



# Agenda Report

May 9, 2011

**TO:** Honorable Mayor and City Council/Pasadena Community Development Commission

**FROM:** HOUSING DEPARTMENT

**SUBJECT:** **JOINT PUBLIC HEARING AT CITY COUNCIL: APPROVAL OF THE SUBMISSION OF AN APPLICATION TO HUD FOR A SECTION 108 LOAN TO FUND THE REHABILITATION OF THE ROBINSON PARK COMMUNITY CENTER FACILITY AND APPROVAL OF THE CORRESPONDING SUBSTANTIAL AMENDMENT TO THE 2010-2015 CONSOLIDATED PLAN TO INCLUDE THE CITY'S SUBMISSION OF A SECTION 108 LOAN APPLICATION**

**RECOMMENDATION:**

It is recommended that the City Council/ Pasadena Community Development Commission:

1. Find that the project proposed in the action below for rehabilitation of the Robinson Park Community Center facility was subject to CEQA review as part of the Negative Declaration adopted by the City Council November 4, 2002 in conjunction with approval of the Robinson Park Master Plan, and that there are no changed circumstances or new information, which would trigger additional environmental review; and
2. Following the public hearing, adopt a resolution approving the submission, to the U.S. Department of Housing and Urban Development (HUD), an application for a Section 108 loan and the corresponding Substantial Amendment to the 2010-2015 Consolidated Plan to include the submission of the Section 108 Application.

**ADVISORY BODY RECOMMENDATION:**

Due to the time constraints of the HUD application process the staff recommendation was not taken to the Northwest Commission, Recreation and Parks Commission, Fair Oaks Project Area Committee or the Community Development Committee for consideration. However, to comply with the HUD Citizen Participation requirements there was a public process that was headed by the Robinson Park Master Plan Phase One Working Group. This working group gathered public input on the plan and held a public meeting on March 26, 2011 which generated significant public input. If funding is awarded for this project input will be sought and updates will be provided to the appropriate advisory bodies.

**BACKGROUND:**

Robinson Park Master Plan Implementation Phase 1 was the first phase of a complete revitalization of an important Community Park in Pasadena. The project was conceptually approved in 2002 and Phase 1 was implemented in 2008-2010. The \$5 million project included the first of Pasadena's first synthetic turf sports fields.

The building that serves as the recreational facility for Robinson Park was opened in May of 1974. The City is proposing to use Section 108 funds to do an extensive rehabilitation to this publicly owned facility under Federal Regulation 24 CFR 570.208(a)(1). The building has undergone routine maintenance and some rehabilitation throughout the years. However, it is estimated that, in its current condition, the deferred maintenance costs on the facility over the next 5-10 years will outweigh the cost of an extensive rehabilitation.

This proposed rehabilitation is the second implementation phase of the larger Robinson Park Master Plan. This phase will involve a larger revitalization effort beginning with extensive rehabilitation of the existing recreation and gymnasium buildings and construction of a new state-of-the art recreation center and surrounding amenities. The facility will be used for programs and activities such as computer classes, academic enrichment activities and sports and recreation classes.

The completion of the revised Robinson Park Master Plan will result in significant economic and recreational opportunities for the community and Northwest Pasadena. Once completed, Robinson Park will encompass a total area of approximately 9.5 acres and square footage of the facilities will increase from 18,910 square feet to 38,275 square feet with an estimated total cost of \$8 million.

In order to fund this project the Housing Department in cooperation with Public Works is seeking to submit a Section 108 Loan Application for \$6 million. The Section 108 Program under the Department of Housing and Urban Development (HUD) is a source of financing allotted for economic development, housing rehabilitation, public facilities

rehabilitation, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums. A Section 108 Loan allows the City to borrow against future CDBG funds. This loan will be repaid by pledging future CDBG funds annually.

Currently the City of Pasadena has a Section 108 Loan for Renaissance Plaza located at 649 N. Fair Oaks Ave. The debt service on this current Section 108 Loan will be paid off in FY 2013. The current Section 108 Loan application if funded by HUD will replace the current debt service payment in 2013 going forward. There will not be a reduction in CDBG funding available to community organizations as a result of this application. If successful in obtaining the Section 108 Loan, the City would have to identify the estimated \$2 million balance to complete the project.

