

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: February 9, 2009

FROM: CITY ATTORNEY

SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA TO EXTEND THE PLAN EFFECTIVENESS AND TAX INCREMENT DEADLINES FOR THE DOWNTOWN, FAIR OAKS, LAKE/WASHINGTON, LINCOLN AVENUE, OLD PASADENA, ORANGE GROVE, AND VILLA-PARKE REDEVELOPMENT PLANS PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33333.6(e)(2)(C) and (D)

TITLE OF PROPOSED ORDINANCE

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA TO EXTEND THE PLAN EFFECTIVENESS AND TAX INCREMENT DEADLINES FOR THE DOWNTOWN, FAIR OAKS ORIGINAL, FAIR OAKS ADDED, LAKE/WASHINGTON, LINCOLN AVENUE, OLD PASADENA, ORANGE GROVE, AND VILLA-PARKE REDEVELOPMENT PLANS, PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33333.6(e)(2)(C) and (D)

PURPOSE OF ORDINANCE

At its meeting on February 2, 2009, the City Council and Community Development Commission directed the City Attorney's Office to prepare an Ordinance to extend the plan effectiveness and tax increment deadlines by one year for the Downtown, Fair Oaks, Lake/ Washington, Lincoln Avenue, Old Pasadena, Orange Grove and Villa-Parke Redevelopment Plans pursuant to Health and Safety Code Section 33333.6(e)(2)(C). Previously, the City Council and Community Development Commission directed the City Attorney's Office to prepare an Ordinance to extend the plan effectiveness and tax increment deadlines by two years for the Downtown, Fair Oaks, Lake/Washington, Old Pasadena, Orange Grove, and Villa-Parke Redevelopment Plans, pursuant to Health and Safety Code Section 33333.6(e)(2)(D). The ordinance extending the effectiveness dates for the full three years has been prepared for several months and was being held pending approval of the additional one year extensions available under Health and Safety Code Section 33333.6(e)(2)(C). The proposed ordinance effectuates the plan extensions.

MEETING OF 02/09/2009

AGENDA ITEM NO. 8.A.1.

REASON WHY LEGISLATION IS NEEDED

The extensions provided in the proposed Ordinance will allow the Commission to, at least partially, offset the financial burden caused by the ERAF payments the Commission was required to make to the County Auditor for the 2003-2004, 2004-2005, and 2005-2006 Fiscal Years.

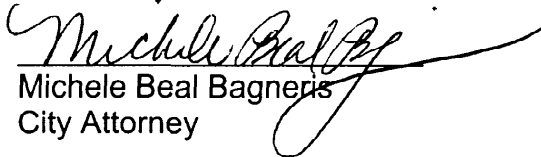
PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

Extending the effectiveness dates as provided in the proposed Ordinance provides additional funds to the Project Areas which will be used to repay the Commission's outstanding debt and the costs of projects and activities necessary to carry out the goals and objectives of the Redevelopment Plans.


FISCAL IMPACT

The additional tax increment revenues that are anticipated to be generated during the extensions provided by the proposed Ordinance are estimated by the Finance Department to total approximately \$59,778,039. This estimate assumes adequate debt in the project areas to absorb the anticipated tax increment revenue.

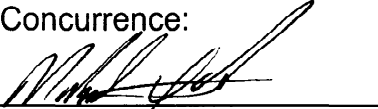
Respectfully submitted,


Michele Beal Bagnaris
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 TO EXTEND THE PLAN EFFECTIVENESS AND TAX INCREMENT DEADLINES FOR THE DOWNTOWN, FAIR OAKS ORIGINAL, FAIR OAKS ADDED, LAKE/WASHINGTON, LINCOLN AVENUE, OLD PASADENA, ORANGE GROVE, AND VILLA-PARKE REDEVELOPMENT PLANS, PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33333.6(e)(2)(C) and (D)

WHEREAS, pursuant to provisions of the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.), the Pasadena Community Redevelopment Commission (“Commission”) is engaged in the activities necessary to execute and implement the redevelopment plans for the Downtown, Fair Oaks, Lake/Washington, Lincoln Avenue, Old Pasadena, Orange Grove, and Villa-Parke Redevelopment Project Areas (referenced individually herein as “Redevelopment Plan” and collectively herein as “the Redevelopment Plans”); and

WHEREAS, the Redevelopment Plan for the Downtown Redevelopment Project Area was adopted on December 29, 1970, by Ordinance No. 5005.

