

TO: James App, City Manager  
FROM: Ron Whisenand, Community Development Director  
SUBJECT: Use of Redevelopment Funds for Carnegie Library Repair and Rehabilitation  
DATE: March 4, 2008

Needs: For the City Council to conduct a public hearing regarding use of redevelopment tax increment funds for the Carnegie Library Repair and Rehabilitation project and adopt a resolution approving the use of \$400,000 in redevelopment tax increment funds for that project and an ordinance amending the Fiscal Year 2007/08 Budget to appropriate the \$400,000.

- Facts:
1. At its meeting of February 4, 2008, the Redevelopment Agency adopted Resolution RA 08-002 approving an amendment to the Implementation Plan which provided that \$400,000 in redevelopment funds could be used for the Carnegie Library Repair and Rehabilitation Project (as well as allowing redevelopment funds to be used for the Uptown/Town Centre Specific Plan).
  2. Health and Safety Code Section 33679 requires that, before any allocation of redevelopment funds for construction of improvements to any publicly-owned building, such as the Carnegie Library Building, the City Council hold a noticed public hearing and make certain findings, which are listed in the analysis section of this report.
  3. It was originally intended to conduct the City Council hearing required by Section 33679 simultaneously with the Redevelopment Agency's amendment of the Implementation Plan. However, the public notice only mentioned that the Redevelopment Agency, and not the City Council, would be making the required findings and taking action. Therefore, a Council hearing had to be noticed and set.
  4. At its meeting of December 18, 2007, the City Council awarded a construction contract for the seismic repair and rehabilitation of the Carnegie Library Building. The estimated budget for this project is \$2.41 million, of which \$2.01 million will be paid for with federal funds from FEMA and HUD. It is proposed that the \$400,000 shortfall be paid for with Redevelopment Funds. Funds have not yet been appropriated for this purpose.
  5. A public hearing has been scheduled for the Council's meeting of March 4, 2008 to consider authorizing the use of Redevelopment Funds to pay the shortfall amount for the repairs to the Carnegie Library Building. Public notice was given as required by redevelopment law. A copy of the newspaper notice is attached.
  6. Appropriation of redevelopment tax increment funds is accomplished via an ordinance of the City Council.

Analysis &  
Conclusion: Health and Safety Code Section 33679 requires that, before any allocation of redevelopment funds for construction of improvements to any publicly-owned building, the City Council hold a noticed public hearing, and that a summary be prepared which includes all of the following:

- (a) Estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments.
- (b) Sets forth the facts supporting the determinations required to be made by the City Council pursuant to Section 33445.
- (c) Sets forth the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned building.

Health and Safety Code Section 33445 provides that a redevelopment agency may, with the consent of the City Council, pay all or a part of the value of the land for and the cost of the construction of publicly-owned buildings, facilities, structures or other improvements if the City Council determines all of the following:

- That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located.
- That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community.
- That the payment of funds for the cost of improvements will assist in the elimination of one or more blighting conditions inside the project area and is consistent with the implementation plan.

To address the items listed above, the following summary has been prepared. Portions of this summary are contained in the notice of the public hearing and the resolution which has been prepared authorizing the use of Redevelopment Funds for the Carnegie Library Building repair project.

- a. The overall goals and objectives of the Agency, as stated in the Redevelopment Plan, include, among others, to provide for community facilities and public services, to provide for the beautification and revitalization of the Project Area enabling the community to further establish an identity and a quality of life which is desired by its citizens and businesspersons, to provide assistance to ensure that the Project Area is developed to its fullest and ultimate usage, ensuring that the standards and requirements of the Municipal Code and the policies, goals and objectives of the General Plan are met, and to implement the transitional character of the Project Area from a blighted area to an economically viable area.
- b. The Redevelopment Plan authorizes the Agency to construct various public improvements, including civic facilities and structures, and other public facilities which serve and benefit the Project Area. The Redevelopment Plan also specifically authorizes the Agency to rehabilitate, modernize and improve existing structures in the Project Area, including public improvements and facilities.
- c. Health and Safety Code Section 33445 and the Redevelopment Plan authorize the Agency, with the consent of the City Council, to financially and otherwise participate and assist any public entity in the cost of rehabilitating or constructing public improvements, structures or facilities within or outside the Project Area, to the extent that such public improvements, structures or facilities benefit the Project Area.

- d. Health and Safety Code Section 33420.1 specifically authorizes the Agency, within a project area, to undertake any actions for building rehabilitation or alteration in construction that the Agency determines necessary and to provide for seismic retrofits for unreinforced masonry buildings, and for any buildings that qualify as "historical property."
- e. Redevelopment Tax Increment Revenues are proposed to be used to supplement Federal Public Facility Repair (Stafford Act) funds and Community Development Block Grant funds. The estimated cost of the repair and rehabilitation work is \$2.41 million; the amount of federal funds available is expected to be \$2.01 million. Therefore, the estimated amount of tax increment revenues proposed to be used for this purpose is \$400,000.
- f. The Carnegie Library Building is listed on the National Register of Historic Places and in the City's Inventory of Historic Resources; it forms the centerpiece of City Park, which is the venue for numerous civic events. This building is located in the heart of, and is an indispensable asset to, both the City and the Redevelopment Project Area.
- g. The Carnegie Library Building is an unreinforced masonry building that suffered extensive damage during the 2003 San Simeon Earthquake and had to be closed to human occupancy. The damage must be repaired in the near term before other damage might occur. The City of Paso Robles does not have sufficient General Funds on hand to bridge the gap between available Federal funds and the estimated project cost, nor does it project that sufficient General Funds will be available in the near term.
- h. The 2004 Redevelopment Implementation Plan considers unreinforced masonry buildings as unsafe buildings, which is a condition contributing to blight in the Redevelopment Project Area. At its meeting of February 4, 2008, the Agency adopted Resolution RA 08-002 approving an amendment to the Implementation Plan which provided that \$400,000 in redevelopment funds could be used for the Carnegie Library Repair project. The use of Redevelopment Tax Increment Revenues to supplement Federal funds for repair and rehabilitation of the Carnegie Library Building will help eliminate blighting conditions in the Project Area and is also consistent with the Implementation Plan.

All of the above findings required by Sections 33679 and 33445 were considered by the Redevelopment Agency in its February 4, 2008 approval of the amendment to Implementation Plan to authorize the use of redevelopment funds for the Carnegie Library Building repair project.

Policy

Reference: State Redevelopment Law (Sections 33000 et seq. of the Health and Safety Code); 2004 Redevelopment Implementation Plan

Fiscal

Impacts: As noted in Fact #4, above, the expense for repair of the Carnegie Library to be referenced in the plan was previously approved by the City Council on December 18, 2007.

Options:

After accepting any public testimony on the proposed use of redevelopment funds, that the City Council take one of the following options:

City Council

- a. (1) Adopt attached Resolution 08-XXX making the appropriate findings and approving the use of redevelopment funds for the Carnegie Library Repair Project.
- (2) Introduce for first reading, Ordinance XXX N.S. amending the Fiscal Year 2007/08 Budget to appropriate \$400,000 in redevelopment tax increment funds to Carnegie Library Repair and Rehabilitation Project, and set March 18, 2008 as the date for adoption of said Ordinance.
- b. Amend, modify, or reject the above options.

Prepared by: Ed Gallagher, City Planner

Attachments:

1. Resolution 08-XXX Approving the Use of Redevelopment Funds for the Carnegie Library Repair and Rehabilitation Project
2. Ordinance XXX N.S. Amending the Fiscal Year 2007/08 Budget to Appropriate \$400,000 in Redevelopment Funds to the Carnegie Library Repair and Rehabilitation Project
3. Copy of Newspaper Notice

ED\REDEV\IMPLEMENTATION PLAN\CARNEGIE-UPTOWN AMENDMENT 2008\RDA REPORT 030408 – RDA FUNDS FOR CARNEGIE

RESOLUTION NO. 08-XXX  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
MAKING APPROPRIATE FINDINGS AND APPROVING THE USE OF REDEVELOPMENT  
FUNDS FOR THE CARNEGIE LIBRARY REPAIR AND REHABILITATION PROJECT

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WHEREAS, at its meeting of February 4, 2008, the Redevelopment Agency adopted Resolution RA 08-002 approving an amendment to the Implementation Plan which provided that \$400,000 in redevelopment funds could be used for the Carnegie Library Repair project; and

WHEREAS, at its meeting of December 18, 2007, the City Council awarded a construction contract for the seismic repair and rehabilitation of the Carnegie Library; the estimated budget for this project is \$2.41 million, of which \$2.01 million will be paid for with federal funds from FEMA and HUD; it is proposed that the \$400,000 shortfall be paid for with Redevelopment Funds; and

WHEREAS, Health and Safety Code Section 33679 requires that, before any allocation of redevelopment funds for construction of improvements to any publicly-owned building, the City Council hold a noticed public hearing, and that a summary be prepared which includes all of the following:

- a. Estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments;
- b. Sets forth the facts supporting the determinations required to be made by the City Council pursuant to Section 33445;
- c. Sets forth the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned building; and

WHEREAS, Health and Safety Code Section 33445 provides that a redevelopment agency may, with the consent of the City Council, pay all or a part of the value of the land for and the cost of the construction of improvements to publicly-owned buildings if the City Council makes certain specified findings and determinations;