#### **COUNCIL POLICY CONSIDERATION:**

This proposed action supports the City Council Strategic Planning Three-Year Goals specifically in the areas of improving, maintaining and enhancing public facilities and infrastructure, and supporting the quality of life and the local economy.

#### **ENVIRONMENTAL ANALYSIS:**

In accordance with the provisions of the California Environmental Quality Act (CEQA), an Initial Study was prepared for the Robinson Park Master Plan, of which the rehabilitation described above is a part. The Initial Study determined that the project would have a less than significant environmental impact and a Negative Declaration was prepared and adopted for the Master Plan by the City Council on November 4, 2002. The action proposed herein is Phase 2 of the Master Plan. This activity is covered under the adopted CEQA document and in compliance with Section 15162 there are no changed circumstances or new information which would require additional environmental review.

According to 24 CFR 570.704(m) the appropriate environmental review according to 24 CFR part 58 shall be completed after funding is awarded and as part of the request for Release of Funds. At this time, no further environmental review is warranted. Should there be changed circumstances or new information that trigger further environmental review when the City undertakes detailed design, prepares the appropriate plans and specifications, and the project is considered for implementation, staff will ensure that appropriate review and disclosure is conducted.

**FISCAL IMPACT:**

Approval of the subject recommendation will increase the City's debt service obligation by \$6,000,000. This \$6,000,000 debt service will be repaid with future CDBG funds and will have no impact to the General Fund. The additional \$2,000,000 in funding will be identified by the City if the Section 108 Loan Application is approved and funded by HUD.

Respectfully submitted,

  
William K. Huang  
Housing Director

Prepared by:

  
Valerie Babinski-Manlic  
CDBG Program Coordinator

Approved by:

  
MICHAEL J. BECK  
City Manager

Attachments:

Exhibit A- Section 108 Loan Application Draft

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE PASADENA CITY COUNCIL AUTHORIZING THE SUBMITTAL OF A SECTION 108 LOAN APPLICATION AND SUBSTANTIAL AMENDMENT TO THE 2010-2015 CONSOLIDATED PLAN TO THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, AND AUTHORIZATING THE CITY MANAGER TO EXECUTE THE SUBSTANTIAL AMENDMENT AND ALL OTHER RELATED SECTION 108 LOAN APPLICATION DOCUMENTS, AGREEMENTS, AND CERTIFICATIONS.

WHEREAS, the City of Pasadena (“the City”) is a municipal corporation which exercises governmental functions and powers, and is a chartered city organized and existing under the laws of the State of California; and

WHEREAS, after publication of notice, a public hearing has been duly held by the City Council to consider 1) authorizing the submittal to the U. S. Department of Housing and Urban Development (HUD) a Substantial Amendment to the City’s 2010-2015 Consolidated Plan to allow for the submittal of the Section 108 Loan Application 2) authorizing the City Manger to execute the Substantial Amendment and all other related documents, agreements and certifications.

NOW, THEREFORE, BE IT RESOLVED by the Pasadena City Council as follows:

1. The terms and provisions of the Substantial Amendment to the 2010-2015 Consolidated Plan and Section 108 Loan Application are hereby approved and the City Manager is hereby authorized and directed to submit the Substantial Amendment to the Consolidated Plan (2010-2015) and the Section 108 Loan Application to HUD, together with any and all other documents, assurances and certificates as are lawful and necessary to complete the City’s Section 108 Loan Application.

2. The City Clerk is hereby authorized and directed for and on behalf of the City to attest any documents, assurances and certificates executed by the City Manager which are deemed necessary and appropriate by HUD to complete the City's Section 108 Loan Application.

Adopted at the \_\_\_\_\_ meeting of the Pasadena City Council on the \_\_\_\_\_ day of May 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
MARK JOMSKY, CMC  
CITY CLERK

APPROVED AS TO FORM:

  
BRAD FULLER  
ASSISTANT CITY ATTORNEY