

DATE: JUNE 19, 2000

TO: COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: ADOPT RESOLUTION APPROVING THE PASADENA COMMUNITY DEVELOPMENT COMMISSION'S FY 2000-2001 OPERATING BUDGET AND, APPROVE THE PRIORITY WORK PROGRAM

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission ("Commission") adopt a resolution:

1. Approving its Annual Operating Budget for FY 2000-2001 in the amount of \$33,472,610;
2. Finding and determining that the planning and administrative expenses funded by the Low and Moderate Income Housing Trust Funds for the Commission's redevelopment projects ("Housing Trust Funds") are necessary for the production, improvement or preservation of low and moderate income housing; and
3. Approve the FY 2000-2001 Priority Work Program attached hereto.

BACKGROUND:

In summary, the Commission's proposed FY 2001 Operating Budget recommends total appropriations for economic development, redevelopment, and housing of \$33,472,610, with revenues of \$32,592,553, a projected opening balance at July 1, 2000 of \$7,959,573 and a projected closing balance at June 30, 2001 of \$7,079,517.

Funding for the following Commission projects in FY 2001 will include:

1. **Neighborhood Commercial Revitalization:** Continuation of the *Storefront Improvement Programs (\$151,000)* in the Fair Oaks, Lincoln Avenue, Lake/Washington and Villa-Parke Redevelopment Project Areas. Completion of the *Merger of Neighborhood Redevelopment Project Areas (\$47,500)* into a single, non-contiguous redevelopment area. Also, a continuation of evaluation of potential sites to attract new business to northwest Pasadena including the southeast corner of Fair Oaks and Orange Grove as well as industrial sites along Lincoln Avenue. The *Enterprise Program (\$137,543)* will continue with business assistance and outreach efforts, and utilization of the State Incentive

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2. **Central Area** project and program activities will include a Customer Survey in the **South Lake District (\$15,000)** to determine pedestrian counts, perceptions and preferences of people within the primary trade area with a telephone survey; **Retail Retention and Recruitment (\$25,000)** efforts to allow independent retailers to enhance competitiveness as well as recruitment and support for businesses in the South Lake District; and **Organizational Support** at a level to be discussed with staff and South Lake for the South Lake Visioning process. In the **Playhouse District** ongoing projects include **Retail Recruitment and Retention (\$30,000)** efforts to allow independent retailers to enhance competitiveness as well as continue ongoing recruitment and support for businesses in the District; **Storefront Improvement Program (\$50,000)** to continue funding for facade improvements; **Regional Marketing (\$25,000)** grant to the Playhouse District Association for regional marketing activities; **Customer Surveys (\$15,000)** to determine pedestrian counts and perceptions/preferences of people within the primary trade area with a telephone survey; and **Organizational Support (\$25,000)** to the Playhouse District Association to fund staffing and other administrative expenses. Staff will also support the development of a property-based business improvement district in the Playhouse District.
3. **Old Pasadena:** The **Storefront Improvement Program (\$25,000)** will continue to fund architectural lighting and facade improvements for up to five buildings; the **Retail Retention and Recruitment Program (\$20,000)** for independent retailers to enhance competitiveness as well as continue ongoing recruitment and support for businesses in the District; a **Customer Survey (\$15,000)** to determine pedestrian counts and perceptions/preferences of people within the primary trade area with a telephone survey; and **Central District Organizational Support (\$10,000)** to create and support partnerships among and between the four Central Area Districts – Old Pasadena, Civic Center/Mid-Town, Playhouse and South Lake. Staff will also support the development of a property-based business improvement district in Old Pasadena.

The City's FY 2000-2004 Capital Improvement budget includes \$300,000 from the Commission for the Pasadena Light Rail Transit Center at Del Mar/Arroyo Parkway. These funds should have been programmed into the Commission's budget in previous fiscal years but due to oversight was not. The \$300,000 is included in FY 2001 from Old Pasadena revenues.

