

Agenda Report

DATE: JUNE 15, 2009

TO: CITY COUNCIL AND PASADENA COMMUNITY DEVELOPMENT COMMISSION

THROUGH: FINANCE COMMITTEE

FROM: MICHAEL J. BECK, CHIEF EXECUTIVE OFFICER

SUBJECT: JOINT PUBLIC HEARING: ADOPT A RESOLUTION APPROVING THE PASADENA COMMUNITY DEVELOPMENT COMMISSION'S FY 2010 ANNUAL OPERATING BUDGET AND FY 2010 WORK PLAN AND ADOPT A RESOLUTION DETERMINING THAT PAYMENT BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION FOR THE RENOVATION OF THE VILLA PARKE COMMUNITY CENTER IS OF BENEFIT TO THE VILLA-PARKE PROJECT AREA AND FOR PUBLIC IMPROVEMENTS WITHIN OLD PASADENA IS OF BENEFIT TO THE OLD PASADENA PROJECT AREA

RECOMMENDATION

It is recommended, that the City Council and the Pasadena Community Development Commission ("Commission") conduct a joint public hearing and at the conclusion of the public hearing take the following actions:

1. Adopt a Resolution pursuant to Section 33606 of the Health and Safety Code approving the FY 2010 Annual Operating Budget (as recommended in the City's 2010 Annual Operating Budget) and the FY 2010 Work Plan. The Commission's 2010 Annual Operating Budget includes a transfer to the Housing Department in the amount of \$3,230,589 of low and moderate income funds established for each redevelopment project area pursuant to Section 33334.3 of the California Health and Safety Code.
2. Adopt a Resolution pursuant to Section 33445 of the Health and Safety Code approving payment by the Commission to fund the renovation cost of the Villa Parke Community Center as such payment is of benefit to the Villa-Parke Project Area and to fund the cost of the public improvements within the Old Pasadena Project Area as such payment is of benefit to the Old Pasadena Project Area.

COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDATIONS

The Community Development Committee (“CDC”) considered the recommendation regarding the FY 2010 Annual Operating Budget at its regular meeting of May 14, 2009. Following discussion, the CDC voted to approve the budget and Work Program.

BACKGROUND

The majority of the budget programs/projects are the same as in past years with the following exceptions for new program enhancement requests, all of which are consistent with the respective Redevelopment Plans:

Project Description	Amount	Redevelopment Project Area
The Restoration of Villa Parke Community Center	\$2,000,000	Villa Parke
Increase of funding for Villa Parke Storefront Improvement Program	\$30,000	Villa Parke
Funding of Lincoln Avenue Development Opportunities	\$700,000	Lincoln Avenue
Funding of Lincoln Avenue Planning	\$190,000	Lincoln Avenue
Increase of funding for Lake Washington Storefront Improvement Program	\$75,000	Lake Washington
Funding of Downtown Wayfinding Signage Program	\$200,000	Downtown
Funding of Downtown Development Opportunities	\$75,000	Downtown

Also as part of the budget recommendation for FY 2010, staff is recommending that the Commission consider and approve a Finding of Benefit for the Villa Parke and Old Pasadena Redevelopment Project Areas to direct Villa Parke and Old Pasadena Project Area funds in an amount not to exceed \$3,122,000 for costs associated with the renovation of the Villa Parke Community Center and the upgrade of public improvements located within the Villa Parke (\$2,000,000) and Old Pasadena (\$1,222,000) Project Areas. As specific projects are identified staff will return to the City Council/Commission as needed for the award of contracts. The source of funds for the recommendation is the Villa Parke and Old Pasadena Project Area fund balance. This recommended action by the Commission has been noticed pursuant to the requirements of the Health and Safety Code and a Summary Report detailing the facts supporting the recommended determinations for the Finding of Benefit is included as Exhibit A. A joint resolution of the City Council and Commission regarding the Finding of Benefit is attached.

The FY 2010 budget program detail was presented to the Finance Committee and City Council at their joint meeting May 11, 2009 for review and discussion.

FISCAL IMPACT

Approval of the Commission's annual budget establishes the FY 2010 total Commission budget at \$37,322,849 for projects and program administration. Sufficient funding is available in each of the respective Redevelopment Project Areas to finance the proposed projects and program administration.

Respectfully submitted,



MICHAEL J. BECK
Chief Executive Officer

Prepared by:



DAVID A. KLUG
Redevelopment Manager

APPROVED:



RICHARD J. BRUCKNER
Director of Planning & Development

CONCURRED:



ANDREW GREEN
Director of Finance

Exhibits:

- A. Summary Report Regarding Payment by the Community Development Commission for the Renovation of the Villa Parke Community Center and for Public Improvements within the Old Pasadena Project Area.