WHEREAS, the Redevelopment Plan for the Fair Oaks Original Redevelopment Project Area was adopted on September 8, 1964, by Ordinance No. 4677.

WHEREAS, the Redevelopment Plan for the Fair Oaks Added Project Area was adopted on July 21, 1986, by Ordinance No. 6174.

WHEREAS, the Redevelopment Plan for the Lake/Washington Redevelopment Project Area was adopted on June 15, 1982, by Ordinance No. 5571.

WHEREAS, the Redevelopment Plan for the Lincoln Avenue Redevelopment Project Area

was adopted on July 21, 1986, by Ordinance Nos. 6175.

WHEREAS, the Redevelopment Plan for the Old Pasadena Redevelopment Project Area was adopted on July 19, 1983, by Ordinance No. 6025.

WHEREAS, the Redevelopment Plan for the Orange Grove Redevelopment Project Area was adopted on January 23, 1973, by Ordinance No. 5103.

WHEREAS, the Redevelopment Plan for the Villa-Parke Redevelopment Project Area was adopted on December 26, 1972, by Ordinance No. 5097.

WHEREAS, the time limitations in Health and Safety Code Section 33333.6 apply to every redevelopment plan adopted before December 31, 1993; and

WHEREAS, pursuant to Health and Safety Code Section 33333.6(a), each Redevelopment Plan contains a time limit for effectiveness; and

WHEREAS, pursuant to Health and Safety Code Section 33333.6(b), each Redevelopment Plan contains a time limit for the payment of indebtedness/receipt of tax increment; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Downtown Redevelopment Project Area are December 29, 2010 and December 29, 2020, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair Oaks Original Redevelopment Project Area are January 1, 2009 and January 1, 2019, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair Oaks Added Project Area are July 21, 2026 and July 21, 2036, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lake/Washington Redevelopment Project Area are June 15, 2022 and June 15, 2032, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lincoln Avenue Redevelopment Project Area are July 21, 2026 and July 21, 2036, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Old Pasadena Redevelopment Project Area are July 19, 2023 and July 19, 2033, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Orange Grove Redevelopment Project Area are January 23, 2013 and January 23, 2023, respectively; and

WHEREAS, the time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Villa-Parke Redevelopment Project Area are December 26, 2012 and December 26, 2022, respectively; and

WHEREAS, the California Legislature enacted SB 1045 and SB 1096, making various amendments to the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C), as added by SB 1045, provides that when a redevelopment agency is required, pursuant to Health and Safety Code Section 33681.9, to make a payment to the county auditor for deposit in the county's Educational Revenue Augmentation Fund ("ERAF"), the legislative body of the agency may amend, by ordinance, the

redevelopment plan to extend the time limits required pursuant to subdivisions (a) and (b) of Health and Safety Code Section 33333.6 by one (1) year. In adopting the ordinance, neither the legislative body nor the agency is required to comply with Health and Safety Code Section 33354.6, Article 12 (commencing with Health and Safety Code Section 33450), or any other provision of the Community Redevelopment Law relating to the amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33681.9 required the Commission to make a payment to the County of Los Angeles ERAF during the 2003-04 fiscal year; and

WHEREAS, the Commission made a payment to the County of Los Angeles ERAF during the 2003-04 fiscal year and is thus entitled to extend the time limits required pursuant to subdivisions (a) and (b) of Health and Safety Code Section 33333.6 by one (1) year for each Redevelopment Plan; and