4. **Business Development:** Business Development will continue to focus on promoting the City as a viable location for business development and growth. In that regard, the **Business Outreach (\$35,000)** component will continue to center on existing businesses in Pasadena by co-sponsoring local business events and free small business workshops, outreach to real estate brokers and commercial property owners. The **Economic Collaboration (\$20,000)** component will allow the City's continued participation to such organizations and associations as the San Gabriel Valley Partnership, Chamber of Commerce, Los Angeles Economic Development Council, Tri-City Groups, Southern California Biomedical Council, Urban Land Institute and Pasadena Rotary. The **Marketing and Advertising**

(\$100,000) component maintains and improves Pasadena's image as a place for business – marketing materials are distributed and updated as needed. The **Biomedical and Technology Initiatives (\$40,000)** are oriented to those business opportunities that result from the research that occurs at CalTech, JPL and local companies. Tremendous job and revenue growth potential exists with our local technology assets. Continuing work to foster a local technology consortium work to encourage the construction of new R&D space and infrastructure support. The **Fillmore Parking/Technology District (\$30,000)** is provided funding to determine the financial and physical arrangements for a shared parking facility in the South Fair Oaks/Raymond Technology District.

5. **Glenarm Redevelopment (\$110,000):** Funding for analysis of alternative land uses for the City's Power Plant in light of the effects of deregulation. As part of this analysis a recommendation will be made regarding how the site should be disposed of and whether establishment of a redevelopment project area will be beneficial to control future development. As a part of the 710 Freeway discussion there was a proposal to use a portion of this site for an on-ramp to the 110 Freeway. Until this issue is resolved, development decisions for the site are on hold.

6. **Affordable Housing:** In FY 2001 the following ongoing components are provided with funding: **Rental Rehabilitation (\$116,800)** provides financial assistance for the rehabilitation of 20 deteriorated/blighted rental housing units; **Rental Covenant Compliance Monitoring (\$50,000)** provides for on-site monitoring of 643 rental units and tenant households to ensure compliance with rental covenants; **Christmas in April (\$20,000)** is a nationwide one-day event to repair and rehabilitate the residential properties of low income, elderly or disabled households by a diverse volunteer population; **Bad Weather Shelter/Emergency Shelter Assistance (\$220,000)** provides 180 shelter beds available for low income homeless persons; **Homeownership Opportunities Program (HOP) (\$650,000)** provides financial and technical assistance to low/moderate income buyers of existing ownership units, and the **Federal National Mortgage Association/Downpayment Assistance Investment Note (\$90,000)** provides financial assistance to 70 low/moderate income buyers of existing ownership units; **2000 NOFA (\$1,000,000)** to fund acquisition, rehabilitation and/or construction of 200 affordable housing units with the provision of financial assistance via the Low/Moderate Income Housing Trust Fund, FNMA's American Communities Fund, and HOME Investment Partnership; **Rental Assistance Program (\$10,305,733)** provides tenant-based rental assistance and supportive services to approximately 1,400 program participants; **CDBG (\$2,596,863)** provides continued community revitalization of the Service Benefit Area and individual development projects through the provision of planning public services, economic, employment and housing opportunities, fair housing counseling, capital improvements, etc., directed to benefit in excess of 2,000 low and moderate income households residing within the City. Staff will be supporting the Planning and Permitting Department and the Housing 2000 Task Force in the development of the **Housing Element of the City's General Plan.**

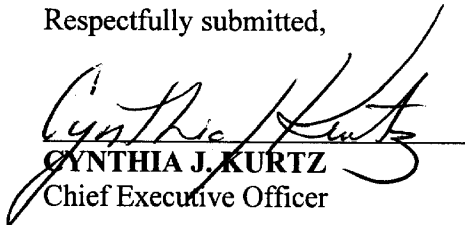
The Operating or Administrative Budget for the department includes appropriations necessary to provide administrative, professional and management support to carry out the program activities incorporated in the Committee's Priority Work Program. Recommended administrative expenditures in FY 2001 total \$4,592,749 and are comprised of the following components:

1. City Real Estate \$199,293
2. Enterprise Zone 137,543
3. Northwest Programs 267,258
4. Community Development Commission 2,325,436
5. Rental Assistance Program 1,286,757
6. Community Development Block Grant (CDBG) 376,463

Of the \$4,592,749 in administrative expenditures, \$584,002 is appropriated to pay personnel and related costs in other City departments, and \$279,705 is paid to the City for internal service charges specifically in connection with structural maintenance, tenant improvements, utilities/insurance, housekeeping, printing, telephones, etc.


On April 13, 2000 and June 8, 2000, the Community Development Committee reviewed the department's FY 2000-2001 Operating and Program Budget.

Respectfully submitted,


CYNTHIA J. KURTZ
Chief Executive Officer

Approved:


RICHARD J. BRUCKNER
Director of Housing & Development


JAY M. GOLDSTONE
Director of Finance