E. VILLA	BAR, R, UST	Depreciated Property Value, High Crime	(1) Deteriorated roof
5725-033-007	455 N LOS ROBLES AVE	GAS	Depreciated Property Value, High Crime	
5725-033-019	396 N. EUCLID	EH, BAR, PRI, PSL	Depreciated Property Value, High Crime	(9) Costruction w/out permit, Prop maint
5725-033-022	384 N EUCLID AVE	IP	Depreciated Property Value, High Crime	
5726-002-002	895-899 N. FAIR OAKS	BAR, URM	Depreciated Property Value, High Crime, Vacancy	(2) Zoning code violation

Pasadena Community Development Commission

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5726-002-006	875 N FAIR OAKS AVE	URM	Depreciated Property Value, High Crime	
5726-002-025	865 N FAIR OAKS AVE	BAR, BW, URM	Depreciated property value, High crime, Graffiti, Vacancy	
5726-002-902	901 N FAIR OAKS AVE	IP	Depreciated Property Value, High Crime	
5726-003-024	727 N FAIR OAKS AVE	EH, BAR, BW, PRI, PSL	Depreciated property value, High crime, Graffiti	
5726-003-025	717 N FAIR OAKS AVE	EH, BAR, BW, PRI, PSL	Depreciated property value, High crime, Graffiti	
5726-003-026	951 N ORANGE GROVE BLVD	EH, BAR, BW, PRI, PSL	Depreciated property value, High crime, Graffiti	
5726-014-003	893 N. ORANGE GROVE BLVD	FO, PSL	Depreciated Property Value, High Crime	(8) Junk, debris, construction w/out permit, residential home used as business
5726-015-029	480 LINCOLN AVE	ANP, BAR	Depreciated Property Value, High Crime	
5726-015-030	103 W VILLA ST	PSL, R	Depreciated property value, High crime, Security Fence	
5726-015-042	49 W VILLA ST	EH, PRI, PSL	Depreciated Property Value, High Crime	
5726-015-046	30 W PEORIA ST	ANP, BAR, PSL, UST	Depreciated Property Value, High Crime	
5726-015-047	587 N FAIR OAKS AVE	SCM, PSL, R	Depreciated Property Value, High Crime	
5726-015-054	97 HOLLAND ALY	PSL, R	Depreciated Property Value, High Crime	
5726-015-056	518-520 LINCOLN AVENUE	ANP, PSL	Depreciated Property Value, High Crime	(1) Illegal conversion

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5726-017-029	2-6 W. VILLA STREET & 473&475 N. FAIR OAKS	BAR, BW, ILD, PSL	Depreciated Property Value, High Crime	(3) Construction w/out permit
5727-015-010	1440 LINCOLN AVE	ANP, BAR, SCM	Depreciated property value, High crime, Security Fence	
5727-015-017	1380 LINCOLN AVE	BAR, BW	Depreciated property value, High crime, Graffiti	
5727-015-020	1392 LINCOLN AVE	BAR, BW	Depreciated property value, High crime, Graffiti	
5727-015-024	369 W WASHINGTON BLVD	IP	Depreciated property value, High crime, Security Fence	
5727-015-035	1464 LINCOLN AVE	ANP, BAR, SCM	Depreciated property value, High crime, Security Fence	
5728-022-033	163 W. CLAREMONT STREET	ANP, BAR	Depreciated property value, High crime, Security Fence	(2) Illegal garage conversion
5728-022-037	55 W CLAREMONT ST	EH, BAR, NU, UST	Depreciated property value, High crime, Security Fence	
5728-023-023	48 W. CLAREMONT STREET	ANP	Depreciated Property Value, High Crime	(6) Junk & debris; converted garage; illegal addition
5728-025-019	970 KIRKWOOD AVENUE	BAR, SCM, R	Depreciated Property Value, High Crime	(2) Construction w/out permit
5740-001-002	916 E WASHINGTON BLVD	EH, BAR, PQ	Depreciated property value, High crime, Graffiti	
5740-001-009	1280 N LAKE AVE	EH, BAR, BW	Depreciated property value, High crime, Graffiti, Vacancy	
5740-001-010	1272-127-1276 N. LAKE AVENUE	EH, BAR, BW	Depreciated property value, High crime, Graffiti	(5) Deteriorated roof

Pasadena Community Development Commission

APN	ADDRESS	SERIOUS PHYSICAL BLIGHT INDICATORS FOUND	SERIOUS ECONOMIC BLIGHT INDICATORS FOUND	COMMENTS/VERIFICATION FROM CITY OFFICIALS
5740-001-020	938 E WASHINGTON BLVD	BAR, BW	Depreciated property value, High crime, Graffiti	
5740-001-021	936-938-942 E. WASHINGTON BLVD	BAR, BW	Depreciated property value, High crime, Graffiti	(4) Roof const. w/out permit.
5740-001-024	920 E WASHINGTON BLVD	EH, BAR, FO	Depreciated property value, High crime, Graffiti	
5848-023-003	874 LADERA ST	BAR, GAS	Depreciated Property Value, High Crime	
5848-027-009	1415 N LAKE AVE	EH, BAR, PRI	Depreciated property value, High crime, Graffiti, Vacancy	
5848-028-005	STRIP MALL ON NW CORNER OF LAKE AND WASHINGTON	URM	Depreciated Property Value, High Crime	Adult Business, Transients Drinking and Urinating on Site, and Narcotics Violations
5848-028-007	841,843,845,849,851 E. WASHINGTON BLVD	BAR, BW, URM, WPF	Depreciated property value, High crime, Graffiti, Security Fence, Vacancy	(32) Unmaintained property, building structural damage; graffiti; debris; damaged walls; roaches and rodents infestation; water leakage; apartment renting bus. w/out permit; mildew in bathroom; trash and debris; broken windows; vacancies, Water Damaged, other code violations
5848-028-900	1383 PRIME CT	IP	Depreciated Property Value, High Crime	
5848-029-006	1374,1376,1380,1386, 1390,1392,1394,1396 N. LAKE	EH, BAR, BW	Depreciated property value, High crime, Adult Business, Graffiti,	(17) Unstable construction in rear
5848-032-008	1487 N MENTOR AVE	GC	Depreciated Property Value, High Crime	