WHEREAS, Health and Safety Code Sections 33333.6(e)(2)(D) and 33333.6(e)(3), as added by SB 1096, provide that when a redevelopment agency is required, pursuant to Health and Safety Code Section 33681.12, to make a payment to the county auditor for deposit in the county's ERAF, the legislative body of the agency may amend, by ordinance, the redevelopment plan to extend the time limits required pursuant to subdivisions (a) and (b) of Health and Safety Code Section 33333.6 by the following:

- (i) one year for each year in which a payment is made, if the time limit for the effectiveness of the redevelopment plan established pursuant to subdivision (a) is 10 years or less from the last day of the fiscal year in which a payment is made.
- (ii) one year for each year in which a payment is made, if both the following

apply:

1. the time limit for the effectiveness of the redevelopment plan established pursuant to subdivision (a) is more than 10 years but less than 20 years from the last day of the fiscal year in which payment is made.
2. the legislative body of the agency determines in the ordinance adopting the amendment that with respect to each project area, the agency is in compliance with Health and Safety Code Section 33334.2 or 33334.6, as applicable, has adopted an implementation plan in accordance with the requirements of Health and Safety Code Section 33490, is in compliance with subdivisions (a) and (b) of Health and Safety Code Section 33413, to the extent applicable, and is not subject to sanctions pursuant to subdivision (e) of Health and Safety Code Section 33334.12 for failure to expend, encumber, or disburse an excess surplus.

In adopting the ordinance, neither the legislative body nor the agency is required to comply with Health and Safety Code Section 33354.6, Article 12 (commencing with Health and Safety Code Section 33450), or any other provision of the Community Redevelopment Law relating to the amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33681.12 required the Commission to make a payment to the County of Los Angeles ERAF during the 2004-05 fiscal year and the 2005-06 fiscal year; and

WHEREAS, the Commission made a payment to the County of Los Angeles ERAF during the 2004-05 fiscal year and the 2005-06 fiscal year; and

WHEREAS, funds used to make payments to the County of Los Angeles ERAF pursuant to Health and Safety Code Section 33681.12 would otherwise have been used to pay the costs of projects and activities necessary to carry out the goals and objectives of the Redevelopment Plans; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plans for the Downtown, Fair Oaks Original, Orange Grove, and Villa-Parke Redevelopment Project Areas, established pursuant to Health and Safety Code Section 33333.6(a), are each 10 years or less from the last day of the fiscal year in which a payment to the County of Los Angeles ERAF was made; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plans for the Lake/Washington and Old Pasadena Redevelopment Project Areas, established pursuant to Health and Safety Code Section 33333.6(a), are each more than 10 years but less than 20 years from the last day of the fiscal year in which a payment to the County of Los Angeles ERAF was made; and

WHEREAS, with respect to the Lake/Washington and Old Pasadena project areas, the Commission is in compliance with Health and Safety Code Section 33334.2 or 33334.6, as applicable, has adopted an implementation plan in accordance with the requirements of Health and Safety Code Section 33490, is in compliance with subdivisions (a) and (b) of Health and Safety Code Section 33413, to the extent applicable, and is not subject to sanctions pursuant to subdivision (e) of Health and Safety Code Section 33334.12 for failure to expend, encumber, or disburse an excess surplus; and

WHEREAS, the Commission is thus entitled to extend the time limits required pursuant to

subdivisions (a) and (b) of Health and Safety Code Section 33333.6 by an additional two (2) years for each Redevelopment Plan except those for the Fair Oaks Added Project Area and the Lincoln Avenue Project Area; and

WHEREAS, the Commission and City Council now desire to take advantage of the above mentioned provisions of the Health and Safety Code and adopt an ordinance to extend the time limits for effectiveness and payment of indebtedness/receipt of tax increment for each Redevelopment Plan; and

WHEREAS, the Commission has provided notice of the public hearing to consider this Ordinance to extend the time limits for effectiveness and payment of indebtedness/receipt of tax increment for each Redevelopment Plan, as required by Health and Safety Code section 33333.6(e)(3).

