

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

January 14, 2003 Board Meeting

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**8-3**

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**Subject**

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Adopt two resolutions pertaining to property taxes for new redevelopment projects in the counties of Los Angeles and San Diego

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**Description**

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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.

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**Policy**

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The adoption of tax allocation resolutions in accordance with Section 33670 of the CRL to raise revenue on the incremental assessed valuation attributable to increases in Metropolitan's tax rate occurring after the base year.

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**California Environmental Quality Act (CEQA)**

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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 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 pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.


**Staff Recommendation**

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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>
Fourth Amendment to the Rosemead Redevelopment Project Area No. 1 in the city of Rosemead	Los Angeles
Crossroads Redevelopment Project in the city of San Diego	San Diego

**Fiscal Impact:** None

  
 Brian G. Thomas  
 Chief Financial Officer

12/17/2002

*Date*

  
 Ronald R. Gastelum  
 Chief Executive Officer

12/20/2002

*Date*

**Attachment 1 – Resolutions**

BLA #2069

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 Fourth Amendment to the Rosemead Redevelopment Project Area No. 1 in the city of Rosemead 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 Fourth Amendment to the Rosemead Redevelopment Project Area No. 1 in the city of Rosemead, 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 Rosemead, and the Auditor-Controller and the Tax Collector of the county of Los Angeles.

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 January 14, 2003.

Executive Secretary  
The Metropolitan Water District  
of Southern California

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 Crossroads Redevelopment Project in the city of San Diego 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 Crossroads Redevelopment Project in the city of San Diego, 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 San Diego, 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 January 14, 2003.

Executive Secretary  
The Metropolitan Water District  
of Southern California