9.1 STATEMENT OF SIGNIFICANT REMAINING BLIGHT FOR THE PROPOSED MERGER AMENDMENTS

For the merger of all Project Areas, the CCRL requires that significant blight must remain in at least one of the areas to be merged. As noted above, nearly half of the significant amount of blight that remains in the Project Areas exists in the Villa-Parke Project Area. This, alone, satisfies the requirement. Significant blight also remains in the Lake/Washington, Lincoln Avenue, and Fair Oaks Project Areas, which further satisfies this requirement.

9.2 STATEMENT OF SIGNIFICANT REMAINING BLIGHT FOR THE PROPOSED TAX INCREMENT CAP AMENDMENT

For the Tax Increment Cap Amendment to the Villa-Parke Project Area, the CCRL requires that significant blight must remain in the project area. If merged, the revised project area includes all Project Areas. A review of the maps provided in Chapter 6.0 and the discussion in the previous chapter shows that significant remaining blight exists throughout the Project Areas. That notwithstanding, the area with the largest number of parcels with significant remaining blight is the Villa-Parke Project Area. Therefore, this requirement is satisfied.



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10.0 MAP REQUIRED BY CCRL SECTION 33451.5(C)(1)

CCRL Section 33451.5(c)(1) requires a map showing the portions of the Project Areas where blight remains, the portions that are no longer blighted, and the portion that contains parcels that are necessary and essential for the elimination of the remaining blight. This map, included as Figure 14, also satisfies the pertinent part of CCRL Section 33354.6(b), which requires the PCDC to identify the remaining blight and the portion, if any, that is no longer blighted.

Only those parcels with the most severe combination of unsafe or unhealthy conditions, conditions that prevent or substantially hinder viable uses, irregular parcels, depreciated values, business vacancies, low lease rates, adult businesses that result in significant health, safety, and welfare problems, high crime, and infrastructure needs – as discussed in the previous chapter – have been identified as significant remaining blight. The rest of the Project Areas are identified as necessary and essential for the elimination of the remaining blight for the following reasons:

1. Serious physical conditions of blight were observed throughout the Project Areas
2. Serious economic conditions of blight affect all parcels in the Project Areas
3. Inadequate public improvements affect all parcels in the Project Areas
4. The PCDC has previously constructed and is currently implementing a blight elimination program that anticipates access to tax increments generated from all parcels in the Project Areas
5. The City Council found, when each of the five Project Areas was adopted, that blight in the Project Areas were prevalent and substantial, and such finding shall be final and conclusive according to CCRL Section 33368

There are no parcels identified as "no longer blighted" as all parcels in the Project Areas are affected by significant economic blight characteristics and inadequate infrastructure.



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Boundaries shown are for general reference and illustrative purposes only. Not intended to be a legal description of the metes and bounds.



PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

**FIGURE 14
 CCRL SECTION 33451.5(c)(1) MAP**



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11.0 DESCRIPTION OF THE PROJECTS OR PROGRAMS PROPOSED TO ELIMINATE REMAINING BLIGHT

The purpose of this section is to describe the projects or programs proposed by the PCDC to address the significant blight that remains. This section satisfies CCRL Section 33344.5(e), the pertinent part of CCRL Section 33354.6(b), and CCRL Section 33451.5(c)(3).

The approval of the proposed Merger Amendments and the Tax Increment Cap Amendment will allow the PCDC to continue its effort of making improvements in the Project Areas through a variety of projects and programs, including, but not limited to:

- Infrastructure
 - Construct or reconstruct streets
 - Construct or reconstruct curbs, gutters and sidewalks
 - Construct or reconstruct traffic and circulation improvements
 - Construct or reconstruct water, sewer, and drainage systems
 - Construct or reconstruct pedestrian amenities, including landscaping
 - Construct or reconstruct public parking areas
- Community Facilities
 - Provide for public building rehabilitation, to improve building conditions, correct code deficiencies, increase functionality and desirability, and enhance aesthetic qualities
 - Provide for historic preservation to preserve the cultural and architectural value of a public property and its surroundings
 - Provide for financial or other assistance for public uses as authorized by the CCRL and the Redevelopment Plan to individual projects on an as-needed basis, and depending on the availability of PCDC funds or other resources
 - Provide for the construction, reconstruction, or improvement of parks and other community facilities to enhance recreational opportunities in the Project Area
- Housing Programs
 - Increase, preserve, and improve the community's supply of low- and moderate-income housing using no less than twenty percent (20%) of the gross tax increment received by the PCDC
 - Provide for residential rehabilitation, to improve building conditions, correct code deficiencies, increase functionality and desirability, and enhance aesthetic qualities

