

REPORT

Redevelopment Plan Amendments Supplementary Report

Prepared for:

The Redevelopment Agency of the
City of San Fernando

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Supplementary Report

Redevelopment Agency of the City of San Fernando

Redevelopment Plan Amendments

A. Purpose of Report

After consultations with taxing entities and further review of the Agency's debt obligations, Agency staff is recommending the following changes to the Plan Amendments:

- Re-define the fiscal merger to include Project Areas 1, 2, 3, 3A, and 4 and omit Project Area 1A.
- As a result, modify the combined limit on tax increment collection to \$251 million, which would apply to the fiscally-merged Project Areas 1, 2, 3, and 3A. (Project Area 4 will continue to have no tax increment collection limit, and Project Area 1A will continue to have its existing limit of \$16 million.)
- Change the combined limit on outstanding bonded indebtedness for the fiscally-merged Project Areas to \$75 million. The limit on outstanding bonded indebtedness for Project Area 1A will be established at \$5 million.

The purpose of this Supplementary Report is to update the analysis included in the Report to Council to reflect these revisions. The Supplementary Report updates the analyses of physical and economic blighting conditions, the Agency's Redevelopment Program, and the methods of financing of the Redevelopment Program.

As the Plan Amendments do not propose to add new territory to any of the existing Project Areas, nor do the revisions to the Plan Amendments change the base year for calculation of tax increment revenues, this Supplementary Report does not need to meet the requirements of CRL Section 33328.5. Rather, this Report is designed to provide the necessary background information and analysis to inform the City Council and Agency Board regarding the potential effect of these proposed changes to the Plan Amendments.

B. Analysis of Proposed Revisions to Plan Amendments

This Report supplements the analyses included in the Report to Council regarding the proposed amendments, remaining blighting conditions in the Project Areas, the Agency's Redevelopment Program to alleviate these blighting conditions, and the methods of financing of the Redevelopment Program. The updates to the analysis are based on the proposed revisions to the Plan Amendments described above.

1. Summary of Recommended Time and Fiscal Limit Modifications

Table 1, shown on the following page, summarizes the current time and fiscal limits for each Project Area as well as the proposed time and fiscal limits that will be in effect if the Plan Amendments are adopted based on staff's recommendations. This table updates Tables I-1 and IV-1 of the Report to Council in order to reflect the revisions to the Plan Amendments.

Table 1
Summary of Existing and Proposed Time and Fiscal Limits
San Fernando Redevelopment Plan Amendments

	Project Area					
	1	1A	2	3	3A	4
Date of Plan Adoption	5/26/66	6/27/88	8/21/72	6/18/73	4/4/83	7/18/94
Time Limits						
Debt Issuance	Existing	Eliminated ^a	Eliminated ^a	Eliminated ^a	Eliminated ^a	7/18/14
	Proposed	No Change	No Change	No Change	No Change	7/18/24
Plan Effectiveness	Existing	1/1/12	8/21/10	6/18/11	4/4/21	7/17/26
	Proposed	No Change	8/21/15	6/18/16	4/4/26	No Change
Receipt of Tax Increment	Existing	1/1/22	8/21/20	6/18/21	4/4/28	7/18/41
	Proposed	No Change	8/21/39	6/18/26	4/4/36	No Change
Eminent Domain	Existing	1/1/10	11/15/10	6/18/09	11/15/10	7/17/06
	Proposed	No Change	No Change	No Change	No Change	No Change
Fiscal Limits						
Tax Increment Collection	Existing	\$25 Million	\$36 Million	\$140 Million	\$50 Million	No Limit
	Proposed	\$251 Million Combined ^b	No Limit	\$251 Million Combined ^b	No Limit	No Limit
Outstanding Bonded Indebtedness	Existing	\$15 Million Combined	No Limit	\$20 Million Combined	\$12.5 Million	\$12.5 Million
	Proposed	\$75 Million Combined ^c	\$5 Million	\$75 Million Combined ^c		

a. Time limit on debt issuance for Project Areas 1, 1A, 2, 3, and 3A eliminated by Ordinance No. 1573 in August 2006.

b. Combined tax increment collection limit will apply to fiscally-merged Project Areas including Project Areas 1, 2, 3, and 3A. Project Area 4 does not have a tax increment collection limit.

c. Combined outstanding bonded indebtedness limit will apply to fiscally-merged Project Areas including Project Areas 1, 2, 3, 3A, and 4.

