



CITY COUNCIL AGENDA REPORT



DEPARTMENT Administration

MEETING DATE April 4, 2006

PREPARED BY Kevin O'Brien,
Redevelopment Division Manager

AGENDA LOCATION *I- 4

TITLE Extension of Monrovia Redevelopment Agency Time Limitations Introduction and First Reading of Ordinance No 2006-06

OBJECTIVE Introduction and First Reading of Ordinance No 2006-06 to extend the time limits of the Monrovia Redevelopment Agency ("Agency") plan effectiveness and the period of payment for indebtedness and receipt of property taxes by three years

BACKGROUND In 1994, Ordinance No 94-73 established time limitations on the effectiveness of the Agency plan and on the period for payment of indebtedness and receipt of property tax increment. In 2003, the California Legislature passed Senate Bill 1045, which allowed a redevelopment agency, to extend these time limitations by one year through the adoption of a city council ordinance. On August 3, 2004, the City Council approved Ordinance No 2004-16, extending the plan effectiveness and the period of payment for indebtedness and receipt of property taxes by an additional year.

Section 33333 6(e)(2)(D) of the California Health and Safety Code provides that when a redevelopment agency is required to make a payment to the Educational Revenue Augmentation Fund in Fiscal Years 2004-05 and 2005-06 pursuant to Section 33681 12 of the California Health and Safety Code, the legislative body may enact an ordinance extending the time limits on the effectiveness of the Redevelopment Plan and the period of payment of indebtedness and receipt of property taxes by three one-year extensions. The three year extension provided by this Section has been calculated as follows: (i) a one year extension pursuant to Section 33333 6(e)(2)(C) of the California Health and Safety Code, (ii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2004-05, and (iii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2005-06.

ANALYSIS The adoption of Ordinance No 2006-06 would extend the Agency plan effectiveness date and the receipt of tax increment by three additional years to the following dates:

***I-4**

Area	Plan Effectiveness	Receipt of Tax Increment
Original Project Area	December 18, 2016	December 18, 2026
First Amendment Area	January 8, 2020	January 8, 2030
Second Amendment Area	October 16, 2022	October 16, 2032
Sixth Amendment Area	July 9, 2033	July 9, 2048

During the additional three year period, this extension would allow the Agency to receive additional revenue from property tax increment and to obtain larger tax allocation bond proceeds, resulting in net positive funds for the Agency

OPTIONS The City Council's options are as follows

- 1 Adopt Ordinance No 2006-06, extending the Agency Plan effectiveness, period payment of indebtedness and receipt of property tax increment
- 2 Elect not to adopt the ordinance, thus not extending the time limits of the Agency Plan effectiveness, period payment of indebtedness and receipt of property tax increment

FISCAL IMPACT Notwithstanding the Agency's existing commitment to tax sharing agreements with other taxing entities, this three year extension will yield a positive fiscal benefit for the Agency

RECOMMENDATION Staff recommends that the City Council adopt Ordinance No 2006-06, extending the effectiveness of the Agency's Redevelopment Plan and the period for payment of indebtedness and receipt of property taxes by one year

COUNCIL ACTION REQUIRED If the City Council concurs, the appropriate action would be a motion to introduce, waive further reading and read by Title only Ordinance No 2006-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA EXTENDING THE TIME LIMITS WITH RESPECT TO THE REDEVELOPMENT PLAN FOR THE CITY OF MONROVIA REDEVELOPMENT PROJECT AREA NO 1

WHEREAS, the City Council ("City Council") of the City of Monrovia ("City") adopted Ordinance No 73-29 establishing the Redevelopment Plan for Redevelopment Project No 1 (the "Redevelopment Plan") on December 18, 1973, and

WHEREAS, the City Council adopted Ordinances Nos 77-2, 79-17, 84-5, 90-28, 94-73 and 2002-09 amending the Redevelopment Plan for Redevelopment Project Area No 1, and

WHEREAS, pursuant to Section 33333 6 of the California Health and Safety Code, the City Council adopted Ordinance No 94-73 on December 6, 1994, establishing a time limit on the effectiveness of the Redevelopment Plan and a time limit on the period for payment of indebtedness and receipt of property taxes, and

WHEREAS, Section 33333 6(e)(2)(C) of the California Health and Safety Code provides that when a redevelopment agency is required to make a payment to the Educational Revenue Augmentation Fund in Fiscal Years 2003-04 pursuant to Section 33681 9 of the California Health and Safety Code, the legislative body may enact an ordinance extending the time limits on the effectiveness of the Redevelopment Plan and the period of payment of indebtedness and receipt of property taxes by one year, and

WHEREAS, Section 33333 6(e)(2)(D) of the California Health and Safety Code provides that when a redevelopment agency is required to make a payment to the Educational Revenue Augmentation Fund in Fiscal Years 2004-05 and 2005-06 pursuant to Section 33681 12 of the California Health and Safety Code, the legislative body may enact an ordinance extending the time limits on the effectiveness of the Redevelopment Plan and the period of payment of indebtedness and receipt of property taxes by one year for each year in which a such a payment is made, and

WHEREAS, the City of Monrovia Redevelopment Agency (the "Agency") is in compliance with the requirements of Section 33334 2 or 33334 6 of the California Health and Safety Code, as applicable, and

