

San Fernando 2010 Redevelopment Plan Amendment

Redevelopment Agency Study Session
March 1, 2010





Presentation Roadmap

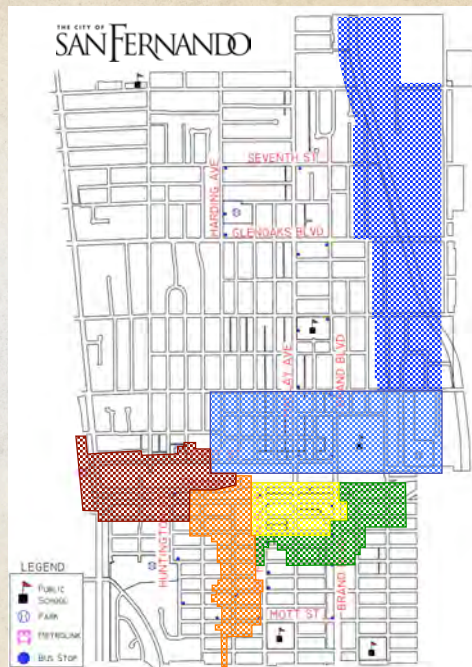
- A. Need for Plan Amendment
- B. Key Components of 2010 Plan Amendment
- C. Amendment Process
- D. Tonight's Action
- E. Next Steps

Why Do We Need Plan Amendments?

- Redevelopment plays a crucial role in San Fernando.
 - _ Affordable housing
 - _ Economic development
 - _ Public improvements and community facilities
 - _ Code enforcement
- The Agency needs more time and resources to continue to revitalize central San Fernando.

The Agency's Redevelopment Project Areas

-  1A Project Area 1 (90 ac.)
-  Project Area 2 (56 ac.)
-  1B Project Area 3 (365 ac.)
-  Project Area 4 (57 ac.)



Map for illustrative purposes only.

What redevelopment does in San Fernando

2001-2010

- Stimulates new investment.
- Creates more affordable housing.
- Reduces crime, enhances livability.
- Builds, improves public facilities.
- Funds planning efforts.



WE DO IT BY:

- Facilitating development processes.
- Offering ombudsman services.
- Providing land, other incentives.

REVENUE, JOBS

EXAMPLES:

- LAUSD Schools, Valley Family Center
- Home Depot, Sam's Club
- Library Plaza, Swap Meet Site



CREATING HOUSING



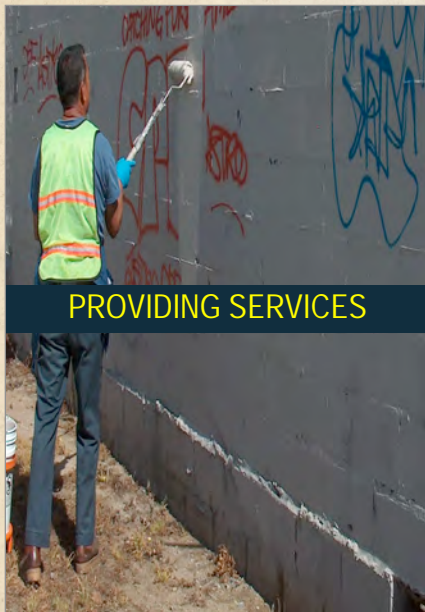
WE DO IT BY:

- Providing resources, partnerships.
- Pursuing match funds.
- Offering housing programs.

AFFORDABILITY, QUALITY

EXAMPLES:

- Senior Housing (Park and Kalisher)
- Gangi Mixed-Use Project
- Home Rehabilitation Program



PROVIDING SERVICES



WE DO IT BY:

- Focused code enforcement.
- Proactive policing.
- Neighborhood services.

SAFETY, LIVABILITY

EXAMPLES:

- CAPP
- Graffiti Removal
- Sidewalk Repair



PUBLIC FACILITIES



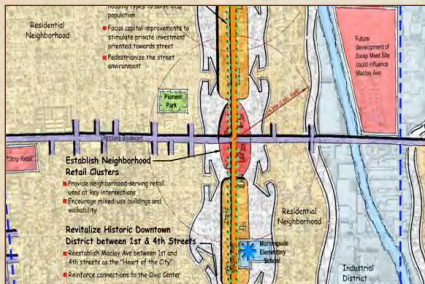
WE DO IT BY:

- Pursuing grant funds.
- Providing match funds.
- Implementing projects.

AMENITIES, PARITY

EXAMPLES:

- San Fernando Regional Pool Facility
- Maclay Streetscape Improvements
- Lopez Adobe Renovation



PLANNING EFFORTS

WE DO IT BY:

- Identifying needs.
- Addressing market realities.
- Adopting policies.

VIABILITY

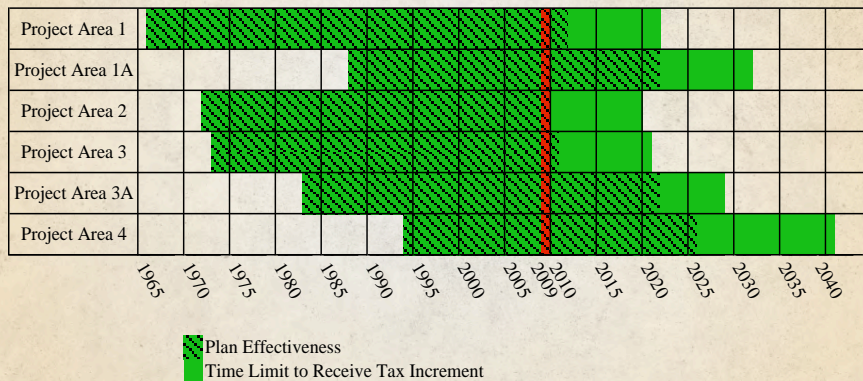
EXAMPLES:

- Corridors Specific Plan
- RDA Implementation Plan
- Economic Development Assessments

Agency needs more time and resources to revitalize San Fernando

- Project Areas 1, 2 and 3 will expire soon.
- Project Areas 1A and 3A have tax increment (TI) caps that restrict how much TI the Agency can collect.
- The amendments will help offset the impact from recent ERAF shifts for the State's budget deficit.

