



Agenda Report

DATE: January 22, 2007

TO: Pasadena Community Development Commission and City Council

THROUGH: Economic Development & Technology Committee

FROM: Chief Executive Officer/City Manager

SUBJECT: Recommendation Regarding Merger of Northwest Pasadena
Redevelopment Project Areas

RECOMMENDATION

It is recommended that the Pasadena Community Development Commission ("Commission") and the City Council ("Council") direct staff to commence with the amendment/merger process to combine the five existing redevelopment project areas in Northwest Pasadena (Orange Grove, Lincoln Ave., Fair Oaks Ave., Villa-Parke, and Lake/Washington) in accordance with the provisions and requirements of the California Redevelopment Law-Health and Safety Code 33000 et seq. It is further recommended that formation of a new 12-member Merged Area Advisory Body be commenced with as described in this staff report.

RECOMMENDATIONS OF ADVISORY BODIES

Northwest Commission- At their meeting of September 12, 2006, the Northwest Commission recommended the merger of the five subject redevelopment project areas and left the organizational structure of the PACs up to the staff to make a recommendation.

Fair Oaks Avenue and Lincoln Avenue Project Area Committees- At a special joint meeting of the Fair Oaks Avenue and Lincoln Avenue Project Area Committees ("PACs") held on August 30, 2006, the project area merger recommendation was presented. Following discussion, both PACs voted unanimously to support the merger of the redevelopment project areas, however, both PACs also voted to recommend remaining intact as separate advisory bodies for each of the two redevelopment areas, and

that their membership correspond to the number of members voted into office at the upcoming elections for each PAC.

Community Development Committee- On June 12, 2003, the Community Development Committee recommended approval of the merger and the establishment of a 17-member Merged Area Advisory Body which would be subject to evaluation in the future to determine if the number of representatives from each redevelopment area benefits the merged redevelopment area. Staff will work with the Committee as the merger process moves forward.

BACKGROUND

On February 10, 2003, the Council unanimously approved the repeal of the debt time limits in accordance with the provision of Senate Bill 211. This action allowed the Commission to eliminate the time limits which existed in the Redevelopment Plans with regard to the establishment of loans, advances, and indebtedness. At that time, the Council directed staff to hold a community meeting to receive input from stakeholders on the recommendations for the proposed merger of the Orange Grove, Fair Oaks Avenue, Lincoln Avenue, Villa Parke, and Lake/Washington Redevelopment Project Areas ("Project Areas"). In addition, the Council directed staff to obtain input on the formation of a Merged Area Advisory Body, and the allocation of the combined funds.

The Commission and Council further considered the merger proposal in joint session at the August 11, 2003 and September 8, 2003 meetings. No action was taken at either of the meetings.

In light of the opportunities for sharing of tax increment funding resources to implement priority projects in the Northwest area, staff is recommending the commencement of the redevelopment plan amendment/merger process as described in greater detail below.

Merger of the Redevelopment Project Areas

As implementation efforts within the individual project areas move forward, limited fund availability within individual project area budgets is hindering the ability to move projects forward to completion. Staff is currently at work on several projects which will benefit all of the Northwest area. A merger of the five Northwest Redevelopment Project Areas would provide the Commission with the ability to share tax increment funds within the merged project area, thereby achieving greater leveraging of tax increment resources and flexibility to implement priority projects of benefit to the entire Northwest area. The separate redevelopment plans, as amended, would continue to govern the individual project areas with respect to all matters other than the pooling of tax increment revenue.

Currently, each of the five redevelopment project areas is generating tax increment funds, which are directed annually via the budgeting process to project area-specific expenditures such as debt service, staffing, and program/project assistance. The Fair Oaks Avenue Project Area carries substantial debt, while the other project areas generate

