

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: October 25, 2010

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA ADOPTING THE PROPOSED AMENDMENT TO INCREASE THE TAX INCREMENT LIMIT OF THE VILLA-PARKE REDEVELOPMENT PLAN; AND MAKING CERTAIN FINDINGS

TITLE OF PROPOSED ORDINANCE

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA ADOPTING THE PROPOSED AMENDMENT TO INCREASE THE TAX INCREMENT LIMIT OF THE VILLA-PARKE REDEVELOPMENT PLAN; AND MAKING CERTAIN FINDINGS

PURPOSE OF ORDINANCE

At its meeting on July 26, 2010, the City Council and Community Development Commission authorized the transmittal of the Preliminary Report concerning the proposed merger of the Northwest Redevelopment Project Areas and the proposed amendment to the Villa-Parke Redevelopment Plan. At that meeting, the Council and the Commission expressed a desire to move forward with the proposed amendment to the Villa-Parke Redevelopment Plan separately from the proposed merger of the Northwest Redevelopment Project Areas. The ordinance effectuates the amendment to the Villa-Parke Redevelopment Plan and increases the tax increment limit from \$20.6 million to \$65 million.

REASON WHY LEGISLATION IS NEEDED

Without the amendment to the tax increment limit for the Villa-Parke Redevelopment Plan, it is anticipated the Villa-Parke Project Area would reach the tax increment limit at the end of this calendar year. The amendment to the tax increment limit for the Villa-

MEETING OF 10/25/2010

AGENDA ITEM NO. 17

Parke Redevelopment Plan will allow the Commission to capture additional tax increment revenue through 2015. It is estimated that an additional \$28 million will be received during this time period and that revenue will be spent on infrastructure improvements, community facility improvement, housing rehabilitation and assistance to businesses.

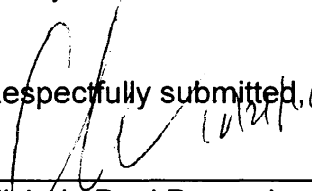
PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

Increasing the tax increment revenue limit for the Villa-Parke Redevelopment Plan as provided in the proposed Ordinance provides additional funds to the Project Area which will be used to fund infrastructure improvements, community facility improvement, housing rehabilitation, assistance to businesses, and the costs of projects and activities necessary to carry out the goals and objectives of the Redevelopment Plan.

FISCAL IMPACT

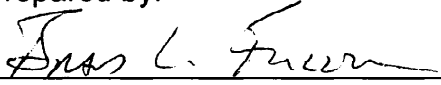
The additional tax increment revenue that is anticipated to be captured by the Commission due to the increase in the tax increment revenue limits provided by the proposed Ordinance are estimated by the Commission staff to total approximately \$28 million.

Respectfully submitted,



for Michele Beal Bagneris
City Attorney

Prepared by:



Brad L. Fuller
Assistant City Attorney

Concurrence:

Michael J. Beck
City Manager

Introduced by Councilmember _____

ORDINANCE NO. _____

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA ADOPTING THE PROPOSED AMENDMENT TO INCREASE THE TAX INCREMENT LIMIT OF THE VILLA-PARKE REDEVELOPMENT PLAN; AND MAKING CERTAIN FINDINGS

WHEREAS, the Redevelopment Plan for the Villa-Parke Redevelopment Project Area ("Redevelopment Plan") was adopted by the City Council of the City of Pasadena ("City Council") on December 26, 1972, by Ordinance No. 5097, and amended on December 22, 1986, by Ordinance No. 6193, December 15, 1999, by Ordinance No. 6918, December 15, 1999, by Ordinance No. 6813, and February 23, 2009, by Ordinance No. 7158 (collectively, "Redevelopment Plan"); and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*) ("Community Redevelopment Law"), the Pasadena Community Development Commission ("Commission") is engaged in the activities necessary to execute and implement the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan provides for a limit of \$20,400,000 on the amount of property taxes that can be allocated to the Commission from properties within the Villa-Parke Redevelopment Project Area ("Tax Increment Limit"); and

WHEREAS, pursuant to the Community Redevelopment Law, the Commission has submitted to the City Council for consideration a proposed amendment to increase the Tax Increment Limit to \$65,000,000 ("Proposed Amendment"); and

WHEREAS, the Commission submitted the Proposed Amendment to the City Council, together with the Report to Council, which includes the reports and information required by Sections 33354.6 and 33352 of the Health and Safety Code to the extent warranted by the Proposed Amendment; and

