

DATE: JUNE 22, 1998

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

**FROM: CYNTHIA J. KURTZ
ACTING CHIEF EXECUTIVE OFFICER**

**SUBJECT: ADOPTION OF THE PASADENA COMMUNITY
DEVELOPMENT COMMISSION'S FY 1998-99 ANNUAL
OPERATING BUDGET, PERFORMANCE MEASURES AND
PRIORITY WORK PROGRAM**

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission ("Commission") take the following actions:

1. Adopt a resolution 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 adopting the Annual Budget for Fiscal Year 1998-99 in the amount of \$34,664,414.
2. Approve the Community Development Committee's FY 1998-99 Performance Measures and Priority Work Program.

BACKGROUND

In summary, the Commission's Fiscal Year 1998-99 ("FY 99") Recommended Budget proposes total appropriations for economic development, redevelopment, and housing of \$34,664,414 with revenues of \$34,011,110, an estimated beginning balance of \$8,965,465, and a projected ending balance of \$8,312,161.

Work program products from the FY 99 expenditures will include the following:

- 226 residential units completed, under construction, or rehabilitated including implementation of all projects as part of the 1998 NOFA Program.

6/22/98
8.B.

Pasadena Community Development Commission

June 22, 1998

Page 2

- Tenant-based and project-based rental housing assistance and supportive services for approximately 1,520 households.
- Neighborhood commercial revitalization activity including: (1) negotiations for a new Rite-Aid Pharmacy at the southeast corner of Fair Oaks Avenue and Orange Grove Boulevard, subject to Committee and Commission consideration and approval; (2) project activity leading to the rehabilitation of the Washington Theater; (3) storefront facade rehabilitation activities in the Lincoln Avenue, Fair Oaks Avenue, Lake/Washington, and Villa Parke redevelopment project areas; and (4) completion of consultant studies in connection with the consolidation of the neighborhood redevelopment project areas into a single, non-contiguous redevelopment area.
- Central Area project and program activity including: (1) the implementation of the recommendations and the design of public improvements in the Civic Center/Mid-Town area; (2) completion of the necessary agreements and the use program and redesign of the Plaza Pasadena; (3) completion of building and design program and required agreements for the Broadway Block; (4) retail recruitment, storefront improvements, regional marketing, and district organizational support in the Playhouse District; (5) storefront improvements, retail retention and recruitment, and completion of parking studies for the Old Pasadena District; and (6) the completion of property acquisition required for the initiation of construction of the Pasadena Transportation Center parking garage.
- Continued growth in the City's economic development program including funding for business development, marketing and advertising, automobile dealership assistance, and implementation of the technology initiatives contained in the South Fair Oaks Specific Plan.

The following exhibits are attached which detail each of the recommended appropriations for the Commission's FY 99 Annual Operating Budget:

Exhibit A: Recommended FY 1998-99 Annual Operating Budget

Exhibit B: Performance Measures

Exhibit C: FY 1998-99 Priority Work Program

The Performance Measures and Community Development Committee Priority Work Program are included for the Commission's review and approval.

FY 1998-99 PROJECT AND PROGRAM RECOMMENDATIONS

The FY 99 budget incorporates recommended project and program appropriations totaling \$34,664,414 which fund the following activities, programs and projects:

Housing Projects and Programs

The following project and program expenditures are recommended to support the construction and/or rehabilitation of up to 226 residential dwelling units during FY 99. Projects and Programs include the Rental Rehabilitation Program (\$310,000); Bad Weather/Emergency Shelter Services (\$220,000); the PNHS Homebuyers Program (\$150,000); the Homeownership Opportunities Program ("HOP") (\$520,000); 515/525 Cypress Avenue and 459 Lincoln Avenue projects with approximately eight affordable ownership units in the Lincoln Triangle (\$300,000); the rehabilitation of the Washington Theater building including the rehabilitation of approximately 50 residential units within the building (\$916,000); the construction/rehabilitation of approximately 70 affordable units under the 1998 NOFA Program (\$1,612,735); the Homeowner Rehabilitation Program for owner-occupied property rehabilitation (\$431,740); the Lincoln/Idaho Townhomes project with eight residential units (\$180,000); and the Christmas in April Program, which provides financial assistance and volunteer labor to low income homeowners for owner-occupied property rehabilitation (\$15,000).

Ongoing residential project activity includes the 636 East Walnut project (38 units), the Rio Grande townhomes project (4 units), the 456/507 Cypress project (3 units), and the Euclid/Villa project (14 units).

Community Development Block Grant

CDBG program expenditures of \$2,712,593 are recommended as approved by the City Council on May 11, 1998 and include CDBG programs for FY 99 which will continue community revitalization of the Service Benefit Area and individual development through the provision of planning, public services, economic and employment opportunities, housing and fair housing counseling, and capital improvements directed to benefit low and moderate income households residing within the City.