**SUMMARY REPORT REGARDING PAYMENT BY THE PASADENA
COMMUNITY DEVELOPMENT COMMISSION FOR THE RENOVATION OF
THE VILLA PARKE COMMUNITY CENTER AND FOR PUBLIC
IMPROVEMENTS WITHIN THE OLD PASADENA PROJECT AREA.**

DATED: JUNE 1, 2009

Estimate of Taxes

The Pasadena Community Development Commission ("Commission") proposes to pay, using tax increment revenues from the Villa-Parke and the Old Pasadena Redevelopment Project Areas, for the renovation of the Villa Parke Community Center and for the installation of public improvements within the Old Pasadena Redevelopment Project Area.

The Commission will pay a portion of the total cost of the project from taxes ("tax increment revenues") allocated to the Commission pursuant to California Health and Safety Code Section 33670 (b) from the Project Areas. The total amount of tax increment revenues allocated to fund the Villa-Parke renovations is \$2 million and \$1.22 million will be allocated to fund the improvements in the Old Pasadena Project Area for a total of \$3,122,000. The amount set forth in this report is based on the current estimates of costs and availability of other funds that the Commission believes are reasonable. Such amounts may vary depending on the actual costs and availability of funds.

Facts Supporting Determinations

- 1. Determination of the City of Pasadena ("City") Pursuant to Section 33445 of the Health and Safety Code Regarding Finding of Benefit for the Villa Parke Community Center and Old Pasadena Public Improvements:**
 - a. The buildings, facilities, structures, and improvements as described below in "Description of the Project: Villa Parke Recreation Center and Villa Parke" are located within the Villa-Parke Project Area and are of benefit to the Villa Parke Project Area and to the immediate neighborhood in which the project is located in that the renovation of the public improvements listed below will assist in the ongoing revitalization of the Villa-Parke Project Area, will encourage private sector investment in the area around Villa Parke, will create job opportunities for residents to work at Villa Parke and on the construction of the improvements, will promote the economic viability of businesses in the Villa-Parke Project Area as visitors to Villa Parke for events held there will patronize businesses in the area around Villa

Parke, will attract new businesses to the Villa-Parke Project Area due to the increase in economic activity in the area, will assist in retaining existing businesses for the same reason, and will encourage business expansion, all for the health, safety, and welfare of the residents and taxpayers of the Villa Parke Project Area and the City.

Description of the Project: Villa Parke and Villa Parke Recreation Center Improvements

The subject project includes:

- Replacing the natural turf soccer field at Villa Parke with a synthetic turf to allow for year round and more versatile uses.
- Changing T12 light bulbs to T8 bulbs for energy efficiency.
- Renovating the men's public restrooms on the 1st and 2nd floors of Villa Parke Recreation Center.
- Replacing the HVAC system over the auditorium and administration areas of Villa Parke Recreation Center.
- Replacing the roof of Villa Parke Recreation Center.
- Replacing etched glass windows at Villa Parke Recreation Center.
- Completion of design drawings of the men's and women's locker room areas in Villa Parke Recreation Center.

- b. The buildings, facilities, structures, and improvements as described below in "Description of the Project: Old Pasadena " are located within the Old Pasadena Project Area and are of benefit to the Old Pasadena Project Area and to the immediate neighborhood in which the project is located in that the renovation of the public improvements listed below will assist in the ongoing revitalization of the Old Pasadena Project Area, will encourage private sector investment in Old Pasadena, will create and retain job opportunities for residents to work at Old Pasadena and on the construction of the improvements, will promote the economic viability of businesses in the Old Pasadena Project Area as the area retains its "sense of place" and visitors are more readily able to find their way to the business and attractions in Old Pasadena and the surrounding neighborhood, will attract more patrons for businesses in Old Pasadena, will attract new businesses to the Old Pasadena Project Area due to the increase in economic activity in the area, will assist in retaining existing businesses for the same reason, and will encourage business expansion, all for the health, safety, and welfare of the residents and taxpayers of the Old Pasadena Project Area and the City.

Description of the Project: Old Pasadena:

In conjunction with the Old Pasadena Management District, tax increment funds will facilitate improvements and upgrades to maintain the "sense of place" for which Old Pasadena is known and will allow the area businesses to remain competitive. Upgraded amenities will include the following as the budget allows:

- Installation of tree grates/street trees.
- Installation of pedestrian way finding signage.
- Repainting/rehabilitating/replacing dilapidated streetlights.
- Rehabilitate and modernize sewers/culverts.