WHEREAS, a public hearing was set for March 4, 2008, and notice was given in accordance with Sections 33679 and 33445 of the California Healthy and Safety Code; and a summary was prepared as follows:

- a. Redevelopment Tax Increment Revenues will be used to supplement Federal Public Facility Repair (Stafford Act) funds and Community Development Block Grant funds; the estimated cost of the repair and rehabilitation work is \$2.41 million; the amount of federal funds available is expected to be \$2.01 million; therefore, the estimated amount of tax increment revenues proposed to be used for this purpose is \$400,000;
- b. The Carnegie Library Building is listed on the National Register of Historic Places and in the City's Inventory of Historic Resources; it forms the centerpiece of City Park, which is the venue for numerous civic events; this building is located in the heart of, and is an indispensable asset to, both the City and the Redevelopment Project Area;
- c. The Carnegie Library Building is an unreinforced masonry building that suffered extensive damage during the 2003 San Simeon Earthquake and had to be closed to human occupancy; the damage must be repaired in the near term before other damage might occur; the City of Paso Robles does not have sufficient General Funds on hand to bridge the gap between available

Federal funds and the estimated project cost, nor does it project that sufficient General Funds will be available in the near term;

- d. The 2004 Redevelopment Implementation Plan considers unreinforced masonry buildings as unsafe buildings, which is a condition contributing to blight in the Redevelopment Project Area; the use of Redevelopment Tax Increment Revenues to supplement Federal funds for repair and rehabilitation of the Carnegie Library Building will help eliminate blighting conditions in the Project Area;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The City Council hereby finds and determines as follows:

- a. That the repairs to the Carnegie Library Building are of primary benefit to the Paso Robles Redevelopment Project Area and the immediate neighborhood in which the project is located;
- b. That no other reasonable means of financing the repairs to the Carnegie Library Building are available to the community;
- c. That the payment of funds for the cost of the repairs to the Carnegie Library building will assist in the elimination of one or more blighting conditions inside the Paso Robles Redevelopment Project Area and is consistent with the Agency's five-year implementation plan for the Redevelopment Project adopted by the Agency pursuant to Health and Safety Code Section 33490.

The foregoing findings are based on the information contained in the summary prepared pursuant to Health and Safety Code Section 33679, as outlined above in this Resolution, and as contained in the staff report and other information presented to the City Council at the public hearing.

Section 2. Based on the information contained in the summary prepared pursuant to Health and Safety Code Section 33679, and the staff report and other information presented to the City Council at the public hearing, the City Council of the City of El Paso de Robles does hereby approve the use of \$400,000 in Redevelopment Funds for the repair and rehabilitation of the Carnegie Library Building.

PASSED AND ADOPTED by the City Council of the City of Paso Robles on this 4th day of March 2008 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Frank R. Mecham, Mayor

ATTEST:

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Deborah D. Robinson, Deputy City Clerk

ORDINANCE NO. \_\_\_\_\_ N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES  
AMENDING CHAPTER 3.40 REVENUE AND FINANCE OF THE MUNICIPAL CODE  
TO MODIFY THE FISCAL YEAR 2007/2008 BUDGET FOR THE  
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES

The City Council of the City of El Paso de Robles, State of California, does hereby ordain as follows:

SECTION 1. That a budget amendment, for the Redevelopment Fund, in the amount, and for the purpose set forth below, for the Redevelopment Agency of the City of El Paso de Robles for the fiscal year commencing July 1, 2007 and ending June 30, 2008 is hereby approved and adopted for said fiscal year.

- a. \$400,000 as authorized by Redevelopment Agency Resolution RA 08-002 and City Council Resolution 08-XXX, to be used for the Carnegie Library Repair and Retrofit, account number 100-820-5452-261; and

SECTION 2. That the budget amendment for expenditures as proposed shall be and become appropriated to the Agency for the respective objects and purposes therein set forth below, subject to expenditures pursuant to the provisions of all applicable statutes of this State.

SECTION 3. That the Agency hereby finds and determines:

- a. That the proposed budget amendment is for a Redevelopment activity consistent with California Health and Safety Code Section 33678 in that they are for carrying out the Redevelopment Project and related development activities, as defined in California Health and Safety Code Sections 33020 and 33021, and primarily benefit the Redevelopment Project.
- b. That the proposed budget amendment is for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing pursuant to California Health and Safety Code Section 33334.2.
- c. That none of the funds are to be used for the purposes of paying for employee or for contractual services for the City of El Paso de Robles or any other local government agency, except for such services which are directly related to Redevelopment activities as defined in California Health and Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law.

SECTION 4. That the appropriation and expenditure of funds shall be consistent with the terms as established by cooperative agreement between the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles per Agency and City adopting implementing resolutions.

SECTION 5. Publication. The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 6. Effective date. This ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

SECTION 7. Inconsistency. To the extent that the terms of provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.

SECTION 8. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portion of this Ordinance.

The City Council hereby declares that it would have passed this ordinance by section, subsection, sentence, clause or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.

Introduced at a regular meeting of the City Council held on March 4, 2008, and passed and adopted by the City Council of the City of El Paso de Robles on the 18th day of March, 2008, by the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Frank R. Mecham, Mayor

ATTEST:

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Deborah D. Robinson, Deputy City Clerk

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL  
PROJECT NOTICING

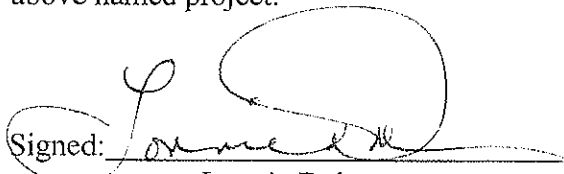
Newspaper: Tribune

Date of Publication: February 20, 2008

Meeting Date: March 4, 2008  
(City Council)

Project: Proposed Use of \$400,000 in  
Redevelopment Tax Increment  
Funds for Repair and Rehab-  
ilitation of the Carnegie Library  
(A Public Facility)

I, Lonnie Dolan, employee of the Community  
Development Department, Planning Division, of the City  
of El Paso de Robles, do hereby certify that this notice is  
a true copy of a published legal newspaper notice for the  
above named project.

Signed:   
Lonnie Dolan

forms/newsaffi.691

Comments on the proposed use of Redevelopment Tax Increment Funds may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or emailed to [ed@prcity.com](mailto:ed@prcity.com) provided that such comments are received prior to the time of the hearing.

If you challenge the proposed use of Redevelopment Tax Increment Funds in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Ed Gallagher, City Planner

February 20, 27, 2008

**NOTICE OF PUBLIC HEARING  
PROPOSED USE OF \$400,000 IN  
REDEVELOPMENT TAX INCREMENT  
FUNDS FOR REPAIR AND REHABILITATION  
OF THE CARNEGIE LIBRARY  
(A PUBLIC FACILITY)**

NOTICE IS HEREBY GIVEN that the City Council of the City of Paso Robles will hold a Public Hearing to accept public comments on the proposed use of Redevelopment Tax Increment Funds to supplement federal funds for repair and rehabilitation of the Carnegie Library Building, a public facility, located at 800 - 12th Street.

This hearing will take place in the Library Conference Center at Library/City Hall, 1000 Spring Street, Paso Robles, California, at the hour of 7:30 PM on Tuesday, March 4, 2008, at which time all interested parties may appear and be heard.

Pursuant to Sections 33679 and 33445 of the California Health and Safety Code, the proposed authorization to use Redevelopment Tax Increment Revenues to repair and rehabilitate the Carnegie Library Building is based on the following:

- a. Redevelopment Tax Increment Revenues will be used to supplement Federal Public Facility Repair (Stafford Act) funds and Community Development Block Grant funds. The estimated cost of the repair and rehabilitation work is \$2.41 million; the amount of federal funds available is expected to be \$2.01 million. Therefore, the estimated amount of tax increment revenues proposed to be used for this purpose is \$400,000.
- b. The Carnegie Library Building is listed on the National Register of Historic Places and in the City's Inventory of Historic Resources; it forms the centerpiece of City Park, which is the venue for numerous civic events. This building is located in the heart of, and is an indispensable asset to, both the City and the Redevelopment Project Area.
- c. The Carnegie Library Building is an unreinforced masonry building that suffered extensive damage during the 2003 San Simeon Earthquake and had to be closed to human occupancy. The damage must be repaired in the near term before other damage might occur. The City of Paso Robles does not have sufficient General Funds on hand to bridge the gap between available Federal funds and the estimated project cost, nor does it project that sufficient General Funds will be available in the near term.
- d. The 2004 Redevelopment Implementation Plan considers unreinforced masonry buildings as unsafe buildings, which is a condition contributing to blight in the Redevelopment Project Area. The use of Redevelopment Tax Increment Revenues to supplement Federal funds for repair and rehabilitation of the Carnegie Library Building will help eliminate blighting conditions in the Project Area. On February 4, 2008, the Redevelopment Agency approved an amendment to the Implementation Plan authorizing the use of \$400,000 in redevelopment funds for the Carnegie Library Repair project.

Copies of the staff report will be available for review in the City's Community Development Department, at the City Library, and on the City's web site at the address indicated below beginning Thursday, February 28, 2008. (Copies of the amended Implementation Plan may be purchased at the City's Community Development Department, 1000 Spring Street, Paso Robles, CA 93446, for the cost of reproduction).