Rental Assistance Program

Project expenditures of \$9,916,519 are recommended for the Rental Assistance Program to continue to provide federal housing assistance payments (1,520 certificates/vouchers) to very low income households as either project based or tenant based rental assistance

under Section 8 in the amount of \$7,500,000; Section 8 portable rental assistance in the amount of \$200,000; HOME Rental Assistance in the amount of \$170,000; Housing Opportunities to People with AIDS (HOPWA) for \$101,000; Shelter Plus Care in the amount of \$455,000; and Supportive Housing in the amount of \$416,697.

Neighborhood Commercial Revitalization Projects and Programs

The following project and program expenditures are recommended for FY 99 for this area of emphasis which includes the Fair Oaks Avenue, Lake Washington, Lincoln Avenue, Villa Parke, and Orange Grove Redevelopment project areas. Project expenditures include allocations for the Fair Oaks Avenue and Lincoln Avenue Project Area Committees (\$67,500); Storefront Facade Improvement Program rebates for Fair Oaks (\$41,000), Lake Washington (\$40,000), Lincoln (\$30,000), and Villa Parke (\$40,000); completion of construction and on-going maintenance of a 6-7 space surface parking lot at the southwest corner of Fair Oaks Ave. and Mountain Street to support area businesses (\$5,000); continued support for the ongoing maintenance of the Block 5 parking lot in the Lake Washington area, and the execution of a lease for the construction of a 20-25 space surface parking lot on Prime Court, behind the Washington Theater (\$47,600); assistance to the stakeholders in the North Lake Avenue area to establish a CBO and develop strategies to implement the North Lake Avenue Specific Plan (\$17,500); completion of the negotiations and necessary agreements for a new Rite-Aid Pharmacy at the southeast corner of Fair Oaks Avenue and Orange Grove, subject to Commission approval (\$300,000); and the completion of required studies in connection with the possible consolidation of the neighborhood redevelopment project areas (\$50,000).

Central Area Projects and Programs

The following expenditures recommended for this program area include the Downtown and Old Pasadena redevelopment project areas, as well as the Playhouse District. Project expenditures include the development of a design and implementation program for the public improvements in the Civic Center/Mid-Town area (\$750,000); completion of use programming, design, and necessary agreements for the renovation of the Plaza Pasadena (\$85,000); completion of the building and design programs and agreements for the Broadway Block (\$161,000); retail recruitment (\$25,000), storefront improvements (\$50,000), regional marketing (\$25,000), and organizational support (\$25,000) in the Playhouse district; storefront improvements (\$25,000), retail retention and recruitment (\$20,000), and parking studies (\$40,300) in Old Pasadena; creation of working partnerships among and between the four Central Area districts (\$5,000); and

completion of acquisition of properties and initiation of construction of the Pasadena Transportation Center parking garage (\$50,000).

Of the total Central Area appropriation, \$1,187,125 is recommended to repay the Commission's SB-481 obligation which is transferred directly to the City's General Fund to off-set costs associated with the City's Police and Fire retirement system.

Business Development Projects and Programs

Recommended expenditures in the Business Development program area include business outreach (\$17,000); economic collaboration (\$46,000); marketing and advertising (\$35,000); implementation of the biomedical and technology initiative (\$60,000); and automobile industry dealership assistance (\$10,000); and Halstead/Sycamore-Symes auto dealership expansion (\$103,000).

Real Estate Administration and Enterprise Zone Programs

The recommended budget also includes appropriations for the administration of real estate activities (\$194,144) and Enterprise Zone Programs including business outreach and assistance (\$18,000); State Incentive Promotion (\$30,000); and Lincoln Avenue support (\$15,000).

THE OPERATING BUDGET-ADMINISTRATION AND MANAGEMENT

The Operating Budget for the Housing & Development Department includes appropriations necessary to provide administrative, professional, and management support to carry out the program activities incorporated in the Pasadena Community Development Committee's Priority Work Program.


The recommended administrative budget for FY 99 totals \$3,940,139 and is comprised of the following components:

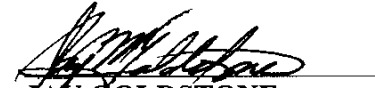
1. Real Estate/Enterprise Zone	\$ 263,467
2. Central Area Program	\$1,696,503
3. Neighborhood Commercial Revitalization	\$ 147,647
4. Affordable Housing	\$ 350,000
5. Community Development Block Grant	\$ 332,494
6. Rental Assistance Program	\$1,150,028
TOTAL	\$3,940,139

Prepared by:


JOHN P. ANDREWS
Project Manager

Approved by:


WILLIAM C. REYNOLDS
Director of Housing & Development


JAY GOLDSTONE
Treasurer

REVIEWED BY:


MICHAEL ESTRADA
Assistant General Counsel

fy99budget.ja