2. There is no other reasonable means of financing the buildings, facilities, structures or other improvements available to the community.

Tax increment funds allocated to both the Villa-Parke Recreation Center and to the improvements within the Old Pasadena project area are the last viable source, as the City has no other alternative reasonable means of financing to complete the work given the current financial conditions and the State's ongoing threatened take-aways.

3. The payment of funds for the acquisition of land or the cost of buildings, facilities, structures or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low- or moderate- income persons, and is consistent with the implementation plan adopted pursuant to Section 33490.

Though much has been done to eliminate the conditions of blight within the Villa Parke and Old Pasadena Redevelopment Project Areas, there remain a number of blighting influences within the Project Areas that can benefit from the renovation of the Villa Parke Community Center and the public improvements in Old Pasadena. As economic activity increases, existing businesses are retained, and new businesses are encouraged to locate in the Project Areas, blighting influences continue to diminish and the Project Areas improve.

The Commission's Five Year Implementation Plan ("Implementation Plan") was adopted on August 1, 2005. Among the Commission's 2004-2009 General Redevelopment Fund Goals and Objectives are:

GOAL NO. 2 IMPROVE AND CONSTRUCT INFRASTRUCTURE AND PUBLIC FACILITIES WHICH BENEFIT THE PROJECT AREAS

OBJECTIVES:

1. Provide funding for public facilities, such as parking facilities, cultural, sports and convention facilities, and community facilities.
2. Provide funding for infrastructure improvements in the public way (including sewer, storm drain, water systems, and surface improvements).
3. Provide funding for programs and activities which benefit the project areas by reducing traffic congestion, improving public safety, and reducing parking deficiencies.

Moreover, the Implementation Plan proposed the continuation of the following Projects and Programs:

1. Infrastructure Improvements and New Construction: Including emphasis on projects in the Old Pasadena and Downtown Project Areas.

Redevelopment Purpose; Elimination of Blight

The above-described renovation of public improvements, will serve a basic purpose of redevelopment. Redevelopment includes the provision of structures as may be appropriate or necessary in the interest of the general welfare. Another fundamental purpose of redevelopment is to expand employment opportunities and to provide an environment for the social, economic, and psychological growth and well-being of all citizens.

The above-described renovation of public improvements will assist in the ongoing revitalization of the Project Areas, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Areas, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety, and welfare of the residents and taxpayers of the Project Areas and the City.

RESOLUTION NO. _____

**A RESOLUTION OF THE PASADENA COMMUNITY DEVELOPMENT COMMISSION
ADOPTING ITS FISCAL YEAR 2010 ANNUAL OPERATING BUDGET**

WHEREAS, Section 33606 of the California Health and Safety Code requires the Pasadena Community Development Commission ("Commission") to adopt an annual budget containing specific information for each redevelopment project area pursuant to Section 33334.3 of the California Health and Safety Code; and

WHEREAS, the Commission's proposed Fiscal Year 2010 Annual Operating Budget was reviewed and recommended for approval on May 14, 2009 by the Pasadena Community Development Committee; and

WHEREAS, the Commission has reviewed the proposed Fiscal Year 2010 Annual Operating Budget containing all of the specific information for each redevelopment project area as required by Section 33334.3 of the California Health and Safety Code.

NOW, THEREFORE, be it resolved by the Pasadena Community Development Commission as follows:

1. The proposed Annual Operating Budget of the Pasadena Community Development Commission for Fiscal Year 2010 in the form presented at this meeting is hereby adopted as the annual budget for the year ending June 30, 2010, and the Commission hereby appropriates such funds as are necessary to meet the proposed expenditures and debt service, and implements the proposed work program of the Commission for Fiscal Year 2010.
2. In accordance with Section 33334.3 (d) of the Health and Safety Code, the Commission hereby finds and determines that the planning and administrative expenses funded by the Low and Moderate-Income Housing Trust Funds of the Commission's several redevelopment projects are necessary for the production, improvement or preservation of Low and Moderate-income housing within the community of the City of Pasadena.
3. All appropriations for prior periods shall remain in effect and be available for encumbrances and expenditures along with appropriations for the same purpose as set forth in the budget for Fiscal Year 2010.

