

Agenda Report

DATE: JUNE 21, 2004

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 2005 ANNUAL
OPERATING BUDGET

RECOMMENDATION

It is recommended that the Pasadena Community Development Commission ("Commission") adopt the attached resolution pursuant to Section 33606 of the Health and Safety Code approving the Fiscal Year 2005 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.

The following changes have been incorporated into the FY 2005 Operating Budget and are additions to or reductions to the FY2005 Recommended Operating Budget.

COMMITTEE ACTION

The Community Development Committee ("CDC") unanimously recommended approval of the proposed FY 2005 Annual Operating Budget during their regular meeting of May 13, 2004 with the following recommendations which have already been included in the recommended budget:

1. BWS/Emergency Shelter -- Increase budget from \$236,200 to \$246,200. The \$10,000 increase shall augment the Bad Weather Shelter program (\$40,000 total budget) and will be funded from the 6/30/05 Projected fund balance (\$17,288).
2. Rebuilding Together Pasadena -- Increase budget from \$30,000 to \$35,000. The \$5,000 increase will be funded from the 6/30/05 Projected fund balance (\$17,288).

3. Affordable Housing - Homeownership Opportunities Program: Transfer \$100,000 in HOME funds from the "HOP" homebuyer loan program to assist transitional housing projects, subject to federal statutory restrictions for this funding source.

STATE AND FEDERAL ACTIONS

After the Community Development Committee reviewed the City's proposed budget, the State of California and the United States Department of Housing and Urban Development took the following actions to reduce the funds available for redevelopment activities and housing assistance:

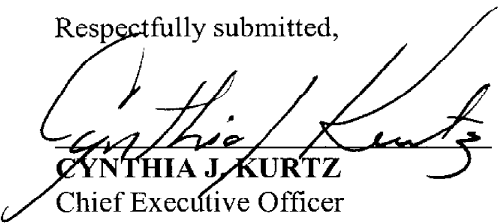
The State of California will reduce City revenues by shifting them to the Educational Revenue Augmentation Fund (ERAF). These contributions reduce appropriations to Pasadena Community Development Commission (PCDC) by \$915,243 (Downtown Project - \$672,705, Orange Grove Project - \$125,538 and Old Pasadena Project - \$117,000) and reduce estimated tax increment revenues to PCDC by \$1,802,943 (Downtown Project - \$1,282,450, Orange Grove Project - \$294,611 and Old Pasadena Project - \$225,882).

The United States Department of Housing and Urban Development announced an administrative interpretation that reduces funds available for the Rental Assistance Program by \$502,300: \$125,212 in Administrative and \$ 377,088 in housing assistance program funds. The numbers presented here are still being discussed with cities and other agencies and may change. Staff will return with any changes during the first quarter of fiscal year 2005 if needed.

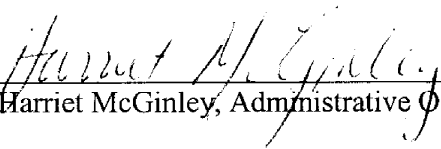
FISCAL IMPACT

Approval of the Commission's annual budget establishes the FY 2005 total Commission budget at \$52,094,572 and is comprised of \$10,514,187 for the Rental Assistance Program, \$2,740,191 for the Community Development Block Grant program (CDBG), \$3,475,000 for the Supportive Housing Programs, \$9,638,782 for Affordable Housing, and \$25,726,411 for PCDC program and project expenditures.


Respectfully submitted,


CYNTHIA J. KURTZ
Chief Executive Officer

Prepared by:


Harriet McGinley, Administrative Officer

Concurred:


JAY M. GOLDSTONE
Director of Finance

Approved:


RICHARD J. BRUCKNER
Director of Planning & Development