WHEREAS, the City Council and the Commission held a joint public hearing on October 25, 2010 ("Joint Public Hearing") to consider the approval and adoption of the Proposed Amendment, which Joint Public Hearing was held with the consent of both the Commission and City; and

WHEREAS, notice of the Joint Public Hearing was published in a newspaper of general circulation in the City of Pasadena in accordance with Government Code section 6063, in accordance with Health and Safety Code Section 33452(a); and

WHEREAS, copies of the notice of the Joint Public Hearing were mailed to residents, businesses, and to the last known assessee of each parcel of land in the Villa-Parke Redevelopment Project Area by first class mail, in accordance with Health and Safety Code Sections 33452(b) and (c); and

WHEREAS, copies of the notice of Joint Public Hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which levies taxes upon property in the Villa-Parke Redevelopment Project Area, in accordance with Health and Safety Code Section 33452(d); and

WHEREAS, based upon the results of the initial study and comments on file in the Current Planning Office of the City of Pasadena ("City"), the Commission has

prepared and adopted a Negative Declaration, stating that the Proposed Amendment could not have a significant effect on the environment;

WHEREAS, the City Council has considered the Proposed Amendment, the Report to Council, and the Negative Declaration, and has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for and against any and all aspects of the Proposed Amendment;

NOW THEREFORE, THE PEOPLE OF THE CITY OF PASADENA ORDAIN AS FOLLOWS:

SECTION 1. This ordinance due to its length and the corresponding cost of publication will be published by title and summary as permitted by Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

“Summary

“Ordinance No. _____ is an uncodified ordinance amending the Villa-Parke Redevelopment Plan by increasing the Tax Increment Limit to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area notwithstanding any other provisions in the Redevelopment Plans as follows:

a. Purpose. The purpose and intent of the Proposed Amendment is to achieve the purpose and intent of the Redevelopment Plan by increasing the Tax Increment Limit to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area; and

b. Adoption of Negative Declaration. The City Council adopts the Negative Declaration and finds on the basis of the whole record before it (including the initial study and comments) that there is no substantial evidence that the Proposed Amendment will have a significant effect on the environment and the Negative Declaration reflects the Commission's independent judgment and analysis. The City Clerk is directed to file a Notice of Determination no later than five (5) days from adoption of this Ordinance; and

c. Adoption of Proposed Amendment. The City Council hereby approves and adopts the Proposed Amendment. The Redevelopment Plan, as amended by the Proposed Amendment ("Amended Plan"), is hereby incorporated by this reference and designated, approved, and adopted as the official Redevelopment Plan for the Project Area.; and

d. Required Findings. The City Council hereby finds and determines, based on substantial evidence in the record, including, but not limited to, any evidence specified after each of the following findings, the Report to Council and all documents referenced therein, oral and written staff reports, and evidence and testimony received at the Joint Public Hearing on the adoption of the Proposed Amendment, that:

1 Significant blight remains within the Villa-Parke Redevelopment Project Area; and

2. The significant remaining blight cannot be eliminated without the establishment of additional debt and the increase of the Tax Increment Limit; and

3. The Amended Plan will be in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare; and

4. The adoption and carrying out of the Amended Plan is economically sound and feasible; and

5. The Proposed Amendment is consistent with the general plan of the City of Pasadena, including, but limited to the City's Housing Element, which substantially complies with the requirements of Article 10.6 of Chapter 3 of Division 1 of Title 7 of the California Government Code; and

6. The carrying out of the Proposed Amendment would promote the public peace, health, safety, and welfare of the community and would effectuate the purposes and policy of this part; and

7. The Commission has a feasible method or plan for the relocation of families and persons displaced from the Villa-Parke Redevelopment Project Area, if the Proposed Amendment may result in the temporary or permanent displacement of any occupants of housing facilities in the Villa-Parke Redevelopment Project Area.

8. There are, or shall be provided, in the Villa-Parke Redevelopment Project Area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Villa-Parke

Redevelopment Project Area, decent, safe, and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment.

9. The Commission does not anticipate that any of the projects or programs funded by an increase in the Tax Increment Limit will cause displacement. However, if any displacement were to occur, the Commission would be obligated to follow the currently adopted Relocation Plan and Replacement Housing Plan that are on file in the office of the City Clerk, and which require decent, safe, and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment.

10. The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Villa-Parke Project Area are displaced (should such displacement occur) and that, pending the development of the facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

e. Based upon the above findings and determinations, the City Council hereby amends the Redevelopment Plan by increasing the Tax Increment Cap to \$65,000,000, as set forth in the Amended Plan.