- Provide for historic preservation to preserve the cultural and architectural value of a residential property and its surroundings
- Provide for financial or other assistance for affordable housing as authorized by the CRL and the Redevelopment Plan to individual projects on an as-needed basis, and depending on the availability of PCDC funds or other resources
- Community Development and Economic Development
 - Provide for Business rehabilitation, to improve building conditions, correct code deficiencies, increase functionality and desirability, and enhance aesthetic qualities
 - Provide for Historic preservation to preserve the cultural and architectural value of a business property and its surroundings
 - Provide for financial or other assistance for business uses as authorized by the CCRL and the Redevelopment Plan to individual projects on an as-needed basis, and depending on the availability of PCDC funds or other resources
 - Assist existing businesses to market themselves, expand and/or improve their competitiveness to increase patronage to their business, surrounding businesses, and by extension, the Project Area
 - Identify and attract new businesses to the Project Area on vacant or underutilized properties through recruitment programs, site acquisition assistance, and/or site development aid. Improve building conditions, correct code deficiencies, increase functionality and desirability, and enhance aesthetic qualities
 - Improve economic growth opportunities by rehabilitating and revitalizing the downtown area

It is estimated that the costs to implement the projects and programs listed above would total approximately \$55,000,000. Of this amount, about \$17,500,000 is needed in the Villa-Parke Project Area.

12.0 DESCRIPTION OF HOW THE PROJECTS AND PROGRAMS WILL IMPROVE THE CONDITIONS OF BLIGHT

The purpose of this section is to describe how the projects or programs described in the previous chapter will improve or alleviate the conditions of significant blight that remain in the Project Areas. This section satisfies CCRL Section 33344.5(f) and CCRL Section 33451.5(c)(3).

Generally, the PCDC's continuing program of redevelopment is designed to alleviate the most prevalent conditions of blight that remain in the Project Areas. The PCDC cannot eliminate all remaining conditions of blight unilaterally. However, the PCDC intends to continue to act as a catalyst to further assist revitalization of the Project Areas.

Infrastructure improvements will address problems that directly improve an area. Examples include streets, sidewalks, and other traffic improvements, which improves circulation and the aesthetic environment; water, sewer, and drainage improvements, which improves health and safety issues; and other aspects, which improve property values and the overall quality of life in the City.

Community facilities improvements will fund improvements designed to strengthen the overall Project Areas and will provide environmental benefits as well. These improvements will specifically address important items that are needed to not only serve local residents and businesses, but attract new uses to the area, where appropriate.

Housing programs will implement one of the major goals of the CCRL, which is to increase, improve, and preserve housing that is affordable to and occupied by persons and families of low- and moderate-income. In attaining this goal, the PCDC will also alleviate blighting conditions related to buildings, sites, and surrounding properties. Development of new and the rehabilitation of existing housing will also enhance the economic vitality of the entire City.

Community development and economic programs will assist in the elimination of blight in a number of areas, including the rehabilitation of the most deteriorated and obsolete structures, and alleviate vacancies. This program will also assist in the alleviation of economic blight by reversing conditions of impaired investment, and creating more shopping opportunities and job centers. The resulting increase in property values and the tax increment revenue will provide one of the main funding sources for future improvements.

The implementation of the necessary projects and programs will improve the conditions of blight that remain in the Project Areas by directly ameliorating the physical and economic conditions which cause blight, as identified in Table 12 on next page:

**Table 12
Programs Proposed to Eliminate the Remaining Blight**

	PROGRAMS & EXPENDITURES	INFRASTRUCTURE	COMMUNITY FACILITIES IMPROVEMENTS	HOUSING PROGRAMS	COMMUNITY DEVELOPMENT (Including Economic Development)
PHYSICAL CONDITIONS	BUILDINGS IN WHICH IT IS UNSAFE OR UNHEALTHY FOR PERSONS TO LIVE OR WORK	■	■	■	■
	CONDITIONS THAT PREVENT OR SUBSTANTIALLY HINDER THE VIABLE USE OR CAPACITY OF BUILDINGS OR LOTS			■	■
	IRREGULARLY SHAPED AND INADEQUATELY SIZED PARCELS IN MULTIPLE OWNERSHIP, WHOSE PHYSICAL DEVELOPMENT HAS BEEN IMPAIRED			■	■
ECONOMIC CONDITIONS	DEPRECIATED OR STAGNANT PROPERTY VALUES	■	■	■	■
	ABNORMALLY HIGH VACANCY RATE/LOW LEASE RATES	■			■
	AN EXCESS OF BARS, LIQUOR STORES, AND ADULT BUSINESSES				■
	CRIME AND PUBLIC SAFETY RISK	■	■	■	■
INFRASTRUCTURE	INADEQUATE PUBLIC IMPROVEMENTS	■	■		■

13.0 REASONS WHY PROPOSED PROJECTS AND PROGRAMS CANNOT BE COMPLETED WITHOUT THE MERGER AMENDMENTS OR TAX INCREMENT CAP AMENDMENT

The purpose of this section is to describe why the projects or programs that are proposed to improve or alleviate the remaining conditions of blight cannot be completed unless the proposed Merger Amendments and the Tax Increment Cap Amendment is approved. This section satisfies CCRL Section 33451.5(c)(5).

