

- **Board of Directors**
Budget, Finance and Investment Committee

January 8, 2002 Board Meeting

8-4

Subject

Adopt six resolutions pertaining to property taxes for new redevelopment projects in the counties of Los Angeles, Orange and San Bernardino

Description

Existing provisions in the Community Redevelopment Law (CRL) permit redevelopment agencies to raise revenue through a procedure known as tax increment financing. This is accomplished by the adoption of a redevelopment plan containing a provision which limits various taxing agencies overlying the area of the redevelopment project to whatever revenue may be raised by their tax rate applied to a frozen assessed valuation on project property. In theory, but for the redevelopment project, the assessed valuation of the blighted area encompassed by the redevelopment project would diminish or at best remain the same. Accordingly, any increase in assessed valuation resulting from the redevelopment project can be equitably allocated to the redevelopment agency for the repayment of debt incurred by the agency for the redevelopment of the area.

Under the provisions of CRL Section 33670, the various overlying taxing agencies receive the tax revenue levied on the frozen assessed valuation and the redevelopment agency receives any additional tax revenue attributable to an increase in assessed value over the base year. Taxing agencies, however, may adopt a resolution (prior to the adoption of the redevelopment plan) to elect to be allocated that portion of the tax revenue on the incremental assessed valuation attributable to increases in the taxing agency's tax rate occurring after the base year.

Policy

The adoption of tax allocation resolutions in accordance with Section 33670 of the Community Redevelopment Law.

California Environmental Quality Act (CEQA)

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).


The CEQA determination is: Determine that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.


Staff Recommendation

Adopt the CEQA determination and resolutions ([Attachment 1](#)), providing in substance that Metropolitan elects to be allocated that additional portion of revenue from taxes levied on redevelopment property which is attributable to any increase in Metropolitan's base year tax rate applied to the incremental assessed value of the project property:

<u>Name of Project</u>	<u>County</u>
Rosemead Redevelopment Project Area No. 2 in the city of Rosemead	Los Angeles
Artesia Redevelopment Project Area in the city of Artesia	Los Angeles
Orange Merged and Amended Redevelopment Project in the city of Orange	Orange
El Toro-Marine Corps Air Station Redevelopment Project in the Unincorporated Area of Orange County	Orange
Huntington Beach Southeast Coastal Redevelopment Project in the city of Huntington Beach	Orange
Mission Boulevard Redevelopment Project in the city of Montclair	San Bernardino

Fiscal Impact: None


 _____ 12/13/2001
 Brian G. Thomas Date
 Chief Financial Officer


 _____ 12/17/2001
 Ronald R. Gastelum Date
 Chief Executive Officer

Attachment 1 - Resolutions

BLA #1448