

# Agenda Report

TO: CITY COUNCIL DATE: APRIL 7, 2003  
THROUGH: LEGISLATIVE POLICY COMMITTEE (April 1, 2003)  
FROM: CITY MANAGER  
SUBJECT: **SUPPORT FOR SB 465: TRANSIT VILLAGE PLAN: DESIGN (SOTO)**

## **RECOMMENDATION**

It is recommended that City Council support SB 465 (Transit Village Plan: Design) as introduced, and authorize the Mayor to send letters to the appropriate authorities conveying Pasadena's position.

## **BILL SUMMARY**

The intent of Senate Bill 465 is to encourage and support transit-oriented developments (TOD's) by expanding upon existing State transit village guidelines—specifically to allow the creation of specialized redevelopment project areas within close proximity to transit stations. As currently drafted, the Bill would:

- Extend the current State defined boundaries of a transit village development district from a 1/4 mile to 1/2 mile;
- Require the Office of Planning and Research to convene a task force to create statewide guidelines for transit village planning and design;
- Exempt transit villages from meeting the physical and economic criteria of blight in order to qualify as redevelopment areas;
- Extend the redevelopment project area debt incurrence time limits; and
- Require 20% of housing projects to be designated as affordable housing.

## **BACKGROUND**

Senate Bill 465 will would permit cities and counties to adopt transit village redevelopment project areas (Transit Villages) with a half a mile radius. These Transit Villages could be established without the findings of specific conditions of physical or economic blight that are typically required when establishing redevelopment project areas.

If approved, SB 465 will allow Pasadena and other cities use traditional redevelopment tools such as tax-increment financing and land assembly to foster quality commercial and residential development

in close proximity to transit villages. Pasadena will have six transit stations upon the opening of the Metro Gold Line.

Two of Pasadena's transit stations, Del Mar and Holly Street, are sited within the existing Downtown Redevelopment Project Area. The provisions of SB 465 would permit those portions of the project area that lie within one half mile of the transit stations to be treated differently. For example, the time limit on debt incurrence and debt repayment would be 10 years longer than what current redevelopment law provides.

With respect to the other four Pasadena transit stations: Fillmore; Lake; Allen; and Sierra Madre Villa, SB 465 would allow Pasadena to adopt new redevelopment project areas, again without having to make specific physical and economic blight findings. This could be tremendously beneficial in that Pasadena could retain property tax revenues that currently go to the County. These revenues could be used to plan, design, and assist in the construction of quality development projects right here in the community.

Pursuant to the *2002 Congestion Management Program (CMP)* and the *2001 Long Range Transportation Plan* adopted by the Los Angeles County Metropolitan Transportation Authority, jurisdictions are required to conform to local requirements of the CMP in order to continue receiving their portion of state gas tax money and to preserve their eligibility for State and Federal funding for transportation projects. Facilitating TOD's would not only increase the use of transit networks but also encourage various transportation modes and maximize the use of the Metro Gold Line.

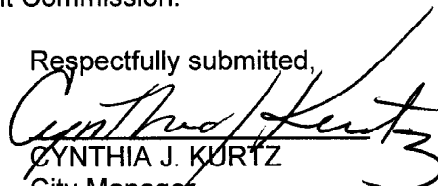
SB 465 would also require that 20% of all new residential construction and substantial rehabilitation within the transit village redevelopment plan area must be affordable to low and moderate-income households. Current redevelopment law requires that 15% of the residential units produced within the lifetime of a given project area be affordable, so the 20% requirement that would apply within the transit village redevelopment area is only a modest increase over existing practices. This characteristic will further enhance Pasadena's efforts to create affordable housing opportunities throughout the community and squares nicely with the city's adopted 15% inclusionary requirement.

The bill is introduced by Senator Nell Soto, sponsored by the Gateway Cities Council of Governments and supported by the League of Cities.

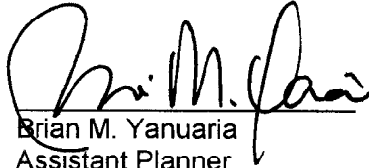
### **FINANCIAL IMPACT**

The establishment of Transit Village Redevelopment Project Areas will provide additional new tax increment revenues from which the Community Development Commission could capitalize to finance necessary public improvement projects within the TOD. The City's General Fund is held harmless and will continue to receive property tax revenues generated from the frozen base year values and the Community Development Commission will be allocated any tax increment revenues over the effective term of the redevelopment plan. As taxable values continue to increase over time future tax increment revenues will continue to be available for additional TOD projects, programs or activities administered by the Community Development Commission.

Respectfully submitted,

  
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