Ordinance No. _____ shall take effect 30 days after adoption.”

SECTION 2: Adoption of Recitals. The City Council hereby finds and determines that all of the foregoing recitals are true and correct.

SECTION 3: Purpose. The purpose and intent of the Proposed Amendment is to achieve the purpose and intent of the Redevelopment Plan by increasing the Tax Increment Limit to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area.

SECTION 4: Adoption of Negative Declaration. The City Council adopts the Negative Declaration and finds on the basis of the whole record before it (including the initial study and comments) that there is no substantial evidence that the Proposed Amendment will have a significant effect on the environment and the Negative Declaration reflects the Commission's independent judgment and analysis. The City Clerk is directed to file a Notice of Determination no later than five (5) days from adoption of this Ordinance.

SECTION 5: Adoption of Proposed Amendment. The City Council hereby approves and adopts the Proposed Amendment. The Redevelopment Plan, as amended by the Proposed Amendment ("Amended Plan"), is hereby incorporated by this reference and designated, approved, and adopted as the official Redevelopment Plan for the Project Area.

SECTION 6: Required Findings. The City Council hereby finds and determines, based on substantial evidence in the record, including, but not limited to, any evidence specified after each of the following findings, the Report to Council and all documents

referenced therein, oral and written staff reports, and evidence and testimony received at the Joint Public Hearing on the adoption of the Proposed Amendment, that:

- a. Significant blight remains within the Villa-Parke Redevelopment Project Area.

This finding is based upon the Blight Indicators (as defined in Table 3 of the Report to Council), and physical and economic conditions summarized in Sections 7 through 10 of the Report to Council, including, more specifically, the following factors:

- i. Approximately 161 parcels within the Villa-Parke Redevelopment Project Area exhibit at least one Blight Indicator that causes unsafe or unhealthy buildings;
- ii. Approximately 144 parcels within the Villa-Parke Redevelopment Project Area exhibit at least one Blight Indicator that prevents or substantially hinders viable uses;
- iii. Approximately 3 parcels within the Villa-Parke Redevelopment Project Area consist of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes, given present general plan and zoning standards and market conditions;
- iv. Overall, approximately 197 parcels within the Villa-Parke Redevelopment Project Area have at least one serious physical Blight Indicator;

- v. Approximately 5.7% of the properties within the Villa-Parke Redevelopment Project Area depreciated in value during years 2006-2010, compared to 4.7% for the rest of the City;
 - vi. 661 parcels within the Villa-Parke Redevelopment Project Area are subject to adverse effects of external obsolescence;
 - vii. 2 parcels exhibited at least one business vacancy;
 - viii. During 2009, 52 arrests related to drugs and alcohol were made in a 4-block area around the Villa-Parke Redevelopment Project Area. This arrest rate is much higher than in other parts of the City;
 - ix. The need for approximately \$12,500,000 in infrastructure and community facilities within the Villa-Parke Redevelopment Project Area to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area.
- b. The significant remaining blight cannot be eliminated without the establishment of additional debt and the increase of the Tax Increment Limit.

This finding is based upon reports and information provided in Sections 11 through 16 of the Report to Council, including, more specifically, the following factors:

- i. The ability to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area will depend upon the Commission's ability to finance approximately \$30,100,000 in projects and programs to eliminate such blight, including community and economic development activities, housing programs, community facilities, and public infrastructure;
- ii. The property tax increment generated from the Villa-Parke Redevelopment Project Area is projected to reach the existing Tax Increment Limit by December 20, 2010, whereupon the Commission will be unable to collect any additional property tax increment from the Villa-Parke Redevelopment Project Area to fund any of the projects and programs necessary to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area.
- iii. Increasing the Tax Increment Limit to \$65,000,000 will allow the Commission to incur additional indebtedness and receive additional property taxes from the Villa-Parke Redevelopment Project Area in the amount of \$44.6 million. After deducting \$5.9 million for statutory tax sharing with affected taxing entities, \$9.8 million for allocation of the 20% housing set aside funds, and \$1.0 million for the County

administration fee, the Commission will have \$27.9 million in net available tax increment to fund projects and programs necessary to eliminate significant remaining blight within the Villa-Parke Redevelopment Project Area.

- c. The Amended Plan will be in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare.

This finding is based upon, but not limited to, the fact that the Proposed Amendment will facilitate the elimination of significant remaining blight within the Villa-Parke Redevelopment Project Area, which will, in turn, promote the public peace, health, safety and welfare of the community.