Source: Redevelopment Agency of the City of San Fernando.

2. Effect on Blighting Conditions

The blight documentation required by CRL Section 33352(b) and included in Chapter II of the Report to Council is not altered by the revisions to the Plan Amendments. As documented in the Report to Council, blighting conditions are present in all Project Areas, and therefore, the amendments to each Project Area are justified under the CRL. The elimination of blighting conditions will occur through the implementation of the Redevelopment Program's projects and activities (as presented in Chapter III of the Report to Council.) The remaining physical and economic blighting conditions in the Project Areas are so prevalent and substantial that they cannot reasonably be expected to be reversed without continued redevelopment assistance.

3. Effect on Redevelopment Program

The Agency's Redevelopment Program, as described in Chapter III of the Report to Council is not expected to change as a result of the revisions to the Plan Amendments. As Table 2, shown on the following page, and Appendix J of the Report to Council demonstrate, the Agency's Redevelopment Program includes projects and activities in all Project Areas. To the extent funding is available, the Agency will continue to invest in each of the Project Areas in order to alleviate blight and provide affordable housing. The revisions to the Plan Amendments do not change the Agency's proposed Redevelopment Program.

4. Effect on the Proposed Method of Financing

The method of financing and economic feasibility of the Redevelopment Plan, as required by CRL 33352(e) and presented in Chapter IV of the Report to Council, will not be significantly affected by the revisions to the Plan Amendments.

As described above, the tax increment collection limit in Project Area 1A will remain at \$16 million and will not be combined with other project areas. The removal of Project Area 1A from the combined tax increment collection limit will not substantially reduce the amount of revenue available to the Agency to fund its redevelopment program because the tax increment from Project Area 1A is primarily pledged to repay debt, meet pass through obligations and fund affordable housing activities. Furthermore, the change in the combined tax increment collection limit for Project Areas 1, 1A, 2, 3, and 3A from \$267 million to \$251 million is not expected to significantly impact the proposed funding available to fund the Agency's redevelopment program, because the \$251 million combined cap will continue to allow the individual project areas to collect the same amount of revenues as projected in the Report to Council.

As a result, it is still reasonable to conclude that the Redevelopment Program will be financially feasible over the remaining life of the Redevelopment Plans with the proposed changes. The Agency will continue to adopt an annual budget and adopt an Implementation Plan every five years to develop a balanced fiscal approach to funding the specific action items in the Redevelopment Program. To the extent necessary, the Agency will adjust its programs or use tax increment revenues to leverage additional sources of funding, many of which are described in Appendix D of the Report to Council, in order to accomplish the goals and objectives of its Redevelopment Program.

Table 2
Redevelopment Projects and Activities to Be Undertaken During Life of Redevelopment Plans
San Fernando Redevelopment Project Areas

Project/Activity	Project Area(s) of Primary Benefit	Estimated Cost	Blighting Condition
Economic Development			
<i>Business Assistance and Retention</i>		<i>\$6,480,000</i>	
Facilitate downtown BID formation	1, 2, and 3	\$200,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings
Prepare and implement a retail development strategy	All	\$190,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings
Facilitate corporate campus development	4	\$50,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values
Promote and redevelop underutilized or vacant Class A industrial properties	3A	\$2,000,000	- Indicators of economically distressed buildings - Unsafe and/or unhealthy buildings
Partner with local brokers to promote business development	All	\$40,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings
Redevelop 120 Macneil Street	3	\$1,000,000	- Unsafe and/or unhealthy buildings
Façade renovations and rehabilitation assistance along key commercial and industrial corridors	All	\$3,000,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings
<i>Development of Vacant and Underutilized Properties</i>		<i>\$23,500,000</i>	
Off-site improvements for vacant properties	3A and 4	\$3,500,000	- Unsafe and/or unhealthy buildings - Indicators of economically distressed buildings - Inadequate public improvements
Invest in opportunity sites for commercial redevelopment and revitalization	All	\$2,500,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings
Partner with property owners for redevelopment of key sites; includes property acquisition	All	\$4,500,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings
Adaptive reuse of former auto dealerships	2	\$3,000,000	- Indicators of economically distressed buildings
Facilitate regional retail through redevelopment of large vacant sites (including the Swap Meet site)	1, 1A and 3A	\$5,000,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings
Move and consolidate the existing city yard	3 and 3A	\$5,000,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings
<i>Development Assistance</i>		<i>\$32,500,000</i>	
Redevelopment of public parking lots	1, 1A and 2	\$10,000,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings - Serious residential overcrowding
Future redevelopment of underutilized sites such as 610 Ilex Street, 1661 San Fernando Road and 1331 Truman Street	2 and 4	\$5,000,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings
Encourage TOD throughout the Project Areas	All	\$2,500,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings - Inadequate public improvements
Adaptive reuse of industrial properties along First Street, Park Avenue, Jessie Street, Arroyo Avenue, and Aviation Place	3, 3A and 4	\$10,000,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings - Inadequate Public Improvements
Facilitate the development of corporate campuses within existing industrial parks.	3A	\$5,000,000	- Depreciated or stagnant property values - Indicators of economically distressed buildings - Inadequate public improvements

