

DATE: DECEMBER 6, 1999

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: PREPARATION OF ORDINANCES EXTENDING REDEVELOPMENT TIME LIMITS PURSUANT TO AB 1290

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission direct the City Attorney to prepare Ordinances to extend the expiration dates for the Downtown, Old Pasadena, Orange Grove, Fair Oaks, Fair Oaks added, Lincoln Avenue, Villa Parke, and Lake/Washington Redevelopment Plans.

BACKGROUND:

In January, 1993 amendments to the State of California Redevelopment Law were adopted establishing (the total number of years) in which a redevelopment plan can be in place. A recent amendment to the State law enables redevelopment agencies to make modifications to the time limits on redevelopment plans by adopting an ordinance rather than a formal amendment to the Redevelopment Plan. The law was modified to make the maximum time limits for redevelopment plans consistent throughout the state.

The amendment also permits an extension to the time frame during which the Commission could receive tax increment. This time frame is ten years beyond the expiration of the plan and, it is estimated that this extension could result in net new tax increment in the amount of \$20,694,135. The additional funds from extension of the time limits will enable the Commission to meet the goals and objects of each redevelopment plan by providing additional funds for Commission assisted redevelopment projects. Another purpose of the new law is to allow redevelopment agencies an additional period of time to collect tax increment to pay for any financial obligation that an agency may have incurred during the life of the plan.

There are seven (7) redevelopment project areas that staff recommends the Commission include in the amendment procedure. These redevelopment projects areas are: 1) Fair Oaks, original; Fair Oaks, added, 2) Lincoln Avenue, 3) Villa Parke, 4) Lake/Washington, 5) Orange Grove, 6) Downtown, and 7) Old Pasadena Plans. For each redevelopment project area an ordinance may be used to extend the expiration date of the redevelopment plan to the maximum period allowed under Assembly Bill (AB) 1290. AB 1290 allows each of the redevelopment plans to have a life span of forty years and a period of 50 years to collect tax increment. The current adoption date, expiration date and amended expiration date are as follows:

12/06/99
8.B.

PROJECT AREAS	ADOPTION	EXPIRATION	PROPOSED/ AMENDED EXPIRATION DATE	NET PRESENT VALUE OF NEW TAX INCREMENT*
Fair Oaks, original	9/8/64	9/8/2004	1/1/2009	391,540
Fair Oaks, added	7/21/86	7/21/2024	7/21/2026	131,643
Lincoln Avenue	7/21/86	7/21/2024	7/21/2026	129,251
Villa Parke	12/26/72	12/26/2002	12/26/2012	1,791,697
Lake/Washington	6/15/82	6/15/2017	6/15/2022	176,570
Orange Grove	1/23/72	1/23/2003	1/23/2013	1,725,026
Downtown	12/29/70	12/29/2005	12/29/2010	12,675,438
Old Pasadena	7/19/83	7/19/2018	7/19/2023	3,672,970
TOTAL				\$20,694,135

*Total net new tax increment excludes housing set aside and pass through agreements discounted at 7.25%

For each of the redevelopment project areas the ordinance would also extend the time limit to receive tax increment for ten (10) years beyond the expiration date of the redevelopment plan. Another provision of AB 1290 enables the Commission, through the ordinance procedure, to extend the time limits in which the Commission can incur debt within the redevelopment project area.

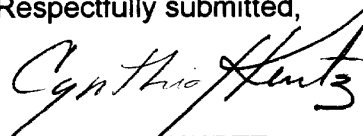
Advisory Bodies

The Project Area Committee for Fair Oaks and Lincoln Avenue reviewed this action for their respective project areas and approved staff's proposed recommendation. The Northwest Commission recommended approval of this action for all of the redevelopment project areas in Northwest Pasadena. The Community Development Committee did not review this item due to a lack a quorum.

FISCAL IMPACT

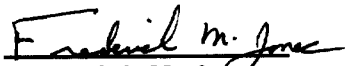
For each of the project areas a projection of additional tax increment was prepared. The projection of additional tax increment for each project area is detailed in the table above. Extensions of the time limits for all seven redevelopment areas could result in projected additional tax increment of approximately \$20,694,135

Respectfully submitted,



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