- d. The adoption and carrying out of the Amended Plan is economically sound and feasible.

The basis of this finding includes, but is not limited to, the report and information contained in Section 16 of the Report to Council, including that without increasing the Tax Increment Limit, the Commission will have no ability to use tax increment generated from the Villa-Parke Redevelopment Project Area to fund projects and programs necessary to eliminate significant remaining blight.

- e. The Proposed Amendment is consistent with the general plan of the City of Pasadena, including, but limited to the City's housing element, which

substantially complies with the requirements of Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code.

This finding is based upon the fact that the Proposed Amendment will not authorize, modify, alter, or change any land uses currently authorized by the Redevelopment Plan and all such uses must presently conform to the City's general plan.

- f. The carrying out of the Proposed Amendment would promote the public peace, health, safety, and welfare of the community and would effectuate the purposes and policy of this part.

This finding is based upon the facts presented in the Report to Council which demonstrate that the increase in the Tax Increment Limit will facilitate the elimination of significant remaining blight within the Villa-Parke Redevelopment Project Area.

- g. The Commission has a feasible method or plan for the relocation of families and persons displaced from the Villa-Parke Redevelopment Project Area, if the Proposed Amendment may result in the temporary or permanent displacement of any occupants of housing facilities in the Villa-Parke Redevelopment Project Area.

This finding is based upon the fact that the eminent domain authority of the Commission has expired within the Villa-Parke Redevelopment Project Area, and the Commission does not anticipate that any of the projects or programs funded by an increase in the Tax Increment Limit will cause displacement. However, if any displacement were to occur, the Commission would be obligated to follow the currently adopted Relocation Plan that is on file in the office of the City Clerk.

- h. There are, or shall be provided, in the Villa-Parke Redevelopment Project Area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Villa-Parke Redevelopment Project Area, decent, safe, and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment.

The Commission does not anticipate that any of the projects or programs funded by an increase in the Tax Increment Limit will cause displacement. However, if any displacement were to occur, the Commission would be obligated to follow the currently adopted Relocation Plan and Replacement Housing Plan that are on file in the office of the City Clerk, and which require decent, safe, and sanitary dwellings equal in number to the number of and

available to the displaced families and persons and reasonably accessible to their places of employment.

- i. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Sections 33411 and 33411.1. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Sections 33334.5, 33413, and 33413.5.

The Commission does not anticipate that any of the projects or programs funded by an increase in the Tax Increment Limit will cause displacement. However, if any displacement were to occur, the Commission would be obligated to follow currently adopted Relocation Plan and Replacement Housing Plan that are on file in the office of the City Clerk.

SECTION 7: Permanent Housing. The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Villa-Parke Project Area are displaced (should such displacement occur) and that, pending the development of the facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

SECTION 8: Increase of Tax Increment Cap. Based upon the above findings and determinations, the City Council hereby amends the Redevelopment Plan by increasing the Tax Increment Cap to \$65,000,000, as set forth in the Amended Plan.

SECTION 9: Objections Considered. All written and oral objections to the Proposed Amendment, if any, filed with and presented to the City Council and any written responses thereto, have been considered by the City Council at the time and in the manner required by law, and such written and oral objections are hereby overruled.

SECTION 10: Implementation. In order to implement and/or facilitate the implementation of the Amended Plan, this City Council hereby declares its intention to undertake and complete any proceeding necessary to be carried out by the Commission under the provisions of the Amended Plan and the Community Redevelopment Law.

SECTION 11: Transmittal to Commission. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Commission, whereupon the Commission is vested with the responsibility for carrying out the Amended Plan.

SECTION 12: Invalidity of Parts. If any part of this Ordinance or the Proposed Amendment is held to be invalid or is not adopted for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Amended Plan.

SECTION 13: Publication. The City Clerk shall cause a summary of this Ordinance to be published in a newspaper of general circulation.

SECTION 14: Date of Effect. This Ordinance shall take effect thirty (30) days after adoption.

SECTION 15: Redevelopment Plan in Effect. The Redevelopment Plan, as amended, shall remain in full force and effect, unmodified except to the extent of the amendment expressly set forth in this Ordinance.

Signed and approved this ____ day of _____ 2010.

Bill Bogaard

Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held _____, 2010, by the following vote:

AYES:

NOES:


ABSTAIN:

ABSENT:

Published:

Mark Jomsky, City Clerk

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney