

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

July 9, 2002 Board Meeting

8-5

Subject

Adopt five resolutions pertaining to property taxes for new redevelopment projects in the counties of Orange, Riverside, San Bernardino and San Diego

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 § 33670 of the Community Redevelopment Law to raise revenue on the incremental assessed valuation attributable to increases in Metropolitan's tax rate occurring after the base year.

California Environmental Quality Act (CEQA)

CEQA determination for Staff Recommendation:

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.

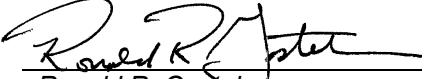
Staff Recommendation

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>
Buena Park Redevelopment Project-2001 Consolidation in the city of Buena Park	Orange
Garden Grove Amendment 13 Redevelopment Project in the city of Garden Grove	Orange
Redevelopment Project Areas Nos. 5-1986 & 5-1987, Amendment No. 2 (Mead Valley Community) in the Unincorporated Area of Riverside County	Riverside
Amendments to the Agua Mansa, Central Business District, Gateway & Industrial Redevelopment Projects in the city of Rialto	San Bernardino
Santee Amended Redevelopment Project in the city of Santee	San Diego

Fiscal Impact: None


 _____ 6/6/2002
 Brian G. Thomas
 Chief Financial Officer Date


 _____ 6/14/2002
 Ronald R. Gastelum
 Chief Executive Officer Date

Attachment 1 – Resolutions

BLA #1810

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA ELECTING TO
RECEIVE ALLOCATION OF TAXES PURSUANT
TO PROVISIONS OF THE COMMUNITY REDEVELOPMENT LAW

WHEREAS, subdivision (a) of Section 33676 of the Community Redevelopment Law (Sections 33000 *et seq.*, of the Health and Safety Code of the state of California), provides that any affected taxing agency, such as Metropolitan may elect to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Law, that portion of the tax revenues otherwise allocated to a redevelopment agency pursuant to subdivision (b) of Section 33670 attributable to an increase in Metropolitan 's tax rate which occurs after a redevelopment plan becomes effective;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that Metropolitan hereby elects to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the Buena Park Redevelopment Project-2001 Consolidation in the city of Buena Park pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in Metropolitan 's tax rate which occurs after the tax year in which the ordinance adopting the Buena Park Redevelopment Project-2001 Consolidation in the city of Buena Park, becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the city of Buena Park, and the Auditor-Controller and the Tax Collector of the County of Orange.

I HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held July 9, 2002.

Executive Secretary
The Metropolitan Water District
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NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that Metropolitan hereby elects to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the Garden Grove Amendment 13 Redevelopment Project in the city of Garden Grove pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in Metropolitan's tax rate which occurs after the tax year in which the ordinance adopting the Garden Grove Amendment 13 Redevelopment Project in the city of Garden Grove, becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the city of Garden Grove, and the Auditor-Controller and the Tax Collector of the County of Orange.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that Metropolitan hereby elects to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the Redevelopment Project Areas Nos. 5-1986 & 5-1987, Amendment No. 2 (Mead Valley Community) in the unincorporated area of Riverside County pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in Metropolitan's tax rate which occurs after the tax year in which the ordinance adopting the Redevelopment Project Areas Nos. 5-1986 & 5-1987, Amendment No. 2 (Mead Valley Community) in the unincorporated area of Riverside County, becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the County of Riverside, and the Auditor-Controller and the Tax Collector of the County of Riverside.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that Metropolitan hereby elects to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the Amendments to the Agua Mansa, Central Business District, Gateway & Industrial Redevelopment Projects in the city of Rialto pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in Metropolitan's tax rate which occurs after the tax year in which the ordinance adopting the Amendments to the Agua Mansa, Central Business District, Gateway & Industrial Redevelopment Projects in the city of Rialto, becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the city of Rialto, and the Auditor-Controller and the Tax Collector of the County of San Bernardino.

I HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held July 9, 2002.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that Metropolitan hereby elects to be allocated, in addition to the portion of taxes allocated to Metropolitan pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the Santee Amended Redevelopment Project in the city of Santee pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in Metropolitan's tax rate which occurs after the tax year in which the ordinance adopting the Santee Amended Redevelopment Project in the city of Santee, becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the city of Santee, and the Auditor-Controller and the Tax Collector of the County of San Diego.

I HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held July 9, 2002.

Executive Secretary
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