

DATE: JUNE 11, 2001

**TO: COMMUNITY DEVELOPMENT COMMISSION
THROUGH: FINANCE COMMITTEE**

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

**SUBJECT: ADOPT RESOLUTION APPROVING THE PASADENA COMMUNITY
DEVELOPMENT COMMISSION'S FY 2001-2002 ANNUAL OPERATING
BUDGET**

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission ("Commission") adopt a resolution pursuant to Section 33606 of the Health and Safety Code approving the Fiscal Year 2001-2002 Annual Operating Budget, including activities to be financed by the low and moderate income housing funds established for each redevelopment project area pursuant to Section 33334.3 of the California Health and Safety Code.

COMMITTEE ACTION:

At its meetings of April 12, April 26 and May 1, 2001, the Community Development Committee reviewed and approved the FY 2002 Annual Operating Budget as presented herewith. The FY 2002 budget was also presented to the Finance Committee and City Council at their joint meeting of May 21, 2001 for review and discussion; no action was taken.

EXECUTIVE SUMMARY:

The Commission's proposed FY 2001-2002 Annual Operating Budget recommends total appropriations for economic development, redevelopment, and housing of \$37,268,570 and includes \$1.9 million to fund capital improvements projects for the Civic Center Master Plan (\$1 million), Playhouse Parking Structure (\$400,000), and the Fillmore Parking Structure (\$500,000). Revenues are projected at \$35,029,862, with an estimated opening fund balance at July 1, 2001 of \$12,522,800 and a projected closing balance at June 30, 2002 of \$10,284,092.

BACKGROUND:

Continued General Funds in the amount of \$679,128 are recommended for the following programs:

1. **\$212,481 - Development Administration** will focus on increasing revenues to the City through the sale of City-owned properties, providing Real Estate Management services to improve asset management of the city's property inventory, including lease management and property disposition.

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2. **\$192,389 - Enterprise Zone Administration** and special business outreach to businesses within the Enterprise Zone will be continued in the promotion and marketing of State Tax Credits and local incentives provided by the Enterprise Zone. This total reflects an increase of \$51,152 for the addition of one Graduate Management Intern to assist with the Enterprise Zone program.
3. **\$274,258 - Northwest Programs** will continue to provide advocacy for the residents in the northwest quadrant of the City and redevelopment activities in Northwest Pasadena as well as manage critical issues in areas such as the Enterprise Zone activities, the Fair Oaks/Orange Grove Specific Plan and the Garfield Heights and Washington Boulevard Neighborhood Revitalization Programs.

The following projects and programs are recommended for the Commission's FY 2002 work program:

1. **Neighborhood Revitalization Area** (funded by tax increment and investment earnings):
 - \$80,000 for continuation of the ***Storefront Improvement Programs*** in the Lake/Washington (\$40,000) and Villa-Parke (\$40,000) Redevelopment Project Areas;
 - \$25,000 for the proposed ***Fair Oaks Commercial*** project - study the potential of a commercial mixed-use project;
 - \$15,000 for the ***Retail Retention and Recruitment Program*** for North Lake;
 - \$15,000 for the ***Lincoln/Washington "A"*** site for preparation of an economic study for the last remaining development site in the Lincoln Avenue Redevelopment Plan;
 - \$25,000 for preparation of an economic study for a proposed ***Community Drug Store*** in the Villa Parke Redevelopment Project to expand service to the local community;
 - \$25,000 for the ***Raymond Avenue Residential Study*** to determine strategies for community preservation and rehabilitation along portions of Raymond Avenue between Orange Grove and Maple Street.
2. **Central Area** (funded by tax increment, rental income and investment earnings)
 - **Downtown:** \$15,000 for the ***South Lake Retail Recruitment and Retention Program***; \$500,000 for complete architectural and engineering design services for a 760-space parking structure adjacent to the Blue Line Station (***Fillmore Parking Structure***); \$1,000,000 for the ***Civic Center/Mid-Town*** to design and construct certain public streetscape and amenity improvements that are identified in the Civic Center/Mid-Town Refined Concept Plan.
 - **Playhouse District** (funded by tax increment, rental income and investment earnings) \$15,000 for the ***Playhouse District Retail Retention and Recruitment Program***; \$20,000 for the continued ***Storefront Improvement Program***; \$50,000 to provide continued financial support and marketing funds for the ***Playhouse District Association***; \$400,000 for the ***Playhouse Garage*** (an approximately 400-space public

parking structure) to complete architectural and engineering design services; \$282,000 for implementation of ***Phase II Streetscape Improvements***.

- **Business Development** (funded by Commission investment earnings):
\$40,000 for ***Business Outreach*** (corporate retention program for top 10 revenue and job producers, broker's luncheons, and industrial site resource database);
\$10,000 for ***Economic Collaboration*** with SoCal Biomedical Council; \$90,000 for ***Marketing and Advertising***;
\$40,000 for ***Technology Initiatives*** (industry specific sponsorships to advance Pasadena's profile in biotech and other sciences).

 - **Old Pasadena** (funded by tax increment and investment earnings):
\$30,000 for the ***Storefront Improvement Program*** will continue to fund architectural lighting and facade improvements for up to three buildings;
\$15,000 to fund the ***Retail Retention and Recruitment Program*** for independent retailers to enhance competitiveness as well as continue ongoing recruitment and support for businesses in the District;
\$89,204 for support of the ***Old Pasadena Property Owner-Based Business Improvement District (PBID)***.
3. **Special Projects** (funded by sales tax, Water & Power and Housing Trust Fund):
\$5,000 for legal and planning work associated with a new ***Saab dealership*** in Pasadena;
\$320,000 for the continued ***Symes Cadillac Sales Tax Reimbursement Agreement***;
\$110,000 for the ***Glen Arm/Art Center*** economic and parking analysis and appraisal update to complete the Master Plan for development of the site; \$35,000 for ***Legacy Project*** to review the Legacy Partner housing program.
4. **Affordable Housing** (funded by tax increment, federal monies [FannieMae, HOME, Emergency Shelter, Section 8, Shelter Plus, Supportive Housing, HOPWA, and CDBG]):
Rental Rehabilitation (\$146,000) provides financial assistance for the rehabilitation of 10 deteriorated/blighted rental housing units; ***Rental Covenant Compliance Monitoring (\$50,000)*** provides for on-site monitoring of rental units and tenant households to ensure compliance with rental covenants; ***Christmas in April (\$20,000)*** is a nationwide one-day event to repair and rehabilitate the residential properties of low income, elderly or disabled households by a diverse volunteer population; ***Bad Weather Shelter/Emergency Shelter Assistance (\$220,000)*** provides 180 shelter beds available for low income homeless persons; ***Homeownership Opportunities Program (HOP) (\$750,000)*** provides financial and technical assistance to low/moderate income buyers of existing ownership units; ***2000 NOFA (\$1,500,000)*** to fund acquisition, rehabilitation and/or construction of affordable housing projects; ***Rental Assistance Program (\$8,022,000)*** provides tenant-based rental assistance and supportive services to approximately 1,266 program participants; ***Self Sufficiency Program (\$50,000)*** for enrollment and financial stipends of 50 eligible Section 8 HCVP participant households; ***HOME Rental Assistance (\$170,000)*** tenant-based rental subsidies for 30 low-income households; ***HOPWA (\$167,810)*** provides tenant-based rental

subsidies for 15 low income households; *Shelter Plus* (\$420,000) to provide rental subsidies and supportive services for 60 low income persons with disabilities; and Supportive Housing (\$543,274) to provide 10 units of supportive housing for low income families/individuals with HIV/AIDS. **CDBG (\$2,609,439)** provides continued community revitalization of the Service Benefit Area and individual development projects through the provision of planning public services, economic, employment and housing opportunities, fair housing counseling, capital improvements, etc., directed to benefit in excess of 2,000 low and moderate income households residing within the City.

5. **Administrative Budget** for the department includes appropriations necessary to provide administrative, professional and management support to carry out the program activities incorporated in the work program. Recommended administrative expenditures in FY 2002 total \$4,967,562 and are comprised of the following components:

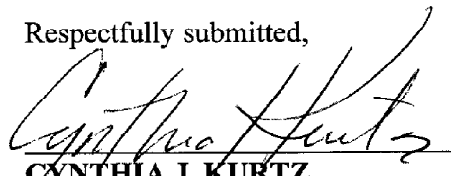
• Development/Real Estate (General Fund)	\$212,481
• Enterprise Zone (General Fund)	192,389
• Northwest Programs (General Fund)	274,258
• PCDC	2,550,113
• Rental Assistance Program	1,338,321
• Community Development Block Grant	<u>400,000</u>
Total Administration	\$4,967,562

Of the \$4,967,562 in administrative expenditures, \$615,717 is appropriated to pay personnel and related services in other City departments (abatements), and \$297,328 for internal services such as structural maintenance, utilities and insurance, housekeeping, etc.


FISCAL IMPACT:

Approval of the Commission's annual budget establishes the FY 2002 total Commission budget at \$37,268,570, and includes \$679,128 in General Fund expenditures, \$10,674,405 for the Rental Assistance Program, \$2,609,439 for CDBG, \$5,000,313 for Affordable Housing, and \$18,305,285 for PCDC program and project expenditures.

Respectfully submitted,


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Prepared by:


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APPROVED:



RICHARD J. BRUCKNER
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Attachments

CONCURRED:



for **JAY GOLDSTONE**
Director of Finance