The PCDC is expected to reach the maximum amount of tax increment funds that it is permitted to receive from the Villa-Parke Project Area by 2011, long before the end of the Redevelopment Plan. Without adoption of the Tax Increment Cap Amendment, the PCDC would be unable to receive additional tax increment funds necessary to fund the projects and programs needed to address the significant blight that remains in the Project Areas, particularly the Villa-Parke Project Area, which is where most of the remaining blight exists. This would prevent the PCDC of achieving its redevelopment goals and objectives.

Further, without the Merger Amendments, the PCDC would not have the financial flexibility to address the significant blight that remains in the Project Areas. Doing so improves not only the Project Areas, but the overall City as well.

The PCDC currently has planned approximately \$55,000,000 in projects and programs that are needed to address remaining blight in the Project Areas. Without the Merger Amendments and the Tax Increment Cap Amendment to implement these projects and programs, blight will remain and will likely worsen. As a consequence, it is vital that the PCDC be able to merge its Northwest Project Areas and increase the existing tax increment limit in the Villa-Parke Project Area.



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14.0 RELATIONSHIP BETWEEN COST OF PROJECTS AND PROGRAMS AND INCREASE IN TAX INCREMENT IN VILLA-PARKE PROJECT AREA

The purpose of this section is to describe the relationship between the cost of projects or programs that are proposed by the PCDC to improve or alleviate the remaining conditions of blight and the increase in the limitation of tax increments to be allocated to the PCDC within the Villa-Parke Project Area. This section satisfies the pertinent part of CCRL Section 33354.6.

The PCDC currently has a cap of \$20,400,000 in tax increments that it may receive from within the Villa-Parke Project Area. The PCDC is expected to reach the cap by 2011; thereafter, without an amendment to the Redevelopment Plan, the PCDC would receive no additional tax increment revenue. As a consequence, the PCDC would not have sufficient funds to complete the \$17,500,000 worth of projects and programs it needs to address the significant blight that remains in the Villa-Parke Project Area. Therefore, the PCDC is proposing to increase the tax increment limit to \$65,000,000 to address the \$17,500,000 of needed improvements (once pass-throughs, housing set-asides, and other expenditures are subtracted).

Table 13 shows the breakdown of costs relative to the increase of the tax increment limit.

**Table 13
Relationship Between Costs and the Proposed Increase**

	Costs	Remaining Increase	Proposed
Amount of Proposed Increase		\$44,600,000	
Mandated Expenses			
Pass-Through Payments	\$5,837,710		
County Admin Fee	\$ 978,630		
Housing Set-Aside	\$9,786,301		
Total Mandated Expenses	\$16,602,640		\$27,997,360
PCDC Expenses			
Operations ¹	\$1,616,443		
Economic Development ²	\$11,000,000		\$15,380,917
Community Development ³			
Public Facilities ⁴	\$2,500,000		
Roadway Improvements ⁵	\$5,000,000		
Infrastructure Improvements ⁶	\$5,000,000		
Land Acquisition ⁷	\$5,000,000		
Total PCDC Expenses	\$17,500,000		(\$2,119,083)
1 PCDC administrative expenses at 5% total tax increment receipts			
2 Includes non-infrastructure programs, such as business improvements, attraction, etc.			
3 Includes capital and facilities and improvements			
4 Includes parks, libraries, work centers, etc.			
5 Includes street reconstruction and streetscape improvements on arterials serving the Project Area			
6 Includes improvements to sewer, water, drainage, and other facilities			
7 Acquisition of parcels as necessary for lot consolidation			

The relationship between the costs to complete the projects and the need to increase the limit on tax increments allocated to the PCDC from the Project Area is direct and immediate. It is vital that the PCDC be able to increase its existing tax increment limitation in order to complete the projects and programs identified. In addition, the PCDC could propose a higher limit to ensure funding for the improvements that are needed. However, tax increment financing through redevelopment cannot be expected to pay for every improvement. Thus, the proposed increase is modest and realistic for the work that is necessary.

15.0 PROPOSED METHOD OF FINANCING REDEVELOPMENT

The purpose of this section is to describe the proposed method of financing the redevelopment of the Project Areas, including an assessment of economic feasibility, the reasons for including tax increment financing, the amount of tax increment revenues projected to be generated as a result of the Merger Amendments and the Tax Increment Cap Amendment (including amounts for the low- and moderate-income housing fund and amounts to be paid to the affected taxing agencies), sources and amounts of moneys other than tax increment that are available to the PCDC, and the reasons that the remaining blight cannot reasonably be expected to be reversed or alleviated without the Merger Amendments and the Tax Increment Cap Amendment. This section satisfies CCRL Section 33344.5(d) and CCRL Section 33451.5(c)(6).

15.1 GENERAL METHODS OF FINANCING REDEVELOPMENT

The Merger Amendments and the Tax Increment Cap Amendment would provide the framework for the various "tools" of financing available to the PCDC. The following is a summary of financing methods.

If the Merger Amendments and the Tax Increment Cap Amendment is adopted by the City Council, the merged and amended Redevelopment Plans would contain authority for the PCDC to continue to finance ongoing redevelopment activities within the Project Areas using tax increment, interest income, bonds, loans from private institutions, proceeds from the sale or lease of property, financial assistance from the County, State of California, Federal Government, or any other public agency, or any other legally available source. The Merger Amendments and the Tax Increment Cap Amendment would have no effect on the Base Year established for each individual Project Area.

The City may, in accordance with law, make advances and expend money as necessary to assist the PCDC in carrying out the continued redevelopment of the Project Areas. Any such assistance would be on terms established by an agreement between the City and the PCDC. The City has available to it various public infrastructure funds including gas tax funds. As available and appropriate, gas tax funds would be used for the improvement of the street system. Also, federal loans and grants could be used to finance portions of redevelopment costs for the Project Areas.

The PCDC would be authorized to issue tax exempt or taxable bonds and notes if appropriate and feasible in an amount sufficient to finance all or any part of the remaining redevelopment of the Project Areas. Bonds could be issued to finance mortgages, to establish a revolving loan fund, or to establish any other kind of housing assistance program. Loans could be with deferred interest to keep monthly costs down. Mortgage Revenue Bond money could also be used for construction in rehabilitation areas. In addition, tax increment secured bonds or notes could be used for both single-family and multi-family rehabilitation programs. Assessment district bonds can be used for the financing of infrastructure landscape and lighting improvements; however, since the repayment of such bonds becomes an additional burden on the properties, such

financing schemes are not always appropriate for blighted property. This is particularly the case where rents are already "maxed" out and cannot absorb a greater burden.

The PCDC would also be authorized to obtain advances, borrow funds and create indebtedness in carrying out the redevelopment of the Project Areas. The principal and interest on such advances, funds, and indebtedness may be paid from tax increments or any other funds available to the PCDC.

Any other loans, grants, guarantees, or financial assistance from the federal government or any other public or private source will be utilized if available as appropriate in carrying out the redevelopment of the Project Areas.

15.2 ASSESSMENT OF FINANCIAL FEASIBILITY

Projects and programs needed to address remaining blight in the Villa-Parke Project Area total approximately \$17,500,000. The PCDC is proposing to increase the overall tax increment limit to \$65,000,000, which will yield approximately \$17,500,000 once pass-throughs, housing set-asides, and other costs are subtracted. Therefore, the proposed Tax Increment Cap Amendment is economically feasible as the increase in revenue is directly related to the expenditures that are proposed. In addition, as was discussed in Chapter 11.0, the proposed increase is a conservative amount.

Even with increased tax increment financing, it is possible that the PCDC will need additional funding to implement the Redevelopment Plan and address remaining blight because tax increment should not be looked at as a guaranteed revenue stream to fund all redevelopment activities. Furthermore, it is anticipated that, during the life of the Redevelopment Plan, additional funding sources may be instituted either by Federal, State, or local regulation and that additional private enterprise, acting in concert with such new funding, will assist in the elimination of blight in the Project Areas. These "public/private partnership" activities advance the purposes of the CCRL and other community improvement goals and objections.

15.3 REASONS FOR INCLUDING TAX INCREMENT FINANCING

With the proposed Merger Amendments and the Tax Increment Cap Amendment, the PCDC will continue to receive real property taxes divided and allocated pursuant to CCRL Section 33670. The inclusion of such a provision is necessary in order to provide the PCDC with sufficient funding in order to continue to implement the Redevelopment Plan.

15.4 PROJECTED TAX INCREMENT GENERATION

The proposed Tax Increment Cap Amendment would increase the gross tax increment revenue from the Villa-Parke Project Area to the PCDC by \$44,600,000. Of that amount, 20% or about \$10,000,000 would be channeled into the low- and moderate-income housing fund, and about \$6,000,000 million would be paid to the affected taxing agencies.

15.5 FUNDING SOURCES AND AMOUNTS AVAILABLE TO THE PCDC

Even without redevelopment, there are a number of funding sources potentially available to local governments in California. Some of these, such as community development block grants, economic development administration grants and Small Business

Administration loans and loan guarantees, derive from the Federal government; while others, such as enterprise zone funding, State commerce department grants and loans, and employment training grants and loans, derive from State government; still others, such as industrial development and mortgage backed bonds, private bank Community Reinvestment Act financing and assessment district financing, and private/public financing sources derive from private sources in concert with public entities; others, such as reductions in or reduction of the cost of permits and other fees, derive from the local governments. Unfortunately, none of these, save for the permits and fees reductions, are under local control, or are definite and ongoing.

All of the above are subject to their own budgetary constraints at the Federal or State level, and are further subject to lengthy application or administrative procedures which make ready application of their benefits to any given real estate transaction, in which "time is of the essence," problematic at best. Moreover the combined effect of Propositions 13 and 218 make it nearly impossible for local agencies to provide effective, workable funding mechanisms needed for comprehensive development strategies. Only redevelopment provides a funding source subject to local control, reliable and secure, with sufficient flexibility to keep up with the ever changing practices of real estate development.

15.6 REASONS REMAINING BLIGHT CANNOT BE ALLEVIATED WITHOUT THE MERGER AMENDMENTS AND THE TAX INCREMENT CAP AMENDMENT

As discussed in Chapter 10.0, the PCDC will soon reach the maximum amount of tax increment funds that it is permitted to receive. The projects and programs that are needed to address remaining blight total over \$17,000,000 and cannot be completed without additional tax increment.



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16.0 AMENDMENT TO THE PCDC'S IMPLEMENTATION PLAN

CCRL Section 33451.5(c)(7) requires the PCDC to include an amendment to the current Implementation Plan that includes, but is not limited to, the PCDC's housing responsibilities pursuant to CCRL Section 33490.

Because the Merger Amendments and the Tax Increment Cap Amendment are financial in nature and do not change the boundaries of the Project Areas, the existing Implementation Plan (2009-2014) is adequate and does not require an amendment.



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17.0 NEIGHBORHOOD IMPACT REPORT

The proposed Merger Amendments and the Tax Increment Cap Amendment are administrative and fiscal in nature and neither one proposes planning, development or redevelopment activities. Therefore, no changes in neighborhood impacts are anticipated. Regardless, neighborhood impacts have been discussed in previous documentation related to the Project Areas. Such documentation includes the Report to City Council and all related environmental documents for each Project Area at the time each Project Area was adopted. These materials, which have been previously adopted or certified, are available for review at the PCDC offices, and are hereby incorporated by reference.



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APPENDIX A

PHOTOGRAPHS OF SAMPLE PROPERTIES





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The following photographs are sample properties that exhibit conditions of blight. These photographs are not meant to document every parcel or every blight indicator in the Project Areas, and are not meant to "target" individual property owners. Instead, they are representative of the existing conditions that were observed.

Locations of the photographs are shown on the map, and are approximate.



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- 1.**
Air conditioner precariously installed above door (UME);
security fence indicative of high crime



- 2.**
Multiple vacant businesses (VAC);
graffiti indicative of high crime (G);
unsafe bars on windows (BAR)
prevents emergency access and
indicative of high crime; boarded-
up windows (BW); security fencing
indicative of high crime;



- 3.**
Graffiti indicative of high crime (G);
security fencing indicative of high crime



- 4.**
Functional obsolescence (FO);
original windows sealed-off (BW)



- 5.**
Rolled roofing (SCM)



- 6.**
Poor site layout with inadequate
circulation (PSL); security fencing
indicative of high crime



- 7.**
Inadequate loading area with loading bay on the public right-of-way (ILD)



- 8.**
Damaged roof (R); rolled roofing (SCM); multiple loose wires creates electrical hazards (EH)



- 9.**
Unsafe bars on windows (BAR) prevents emergency access and indicative of high crime



10.
Vacant use (VAC); damaged roof (R); unsafe railings (UST)



11.
Vacant business (VAC); graffiti indicative of high crime (G); security fencing indicative of high crime



12.
Vacant business (VAC); graffiti indicative of high crime (G); boarded-up windows (BW); security fencing indicative of high crime



13.
Vacant business(es) (VAC); graffiti
indicative of high crime (G)



14.
Unsafe bars on windows (BAR)
prevents emergency access and
indicative of high crime



15.
Functional obsolescence (FO);
damaged private infrastructure
(PRI)



16.
Functional obsolescence (FO);
unsafe bars on windows (BAR)
prevents emergency access and
indicative of high crime



17.
Graffiti indicative of high crime (G);
inadequate loading area with
loading activities occurring in
public right-of-way (ILD); multiple
lights and security cameras
indicative of high crime



18.
Multiple loose wires creates
electrical hazards (EH); functional
obsolescence (FO); poor site
layout as site was designed for a
residential use (PSL); security
fencing indicative of high crime



19.
Unsafe bars on windows (BAR)
prevents emergency access and
indicative of high crime; boarded-
up windows (BW)



20.
Functional obsolescence (FO);
poor site layout as site was
designed for a residential use
(PSL); graffiti indicative of high
crime (G)



21.
Boarded-up windows (BW)



22.

Multiple loose wires creates electrical hazards (EH); unsafe bars on windows (BAR) prevents emergency access and indicative of high crime; boarded-up windows (BW)



23.

Liquor store noted by Police Department as source of several crimes (AB); unsafe bars on windows (BAR) prevents emergency access and indicative of high crime



24.

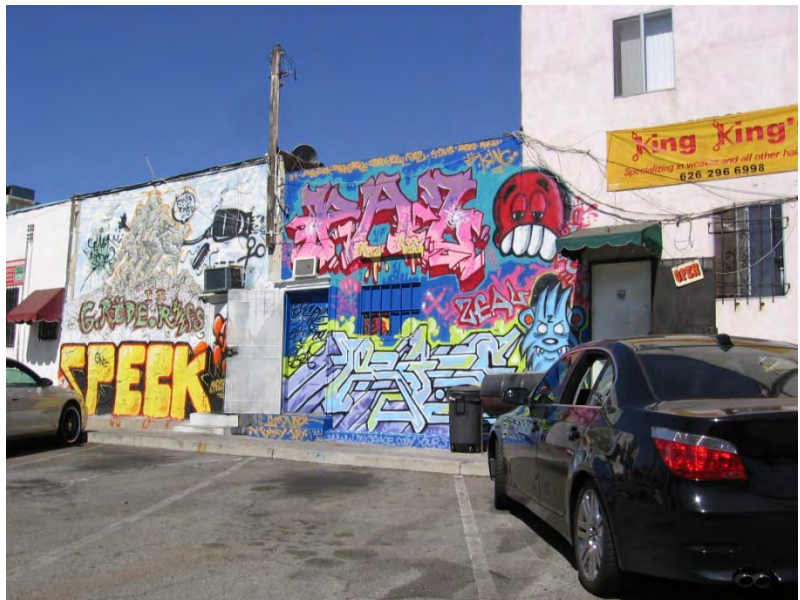
Unreinforced masonry building (URM); multiple vacant businesses (VAC); boarded-up windows (BW); unsafe bars on windows (BAR) prevents emergency access and indicative of high crime



25.
Vacant business(es) (VAC)



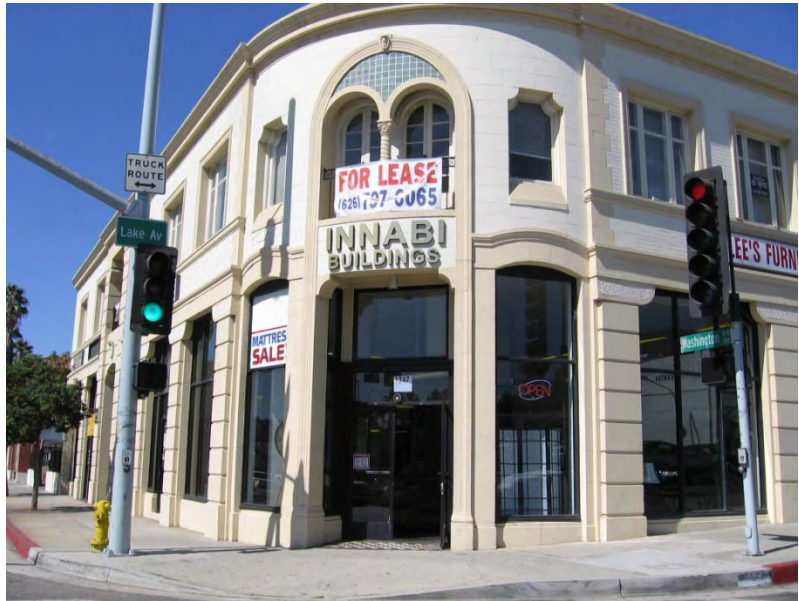
26.
Graffiti indicative of high crime (G);
multiple loose wires creates
electrical hazards (EH); bars on
windows indicative of high crime
(BAR)



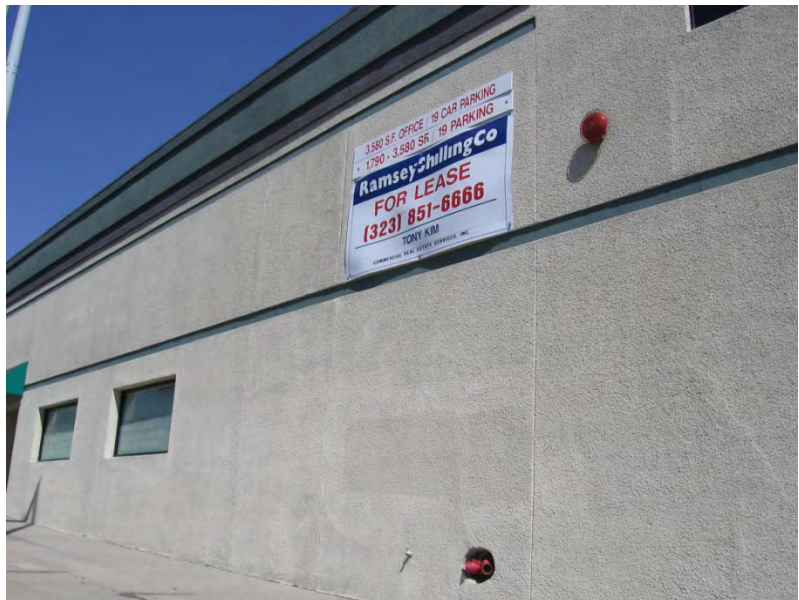
27.
Sealed-up windows (BW);
unpermitted room addition (ANPA)



28.
Vacant business(es) (VAC)



29.
Vacant businesses (VAC)



30.
Unusually narrow driveway creates poor circulation and lack of access for emergency vehicles creates poor site layout (PSL)



31.
Vacant business (VAC); boarded-up windows (BW); functional
obsolescence (FO)



32.
Security fencing indicative of high
crime



33.
Functional obsolescence (FO);
graffiti indicative of high crime (G);
unsafe bars on windows (BAR)
prevents emergency access and
indicative of high crime



34.
Multiple vacant businesses (VAC);
security fencing indicative of high
crime



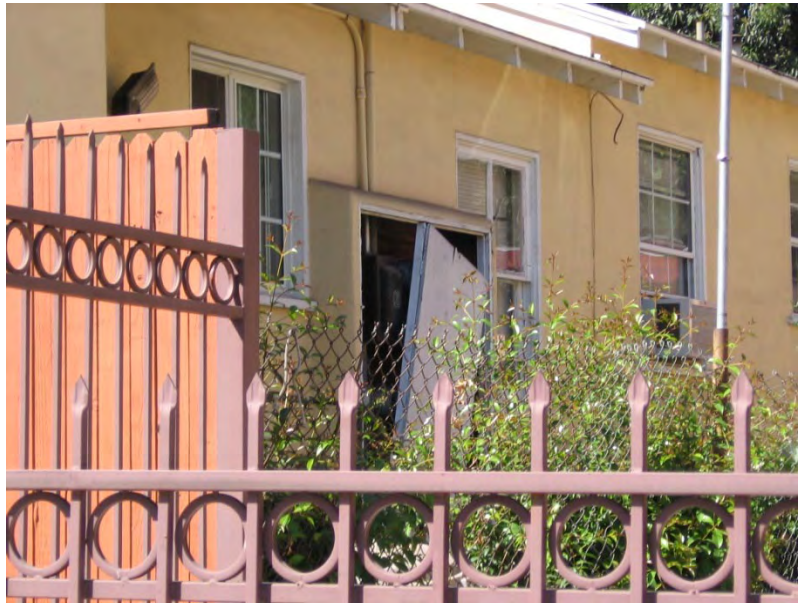
35.
Lack of handrails with 4 or more
steps creates unsafe stairway
(UST)



36.
Unpermitted overhang with
narrow, curved, and leaning
columns (VERT); security fencing
indicative of high crime



37.
Damaged electrical box door
creates electrical hazards (EH);
security fencing indicative of high
crime



38.
Unpermitted room addition (ANP);
unsafe railing on porch (UST)



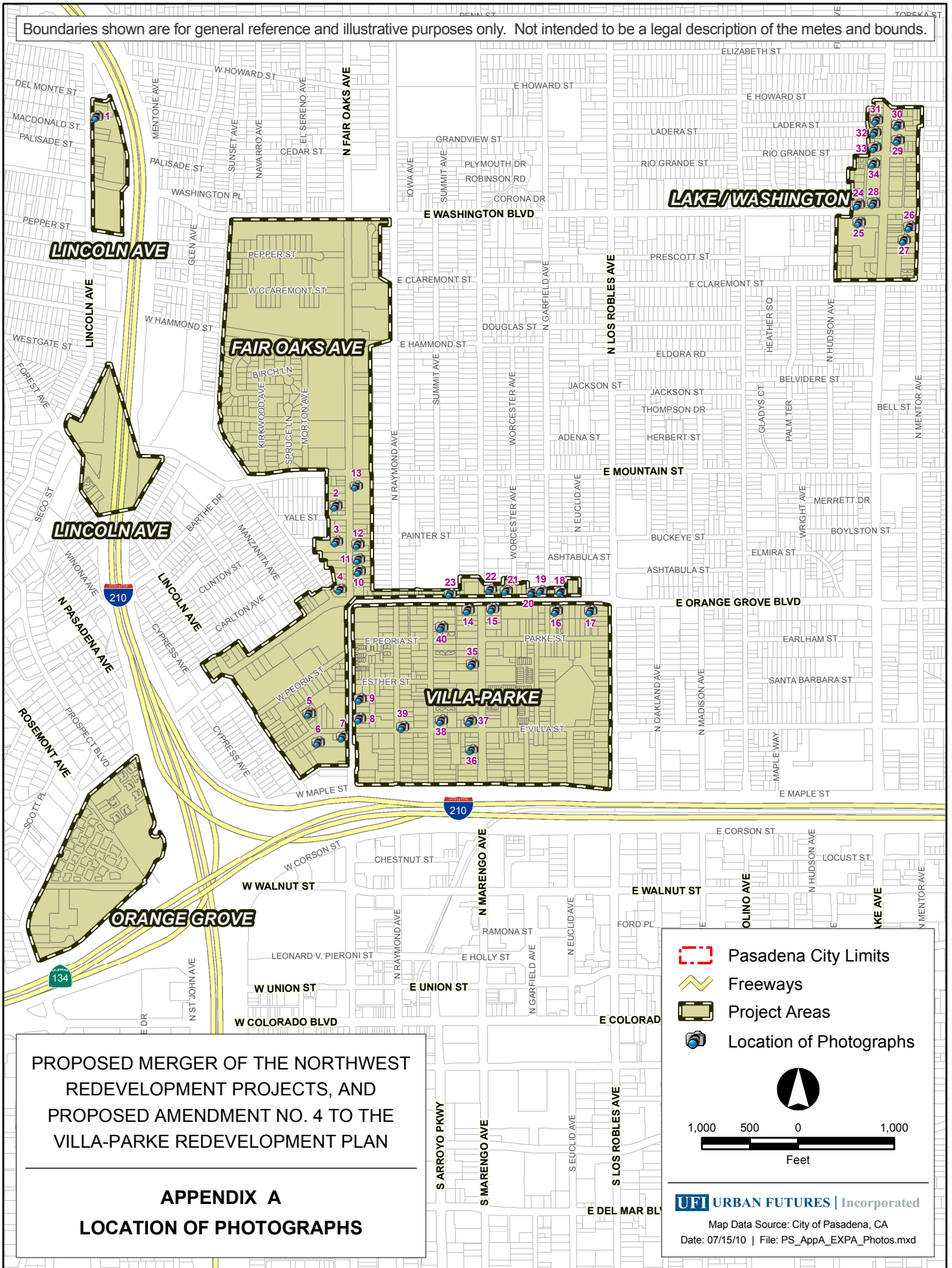
39.
Loose and low-hanging wires
creates electrical hazards (EH)



40.
Vacant residence (VAC); boarded-up windows (BW); unsafe railing on porch (UST); security fencing indicative of high crime



Boundaries shown are for general reference and illustrative purposes only. Not intended to be a legal description of the metes and bounds.



PROPOSED MERGER OF THE NORTHWEST REDEVELOPMENT PROJECTS, AND PROPOSED AMENDMENT NO. 4 TO THE VILLA-PARKE REDEVELOPMENT PLAN

APPENDIX A LOCATION OF PHOTOGRAPHS

- Pasadena City Limits
- Freeways
- Project Areas
- Location of Photographs