ADOPTED at a meeting of the Pasadena Community Development Commission
on this _____ day of June, 2009, by the following vote:

AYES:

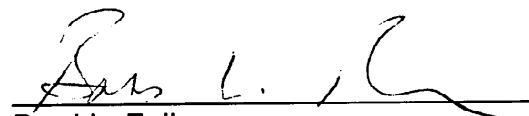
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY
Secretary

APPROVED AS TO FORM:



Brad L. Fuller
Assistant General Counsel

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL AND THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF PASADENA DETERMINING THAT PAYMENT BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION TO FUND THE COST OF PUBLIC IMPROVEMENTS WITHIN THE VILLA-PARKE PROJECT AREA FOR THE RENOVATION OF THE VILLA PARKE COMMUNITY CENTER IS OF BENEFIT TO THE VILLA-PARKE PROJECT AREA AND TO FUND THE COST OF PUBLIC IMPROVEMENTS WITHIN THE OLD PASADENA PROJECT AREA FOR PUBLIC IMPROVEMENTS WITHIN OLD PASADENA IS OF BENEFIT TO THE OLD PASADENA PROJECT AREA

RECITALS:

WHEREAS, the Pasadena Community Development Commission (the "Commission") is a redevelopment agency, authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended (the "Law"), and to incur indebtedness for the purpose of financing certain redevelopment activities within and for the benefit of its redevelopment project areas; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Villa-Parke Project (the "Villa-Parke Project Area") has been duly approved and adopted by the City Council of the City of Pasadena (the "City Council"); and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Old Pasadena Project (the "Old Pasadena Project Area") has been duly approved and adopted by the City Council of the City of Pasadena (the "City Council"); and

WHEREAS, the Commission proposes to utilize revenues from the Villa-Parke Project Area to fund the cost of renovation of the Villa Parke Community Center (the "Villa Parke Project"); and

WHEREAS, the Commission proposes to utilize revenues from the Old Pasadena Project Area to fund the cost of public improvements within Old Pasadena (the "Old Pasadena Project"); and

WHEREAS, pursuant to Section 33679 of the California Health & Safety Code, after notice duly published in accordance with law, the City Council and Community Development Commission held a joint public hearing on this date and received evidence concerning the allocation of the tax increment revenues from the Villa-Parke Project Area to the financing of the Villa Parke Project and tax increment revenues from the Old Pasadena Project Area to the financing of the Old Pasadena Project; and

WHEREAS, there has been made available in the office of the Planning & Development Department, Economic Development Division for two weeks prior to such public hearing for public inspection and copying, a Summary Report which includes all of the following: (i) estimates of the amount of such taxes allocated to the Commission from the Villa-Parke and Old Pasadena Project Areas proposed as payment for the Villa Parke Project and the Old Pasadena Project, including interest payments; (ii) facts supporting the determinations required to be made by the City Council pursuant to California Health and Safety Code Section 33445; and (iii) the redevelopment purpose for which such taxes are being used to pay for the Villa-Parke Project and the Old Pasadena Project; and

NOW, THEREFORE, THE CITY COUNCIL AND THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF PASADENA HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Further Findings. The City Council and Commission hereby find and determine that based on the "SUMMARY REPORT REGARDING PAYMENT BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION FOR THE RENOVATION OF THE VILLA PARKE COMMUNITY CENTER AND FOR PUBLIC IMPROVEMENTS WITHIN THE OLD PASADENA PROJECT AREA," which Report was made available at the office of the Planning & Development Department, Economic Development Division in connection with the public hearing described in the Recitals hereof, and other information presented to the Commission: (i) the above-described public improvements are of benefit to the Villa-Parke and Old Pasadena Project Areas and to the immediate neighborhood in which the Villa Parke Project is located and to the immediate neighborhood in which the Old Pasadena Project is located; (ii) the cost of such public improvements will assist in the elimination of one or more blighting conditions inside the Villa-Parke and the Old Pasadena Project Areas; (iii) the payment of funds for the cost of such public improvements is consistent with the Commission's implementation plan adopted pursuant to Health and Safety Code Section 33490; and (iv) no other reasonable means of financing such improvements is available to the City.

Section 3. Approval of Payment. The City Council hereby approves payment by the Commission for the cost of the Villa-Parke Project from tax increment revenues of the Commission from the Villa-Parke Project Area and for the cost of the Old

Pasadena Project from the tax increment revenue of the Commission from the Old Pasadena Project Area.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED at a joint meeting of the City Council and the Pasadena Community Development Commission on the _____ day of _____ 2009, by the following vote:

AYES:

NOES:

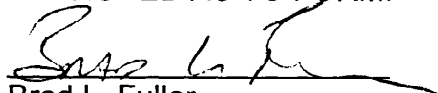
ABSENT:

ABSTAIN:

ATTEST:

Mark Jomsky,
City Clerk and Secretary

APPROVED AS TO FORM:



Brad L. Fuller,
Assistant City Attorney
and Assistant General Counsel