Table 2
Redevelopment Projects and Activities to Be Undertaken During Life of Redevelopment Plans
San Fernando Redevelopment Project Areas

Community Enhancements			
<i>Public Facilities and Infrastructure</i>		\$26,700,000	
Transit corridor and station improvements (High Speed Rail)	1, 1A, 2, 3, and 4	\$15,000,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings
Upgrade traffic signal infrastructure	All	\$1,000,000	- Inadequate public improvements
Streetscape and safety improvement projects along Truman Street, San Fernando Road, Mission Boulevard, Park Avenue, S. Workman Street, Lazard Street, and railroad right-of-way	All	\$2,500,000	- Indicators of economically distressed buildings - High crime rates - Inadequate public improvements
Lopez Adobe rehabilitation (museum improvements and new ancillary structure)	2	\$200,000	- Unsafe and/or unhealthy buildings - Inadequate public improvements
Bus/trolley stop installations	All	\$250,000	- Inadequate public improvements
Enhance way-finding to promote better access to downtown and Civic Center areas	1, 2 and 3	\$800,000	- Indicators of economically distressed buildings - Inadequate public improvements
Stormwater collection and distribution system improvements	All	\$1,200,000	- Unsafe and/or unhealthy buildings - Inadequate public improvements
Water system improvements	All	\$1,950,000	- Unsafe and/or unhealthy buildings - Inadequate public improvements
Sewer system improvements	All	\$2,500,000	- Unsafe and/or unhealthy buildings - Inadequate public improvements
Improvements to City park facilities such as Recreation Park, Layne Park and Regional Pool Facility	3 and 4	\$1,300,000	- High crime rates - Inadequate public improvements
<i>Street and Greenway Beautification</i>		\$14,480,000	
Streetscape and greenway beautification projects	All	\$3,980,000	- Indicators of economically distressed buildings - High crime rates - Inadequate public improvements
Development of Pacoima Wash as greenway with bicycle and pedestrian access	3A	\$3,500,000	- Indicators of economically distressed buildings - High crime rates - Inadequate public improvements
Improve sidewalks, signage and streetscape along First Street, Pacoima Wash, Maclay Avenue, San Fernando Road, Truman Street, Mission Boulevard, and Brand Boulevard	All	\$3,500,000	- Indicators of economically distressed buildings - High crime rates - Inadequate public improvements
Street safety improvements, especially on safe routes to local schools	All	\$2,500,000	- High crime rates - Inadequate public improvements
Undergrounding public utilities on Kalisher Street and Park Avenue	1A and 3	\$1,000,000	- Indicators of economically distressed buildings - Inadequate public improvements
<i>Park and Bikeway Master Plans</i>		\$2,380,000	
Develop and implement Park and Bikeway Master Plans to improve bike and pedestrian access to public transit and commercial areas	All	\$2,380,000	- Indicators of economically distressed buildings - High crime rates - Inadequate public improvements
Subtotal Non-Housing Program		\$106,040,000	- Unsafe and/or unhealthy buildings - Depreciated or stagnant property values - Indicators of economically distressed buildings - Serious residential overcrowding - High crime rates - Inadequate public improvements
Subtotal Affordable Housing Program		\$57,700,000	- Unsafe and/or unhealthy buildings - Serious residential overcrowding - High crime rates - Inadequate public improvements
GRAND TOTAL		\$163,740,000	

Source: Redevelopment Agency of the the City of San Fernando.