Summary of Key Time Limits



Summary of Tax Increment (TI) Limit and Remaining Capacity

Project Area	TI Cap	TI Collected Through FY 2008/09
1	\$25 Million	\$8.2 Million
1A	\$16 Million	\$5.4 Million
2	\$36 Million	\$12.1 Million
3	\$140 Million	\$19 Million
3A	\$50 Million	\$25.8 Million
4	No Limit	\$2.5 Million

Borrowing/Bonding Capacity Limitations

Agency can only borrow and/or bond based on:

- TI received annually by its project areas.
- Length of time to collect tax increment.
- Caps on cumulative receipt of TI and outstanding bond principal
- Credit factors, such as a concentration of assessed valuation with a few taxpayers.
- Restrictions in existing bond documents.

Impact of Existing Limits on Agency Resources

- Existing time limits and caps restrict the amount of TI received and bonding capacity
- San Fernando's project areas are relatively small.
 - _ Some have a high concentration of taxpayers.
 - _ Credit ratings are limited by these factors.
- Combining and/or extending the limits will generate more capital for Agency projects.

Overview of
2010 Plan
Amendment

Benefits of 2010 Plan Amendment

- Creates a more diversified tax base.
- Combines revenues from project areas.
- Allows for a better credit rating.
- Lowers borrowing costs.
- Provides a pooled tax increment fund.
- Combines Increases bonding and TI caps for Project Areas 1A, 2, 3 and 3A.

2010
Amendment
Process

Key Steps in 2010 Amendment Process

- Agency sends courtesy letter to affected taxing entities (October 2009)
- Agency prepares technical documents (Preliminary Report, Mitigated Negative Declaration, Draft Plan Amendment)
- Agency circulates technical documents to affected taxing entities and community (March 2010)
- Agency consults with affected taxing entities and community (April to June 2010)

Key Steps in 2010 Amendment Process (continued)

- City Council/Agency call for community workshop and public hearing (April 2010)
- Agency prepares and circulates Report on the Plan, Amended Implementation Plan and Plan Amendment (June 2010)
- Joint Public Hearing Held (June 2010)
- Agency Adopts Plan Amendment (June/July 2010)

Tonight's Actions

Approve Transmittal of Technical Documents

- Preliminary Report
- Mitigated Negative Declaration
- Amended and Restated Redevelopment Plan

What is Contained in the Preliminary Report?

- Demonstrates why Plan Amendment is needed.
- Documents remaining blight in Project Areas.
- Presents the Agency's Redevelopment Program.
- Projects tax increment revenues with and without the Plan Amendment.
- Shows why the Amendment is needed to help fund the Agency's Redevelopment Program.

Demonstrates Why Plan Amendment is Needed

- Agency needs additional time and resources to help alleviate blight.
- Project Areas 1A and 3A have TI caps that restrict how much TI the Agency can collect.
- Agency needs flexibility to invest funds from financially stronger areas in other project areas.

Documents Remaining Physical Blight

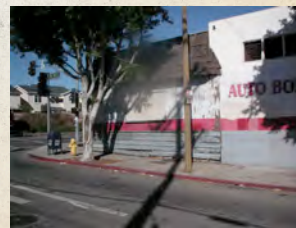
- Unsafe/unhealthy buildings
- Conditions hindering viable use of buildings or lots



- Incompatible uses
- Irregular lots in multiple ownership

Documents Remaining Economic Blight

- Depreciated or stagnant property values
- Impaired property values due to hazardous wastes
- Indicators of economically distressed buildings
- Residential overcrowding
- High crime rates



Agency Redevelopment Program (Based on Implementation Plan)

Economic Development

- Business Assistance and Retention
- Development of Vacant Properties
- Development Assistance

Community Enhancement

- Public Facilities and Infrastructure
- Street and Greenway Beautification
- Park and Bikeway Master Plans

Affordable Housing

Shows Why Additional Resources from the Plan Amendment are Needed

Redevelopment Program Cost	\$113.1 million
Less: Funding Sources Other than Tax Increment	\$54.4 million
Less: Tax Increment Revenue Available Without Amendments ^a	\$29.5 million
Funding Deficit	(\$29.2 million)
Additional Revenues Provided by Plan Amendments ^a	\$29.2 million
Funding Surplus	None Budgeted

a. Includes tax increment revenue for non-housing and housing activities available after pass-through obligations, existing debt service, County property tax administration fee, and Agency administration.

Source: Redevelopment Agency of the City of San Fernando and Seifel Consulting Inc.

Next Steps

Next Steps and Community Outreach

- Tonight's Workshop (March)
- Agency Outreach and Public Notice (March/April)
 - ✦ Agency consults with taxing entities
 - ✦ Agency mails notice to property owners, residents, business owners, taxing entities and relevant state agencies.
- Community Workshop (April)
- Joint Public Hearing (June)

Future Amendment Options To Be Considered

- Extend older project areas by an additional 10 years (SB 211 Amendment)
- Include additional areas in redevelopment (Added Area Amendment)

Questions and Answers