WHEREAS, the Agency adopted an Implementation Plan on December 7, 2004, in accordance with the requirements of Section 33490 of the California Health and Safety Code, and

WHEREAS, the Agency is in compliance with the replacement housing and inclusionary housing requirements set forth in subdivisions (a) and (b) of Section 33413 of the California Health and Safety Code, as applicable, as demonstrated in the Implementation Plan, and

WHEREAS, the Agency is not subject to sanctions pursuant to subdivision (e) of Section 33334 12 of the California Health and Safety Code for failure to expend, encumber, or disburse an excess surplus, and

WHEREAS, the City Council is adopting this Ordinance to amend and extend certain time limitations of the Redevelopment Plan, as more particularly provided in Sections 2 and 3 of this Ordinance, in accordance with Sections 33333 6(e)(2)(C) and 33333 6(e)(2)(D) of the California Health and Safety Code, and

WHEREAS, the enactment of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code Section 21000, et seq) ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(4) because it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment

NOW THEREFORE, the City Council of the City of Monrovia hereby ordains as follows

Section 1 In enacting this ordinance, the City Council finds and determines as follows

(a) The Agency is in compliance with the requirements of Section 33334 2 or 33334 6 of the California Health and Safety Code, as applicable

(b) The Agency adopted an Implementation Plan on December 7, 2004, in accordance with the requirements of Section 33490 of the California Health and Safety Code

(c) The Agency is in compliance with the replacement housing and inclusionary housing requirements set forth in subdivisions (a) and (b) of Section 33413 of the California Health and Safety Code, as applicable, as demonstrated in the Implementation Plan

(d) The Agency is not subject to sanctions pursuant to subdivision (e) of Section 33334 12 of the California Health and Safety Code for failure to expend, encumber or disburse an excess surplus

(e) The funds used to make the payments to the Educational Revenue Augmentation Fund would have otherwise been used to pay for the costs of projects and activities necessary to carry out the goals and objectives of the Redevelopment Plan

Section 2

(a) The time limit on the effectiveness of the Redevelopment Plan is hereby extended by three years to (i) December 18, 2016 in the original Project Area , (ii) January 8, 2020 for the territory added by by the First Amendment, and (iii) October 16, 2022 for the territory added by the Second Amendment The Agency is hereby

authorized to act with respect to the Redevelopment Plan at any time during which the Redevelopment Plan is effective

The three year extension on the effectiveness of the Redevelopment Plan provided by this subsection has been calculated as follows (i) a one year extension pursuant to Section 33333 6(e)(2)(C) of the California Health and Safety Code, (ii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2004-05, and (iii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2005-06

(b) The time limit on the effectiveness of the Redevelopment Plan is hereby extended by one year pursuant to Section 33333 6(e)(2)(C) of the California Health and Safety Code to July 9, 2033 for the territory added by the Sixth Amendment

Section 3

(a) The time limit on paying indebtedness and receiving property taxes pursuant to the Redevelopment Plan is hereby extended by three years to (i) December 18, 2026 for the Original Project Area, (ii) January 8, 2030 for the territory added by First Amendment, and (iii) October 16, 2032 for the territory added by the Second Amendment

The three year extension provided by this subsection has been calculated as follows (i) a one year extension pursuant to Section 33333 6(e)(2)(C) of the California Health and Safety Code, (ii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2004-05, and (iii) a one year extension pursuant to Section 33333 6(e)(2)(D) of the California Health and Safety Code for the payment to the Educational Revenue Augmentation Fund in Fiscal Year 2005-06

(b) The time limit on paying indebtedness and receiving property taxes pursuant to the Redevelopment Plan is hereby extended by one year pursuant to Section 33333 6(e)(2)(C) of the California Health and Safety Code to July 9 2048 for the territory added by the Sixth Amendment

Section 4 Except with respect to the amendments set forth herein, the Redevelopment Plan, as amended, shall remain unchanged, and in full force and effect in accordance with its terms

Section 5 The City Clerk is hereby authorized to file a Notice of Exemption with the County of Los Angeles pursuant to CEQA Guidelines Section 15094

Section 6 This Ordinance shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption. The City Clerk is hereby authorized and directed to certify to the passage of this Ordinance and to cause the same to be published in a newspaper of general circulation which is published and circulated in the City, in accordance with Government Code Section 36933

INTRODUCED this 4th day of April, 2006

SIGNED, APPROVED and ADOPTED this 18th day of April, 2006 by the following vote

**AYES
NOES
ABSTAIN
EXCUSED**

BY

Rob Hammond, Mayor
City of Monrovia

ATTEST

APPROVED AS TO FORM

Linda B Proctor, MMC, City Clerk
City of Monrovia

Craig A Steele, City Attorney
City of Monrovia

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF MONROVIA)

I, LINDA B PROCTOR, MMC, City Clerk of the City of Monrovia, California, do hereby certify that the foregoing is a true and correct copy of Ordinance No 2006-06, it has been published pursuant to law, and was duly adopted and passed at a regular meeting of the Monrovia City Council on the 18th day of April, 2006 by the following vote

**AYES
NOES
ABSTAIN
EXCUSED**

ATTEST

Linda B Proctor, MMC, City Clerk
City of Monrovia