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 extending the time limits for effectiveness and payment of indebtedness/receipt of tax increment in accordance with Health and Safety Code Sections 33333.6(e)(2)(C) and (D) and notwithstanding any other provisions in the Redevelopment Plans as follows:

- a. The time limits for effectiveness and the payment of indebtedness/receipt of tax

increment for the Redevelopment Plan for the Downtown Redevelopment Project Area shall be extended to December 29, 2013 and December 29, 2023, respectively; and

b. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair Oaks Original Redevelopment Project Area shall be extended to January 1, 2012 and January 1, 2022, respectively; and

c. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair Oaks Added Project Area shall be extended to July 21, 2027 and July 21, 2037, respectively; and

d. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lake/Washington Redevelopment Project Area shall be extended to June 15, 2025 and June 15, 2035, respectively; and

e. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lincoln Avenue Redevelopment Project Area shall be extended to July 21, 2027 and July 21, 2037, respectively; and

f. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Old Pasadena Redevelopment Project Area shall be extended to July 19, 2026 and July 19, 2036, respectively; and

g. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Orange Grove Redevelopment Project Area shall be extended to January 23, 2016 and January 23, 2026, respectively; and

h. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Villa-Parke Redevelopment Project Area shall be

extended to December 26, 2015 and December 26, 2025, respectively.

Ordinance No. _____ shall take effect upon publication.”

SECTION 2: Adoption of Recitals. The City Council hereby finds and determines that all of the foregoing recitals are true and correct, and that all legal prerequisites to the adoption of this Ordinance, including the findings and determinations required by Health and Safety Code Section 33333.6, have been satisfied.

SECTION 3: Extension of Time Limits. Based upon the above findings and determinations, in accordance with Health and Safety Code Sections 33333.6(e)(2)(C) and (D), and notwithstanding any other provisions in the Redevelopment Plans, the City Council hereby amends the Redevelopment Plans by extending the time limits for effectiveness and payment of indebtedness/receipt of tax increment, as follows:

a. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Downtown Redevelopment Project Area shall be extended to December 29, 2013 and December 29, 2023, respectively; and

b. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair oaks Original Redevelopment Project Area shall be extended to January 1, 2012 and January 1, 2022, respectively; and

c. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Fair Oaks Added Project Area shall be extended to July 21, 2027 and July 21, 2037, respectively; and

d. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lake/Washington Redevelopment Project Area shall

be extended to June 15, 2025 and June 15, 2035, respectively; and

e. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Lincoln Avenue Redevelopment Project Area shall be extended to July 21, 2027 and July 21, 2037, respectively; and

f. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Old Pasadena Redevelopment Project Area shall be extended to July 19, 2026 and July 19, 2036, respectively; and

g. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Orange Grove Redevelopment Project Area shall be extended to January 23, 2016 and January 23, 2026, respectively; and

h. The time limits for effectiveness and the payment of indebtedness/receipt of tax increment for the Redevelopment Plan for the Villa-Parke Redevelopment Project Area shall be extended to December 26, 2015 and December 26, 2025, respectively. .

SECTION 4: Redevelopment Plans in Effect. The Redevelopment Plans, as amended, shall remain in full force and effect, unmodified except to the extent of the amendment expressly set forth in this Ordinance.

SECTION 5: Certified Copy by City Clerk. 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 continuing to carry out the Redevelopment Plans as herein amended.

SECTION 6: Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the

Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that anyone or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 7: Publication. The City Clerk shall cause a summary of this Ordinance to be published in a newspaper of general circulation.

SECTION 8: Effectiveness. This Ordinance shall take effect upon the date of publication.

Signed and approved this _____ day of _____ 2009.

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 _____, 2009, by the following vote:

AYES:

NOES:

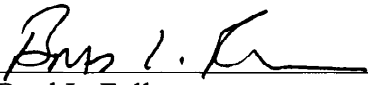
ABSTAIN:

ABSENT:

Published:

Mark Jomsky, City Clerk,

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney