

**Redevelopment
Agency of the
City of San Pablo**

City of San Pablo
Community Services Department
13831 San Pablo Avenue
San Pablo, California 94806

**Tenth Township Redevelopment Project
Legacy Redevelopment Project
Five-Year Implementation Plan
2010 – 2014**

Resolution No. R2010-026

Tenth Township Redevelopment Project

Legacy Redevelopment Project

Five-Year Implementation Plan

ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

This document constitutes the 2010 through 2014 ("Planning Period") Implementation Plan ("Plan") for the Tenth Township and Legacy Redevelopment Project Areas ("Project Areas") administered by the Redevelopment Agency of the City of San Pablo ("Agency"). This is the fourth in a series of redevelopment implementation plans mandated since 1994 by the State legislature's adoption of Assembly Bill (AB) 1290, which required that a redevelopment agency administering a redevelopment plan prepare and adopt a new implementation plan for its project area every five years.

This Plan was prepared pursuant to Health and Safety Code Sections 33490(a)(1) and 33413(b)(4). The principal goal of the implementation plan is to guide an agency in implementing its redevelopment program to help eliminate blighting influences. In addition, the affordable housing component of the implementation plan provides a mechanism for a redevelopment agency to monitor its progress in meeting both its affordable housing obligations and the affordable housing needs of the community.

In effect, the Plan is a guide, incorporating the goals, objectives, and potential programs of the Agency for the planning period. The Plan intended to be flexible so the Agency may adjust to real estate trends and opportunities where the Agency can participate in redevelopment projects that address physical and economic blight in the Project Areas.

The projects included in this Plan are identified for planning purposes and must undergo additional City Council/Agency Board review and where applicable Planning Commission review. The Agency does not have the authority to use eminent domain, and is not targeting properties for acquisition. The Agency will continue to work in cooperation not competition with property owners and other taxing agencies to revitalize the Project Areas by undertaking projects that are important to continue moving the City of San Pablo forward.

I. INTRODUCTION

California Community Redevelopment Law is codified in Health and Safety Code Section 33000 *et seq.* ("Law"). Section 33490 of the Law requires that this Plan contains the following information:

Section I of the Plan provides a basic discussion of the requirements under the Law, Project Areas description, background, and history.

Section II summarizes the Agency's goals and objectives for the Project Areas and the proposed non-housing activities and corresponding revenues and expenditures for the Planning Period. It also includes a description of the blighting conditions and how these conditions will be alleviated by the Agency's proposed activities.

Section III addresses the affordable housing activities and expenditures, charts the Agency's progress in providing affordable housing, and includes the Affordable Housing Production Plan.

Section IV discusses the responsibilities and regulations governing the administration of the Plan.

Section III, the Affordable Housing Production Plan is included in the Housing Component of the Plan ("Housing Plan") and covers historical and projected housing production in the Project Areas, the Agency's affordable housing production obligation, and the Agency's plans to meet its housing production obligation. The Housing Component details housing projects accomplished during the previous planning period of 2005 to 2009 as required by Law.

A. Assembly Bill 1290 Requirements

Assembly Bill 1290 ("AB 1290"), effective in 1994, added Section 33490 to the Law. Section 33490 has been amended numerous times since its original adoption. In accordance with this section, the Plan must contain the following:

Redevelopment Requirements

- Specific goals and objectives for the Planning Period for both housing and non-housing activities.
- Specific programs and expenditures for the Planning Period for both housing and non-housing activities.
- An explanation of how the goals, objectives, and programs will eliminate blight and implement affordable housing obligations.
- Estimated expenditures to address the remaining blight in the Project Areas.

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- Other information related to the provision of affordable housing, including the Agency's housing replacement plan, if applicable, and its housing production obligation throughout the life of the Project Areas.

Housing Requirements

An explanation of how the goals, objectives, and programs will achieve the required housing production, as well as an explanation of expenditures of the Low and Moderate Income Housing Fund, representing a minimum of twenty percent of tax increment revenue to the Agency ("Housing Funds") as set forth in the Law. This explanation must include a detailed annual implementation plan for each of the five years covered by the Plan in order for performance to be measured. In addition, the following must be included:

- The amount of money available in the Housing Fund, the amount of money expected to be deposited during the next five years, and how those annual deposits to the Housing Fund will be spent.
- The estimated number of units to be provided over the next five and ten years to meet the Agency's 30 percent and 15 percent inclusionary housing obligations, as applicable.
- The number of qualifying very low-, low-, and moderate-income units that have been produced in the Project Areas, and the number of additional units that will be required to meet the inclusionary housing obligations.
- The number of units that will be developed by the Agency, if any, including the number of units that the Agency will make available for very low-, low- and moderate-income households.
- If a planned public improvement or development project will result in destruction of existing affordable housing, an identification of proposed locations for their replacement (Health and Safety Code Section 33413).
- The affordable housing production plan (Health and Safety Code Section 33413(b) (4)).

B. Assembly Bill 637 Requirements

Assembly Bill 637 ("AB 637") created additional housing requirements for redevelopment agencies. It eliminated the sunset for most of the provisions in AB 1290, which had been in effect since January 1, 1994. AB 1290 contained a number of modifications to the inclusionary and housing production requirements contained in Section 33413(b) of the Health and Safety Code. The issues addressed by AB 637 include:

- Targeting housing funds to specified income and age groups.
- Requiring replacement of 100 percent of removed or destroyed affordable units instead of 75 percent.
- Keeping a list of those persons displaced and who are to be given priority in the replacement housing plan.
- Establishing how and where Housing Funds may be used for onsite or offsite improvements.
- Requiring affordability covenants to increase from 10 to 45 years in the case of owner-occupied units, and from 15 to 55 years in the case of rental housing.
- Specifying that Housing Funds are to be used only to the extent other reasonable means of private or commercial financing are not reasonably available.

The Agency is required to spend the Housing Fund in at least the proportion of the total housing need for each of the specified income groups as determined for the City pursuant to Section 65584 of the Government Code (Regional Housing Needs Assessment).

In addition, the Agency shall expend, over the duration of each redevelopment implementation plan period, the Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the low-income population under 65 years of age in relation to the total low-income population of the community as reported by the United States Census Bureau. The expenditure percentage will be presented in greater detail in this Plan in the Age Proportionality portion of the Housing Component (Section III).

In accordance with Section 33490(a) (2) (A) (iii) of the Law, the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and then each ten years thereafter.

C. Senate Bill 701 Requirements

Senate Bill 701 clarifies how AB 637 is to be implemented. The Agency will have until 2014 to comply with the legal requirements outlined in AB 637, as summarized above.

D. Background of the Project Areas

In order to effectively plan for the future development and revitalization of the Project Areas, it is important to first gain an understanding of its history. In addition



to describing the location and physical condition, this section will also describe the Agency's goals, objectives, and activities for the Project Areas.

History of the Agency

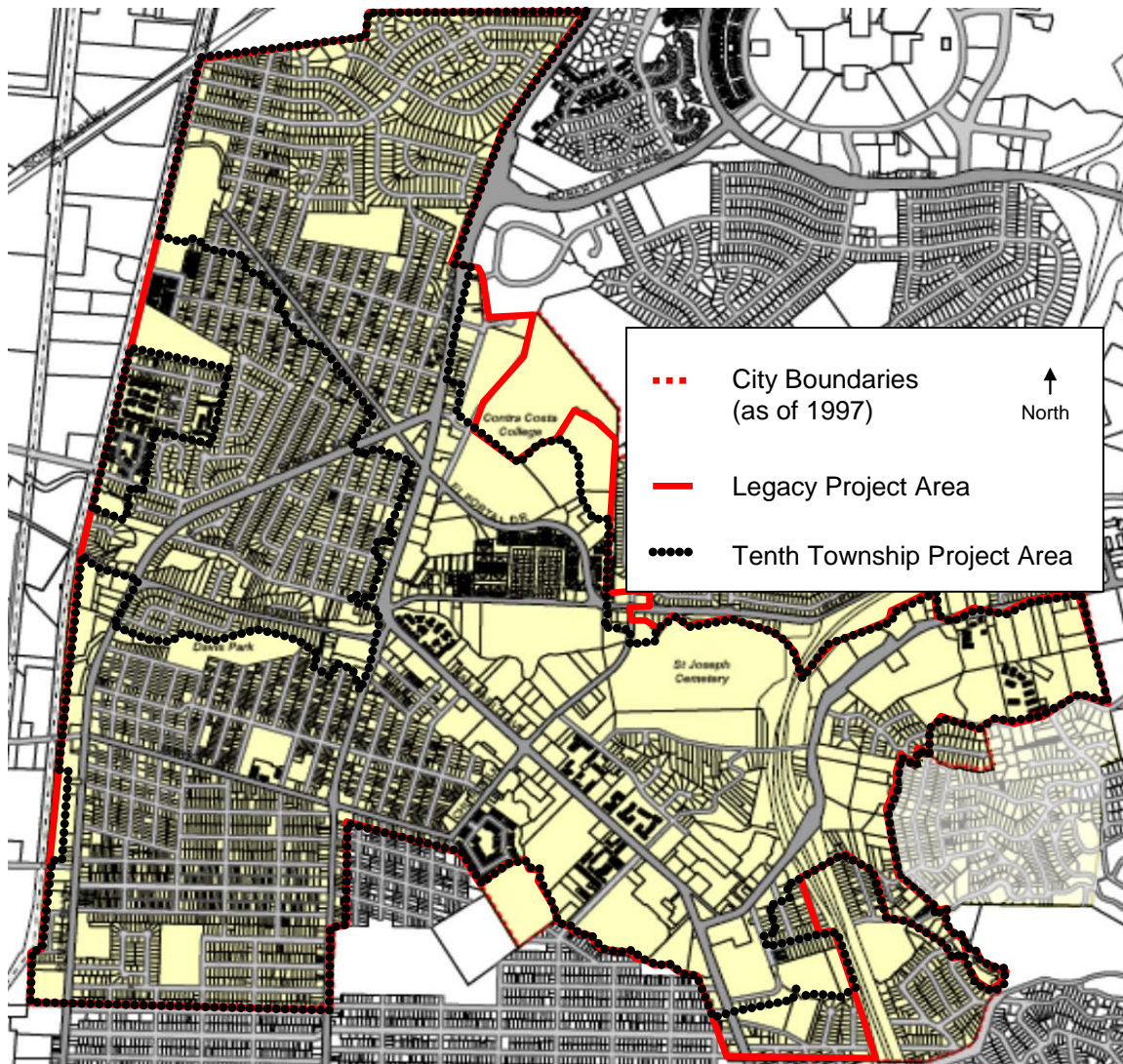
The Redevelopment Agency of the City of San Pablo ("Agency") was established in July 1969 to address physical and economic blight in the City of San Pablo. The Agency established four redevelopment project areas between 1970 and 1976. In 1987 three of four redevelopment project areas were merged. In 1997 the two remaining redevelopment project areas were merged, creating the Tenth Township Redevelopment Project Area. The Tenth Township Redevelopment Project Area encompasses 1,196 acres of property or approximately 72 percent of the City's land area. The Tenth Township Project Area was established to redevelop and expand deficient public infrastructure and facilities, to revitalize San Pablo and to address deficient community recreation facilities.

The Agency also established the Legacy Redevelopment Project Area in 1997 which encompasses the Tenth Township Redevelopment Project Area and additional properties that were not already in a redevelopment project area. The Legacy Redevelopment Project Area is approximately 1,542 acres in size. Due to the severity of blight in the City of San Pablo, the Agency adopted the Legacy Project Area to ensure that the community has the redevelopment tools and financial resources to correct these conditions for the maximum period of time. The Tenth Township Project Area will expire between July 2013 and December 2033. The Legacy Project Area will permit the Agency to continue redevelopment initiatives after these dates or until 2042.

The following tables outline the Project Areas main benchmarks including date of adoption, date of effectiveness and the time limit to collect tax increment.

| Time Limits for the Redevelopment Project Areas | | | | | |
|---|--------------------------|--------------------------|---------------------------------|-------------------------------|------------------------------------|
| Project Area | Project | Eminent Domain Authority | Timeframe To Incur Indebtedness | Effectiveness of Project Area | Timeframe to Collect Tax Increment |
| Tenth Township | South Entrance | Expired | 01/01/14 | 07/28/13 | 07/28/23 |
| Tenth Township | EI Portal - 1971 | Expired | Rescinded | 06/01/14 | 06/01/24 |
| Tenth Township | Oak Park - 1974 | Expired | Rescinded | 11/19/16 | 11/19/26 |
| Tenth Township | Sheffield | Expired | Rescinded | 11/11/19 | 11/11/29 |
| Tenth Township | Bayview - 1977 | Expired | Rescinded | 11/23/19 | 11/23/29 |
| Tenth Township | EI Portal - Central Area | Expired | Rescinded | 04/02/22 | 04/02/32 |
| Tenth Township | EI Portal - 1979 | Expired | Rescinded | 06/27/22 | 06/27/32 |
| Tenth Township | Oak Park - 1980 | Expired | Rescinded | 07/01/23 | 07/01/33 |
| Tenth Township | Bayview - 1980 | Expired | Rescinded | 12/01/23 | 12/01/33 |
| Legacy | | Expired | 03/03/17 | 03/03/28 | 03/03/43 |

The location and boundaries of the Project Areas are shown in the following map:





CITY OF **SAN PABLO**
City of New Directions

SECTION II

FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT

II. FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT

A. Background

This section describes the proposed five-year non-housing redevelopment program, including a summary of the deficiencies to be corrected, project and activity descriptions, and estimated revenues and expenditures. As they are implemented, these projects and activities may be modified over time to better serve the purposes of redevelopment and blight elimination. The cost estimates are preliminary and subject to refinement as the Agency's redevelopment activities, planning, and implementation proceed. Some of these projects and activities may not be completed within the Planning Period, and thus related costs may not be incurred in the Planning Period.

B. Agency's Goals

The Redevelopment Plans for the Project Areas were developed to eliminate the conditions of blight existing in the Project Areas and to prevent the reoccurrence of blighting conditions in the Project Areas. The Agency identified general goals in its Redevelopment Plans, which are considered crucial to the success of the Project Areas. The following table provides a Goal Code for each of the Agency's goals, which were developed to provide a guide for redevelopment of the Project Areas:

| Goals Codes | Tenth Township & Legacy Redevelopment Plan Goals |
|--------------------|--|
| 1 | Eliminate and prevent the spread of conditions of blight including underutilized properties and deteriorating buildings incompatible and uneconomic land uses deficient infrastructure and facilities, obsolete structures and other economic deficiencies in order to create a more favorable environment for commercial office, industrial residential recreational development. |
| 2 | Expand commercial base of the Project Areas. |
| 3 | Improve public facilities and public infrastructure. |
| 4 | Improve inadequate drainage infrastructure. |
| 5 | Improve and/or provide electric gas, telephone wastewater infrastructure to both developed and undeveloped properties within the Project Areas. |
| 6 | Promote local job opportunities. |
| 7 | Encourage the Cooperation and participation of residents, businesses, business persons, public agencies and community organizations in the redevelopment/revitalization of the Project Areas. |
| 8 | Implement design and use standards to assure high aesthetic and environmental quality and provide unity and integrity to developments within the Project Areas. |
| 9 | Address parcels of property that are: of irregular form and shape, are inadequately sized for usefulness and development, and or are held in multiple ownership. |
| 10 | Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities. |
| 11 | Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources. |
| 12 | Promote the rehabilitation of existing housing stock. |
| 13 | Increase improve and preserve the community supply of housing affordable to very low, low and moderate income housing. |

C. Definition of Blight in the Law

The redevelopment tools contained in the Law are granted for use in a project area in order to eliminate and prevent the prevalence of blighting conditions. A blighted area is one that necessitates the creation of a redevelopment project area because the combination of conditions in an area constitute a burden on the community and cannot be alleviated by private enterprise, governmental action, or both.

The blight definitions of the Law, as they existed in 1997 when the Redevelopment Plans for the Project Areas were adopted, are presented in the following table. Each Blight Definition is assigned a blight code (which will be used in this Plan to identify how Agency projects are addressing blight) for each of the definitions of blight. The blighting conditions being eliminated within the Project Areas were identified in 1997 at the time the Redevelopment Plans for the Project Areas were adopted.



| Blight Code | Blight Definitions |
|-----------------------|---|
| Physical 1 | Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors. |
| Physical 2 | Factors that prevent or substantially hinder the economically viable use or capacity of building or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors. |
| Physical 3 | Adjacent or nearby uses that are incompatible with each other and which prevent economic development of those parcels or other portions of the project area. |
| Physical 4 | The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership. |
| Economic 1 | Depreciated or stagnant property values or impaired investments, including, but not limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459). |
| Economic 2 | Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities. |
| Economic 3 | A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions. |
| Economic 4 | Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare. |
| Economic 5 | Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations. |
| Economic 6 | A high crime rate constituting a serious threat to public safety and welfare. |
| Public Infrastructure | Section 33030(c) of the Law also states A blighted area also may be ... characterized by the existence of inadequate public improvements, parking facilities, or utilities. |

D. Blighting Conditions Present in the Project Areas

Physical Blight Conditions Present in the Project Areas

The Agency has been actively addressing all those physical blighting conditions as identified in the Reports to Council at the time the Project Areas were adopted in 1997; however, some physical blighting conditions remain. Those remaining physical blighting conditions present in the Project Areas (identified by the respective Blight Code) include the following:

- Physical 1 - Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- Physical 2 - Factors that prevent or substantially hinder the economically viable use or capacity of building or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- Physical 3 - Adjacent or nearby uses that are incompatible with each other and which prevent economic development of those parcels or other portions of the project area.

Economic Blight Conditions Present in the Project Areas

Similarly, the Agency has been actively addressing all those economic blighting conditions as identified in the 1997 Reports to Council when the Redevelopment Plan for the Project Areas were adopted; however, some economic blighting conditions remain as follows:

- Economic 1 - Depreciated or stagnant property values or impaired investments, including, but not limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
- Economic 2 - Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- Economic 4 - Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare.
- Economic 6 - A high crime rate constituting a serious threat to public safety and welfare.

E. Redevelopment and Economic Development Activities Over the Planning Period and How These will Eliminate Blight in the Project Areas

The Agency's proposed goals, objectives, programs and expenditures are designed to eliminate remaining blight conditions in the Project Areas.

The ongoing economic development and redevelopment activities will signal to the private sector the Agency's commitment to improve the Project Areas, and its commitment to enhance economic vitality by identifying the needs of existing businesses and attracting new ones. These activities will assist in reversing the physical and economic blight remaining in the Project Areas.

The following activities and programs to be undertaken by the Agency will address physical and economic blighting conditions remaining in the Project Areas and address the Agency's goals in the Redevelopment Plans. The detail for the costs associated with these programs and projects are included in the Five Year Financial Plan portion of this Plan.

Economic Development

Several of the goals of the Redevelopment Plan are focused on strengthening the "commercial and economic base" of the Project Areas. The Agency will seek to meet these goals and objectives by assisting with off-site improvements necessary for redevelopment, property assemblage (through voluntary acquisitions) where necessary to create property suitable for modern development, rehabilitation of existing buildings, land write down assistance, site preparation work and hazardous materials cleanup. Where the Agency owns property, it may undertake the process of obtaining entitlements for future development prior to selling the property to a developer. Expenditures on these types of programs will be made as projects are proposed and as circumstances warrant.

The Agency has made several opportunity acquisitions of property in order to prevent land speculation and to assist development projects. The Agency anticipates working towards the following developments over the Planning Period:

Hill & Sketchley Properties Development

A proposal has been submitted by Hill & Sketchley Properties Inc. for a new commercial development adjacent to the existing San Pablo Towne center. The proposed development consists of approximately 10,000+ square feet of commercial space and an additional 10,000 square feet of office space above.

Mission Plaza – International Student Housing

The Agency is participating in the redevelopment of 14501, 14535 and 14555 San Pablo Avenue and 2750 Rumrill Boulevard for a future International Student Housing project. The International Student Housing project could provide up to 20,000 square feet of ground-floor retail and 80 housing units dedicated for international students at Contra Costa College and surrounding institutions.

Princeton Plaza

The Agency is undertaking a redevelopment project at 3400 San Pablo Dam Road for retail development with a drive thru. The Agency anticipates that this project could further stimulate retail along San Pablo Dam Road.

Powell Place

The Agency is pursuing redevelopment of 1800 23rd Street and 1821 Powell Street as a mixed use project with retail uses on the ground floor and moderate income ownership units above up to 35 condominium units.

Circle S

The Agency purchased this site to develop a mixed use concept to include housing, retail, entertainment and open space. The Redevelopment Agency acquired the former Davis Lumber, Chattleton Lane Homes, Salvation Army, and the Circle S and Alvarado mobile home parks to accommodate this project

Public Improvement Projects

Subject to the appropriate Agency and City findings for use of redevelopment funds, public improvements, public infrastructure and facilities projects and activities will be implemented within the Project Areas. Projects anticipated include the following:

Graffiti Abatement within the Project Areas - \$2.2 million over the Planning Period

Public Works Projects - \$18.3 million for the construction and installation of public improvements to upgrade the existing aged and/or deteriorated infrastructure systems including installation, and/or construction of streets, utilities, public buildings and facilities, storm drains, utility undergrounding, street lighting, landscaping and other improvements that are necessary for the effective redevelopment of the Project Areas. Projects include, but are not limited to:

- Wanlass Park,
- Rumrill Bridge,
- El Portal Gateway,
- San Pablo Avenue Rehabilitation,
- Broadway Paving/Traffic Calming,
- Wildcat Creek Trail/Trailhead,
- Railroad Crossings/Quiet Zones
- Pedestrian Safety Improvements, and
- 1-80 San Pablo Dam Road Interchange.

The Agency may also assist in the funding of new and rehabilitated public facilities within or serving the Project Areas. Circulation and transportation projects and activities will involve the construction and installation of public improvements to upgrade existing roads and problematic circulation and pedestrian accessibility issues.

Projects are intended to stimulate the growth of existing and new businesses and reduce stagnant economic conditions.

Public and Quasi-Public Facilities

West County Health Center

The County is proposing to build the new West County Health Center (“WCHC”) in San Pablo on a portion of the former Circle S Mobilehome Park located at 13613 San Pablo Avenue. The WCHC will replace the Richmond Health Center (“RHC”) which has served West Contra Costa County residents since 1967. The patient services demands at the RHC have exceeded its capacity. The new WCHC will be one of eight health centers run by the County Health Services Department (“HSD”). The new 50,000 (approximately) square foot WCHC will provide for a modern and efficient facility in which to deliver outpatient care.

The WCHC will be a family practice and specialty care outpatient clinic, serving a primarily low-income, ethnically diverse patient population. It is anticipated that the WCHC will include a minimum of 50 exam rooms, 3 treatment rooms, 4 group treatment rooms (20 patients each, with adjacent small exam rooms), and a 50-seat conference room. Special-purpose rooms will include dental operatories, audiology, ophthalmology, gastrointestinal, and orthopedics. Specialty services will include allergy, cardiology, dermatology, ear/nose/throat, gynecology, immunodeficiency, internal medicine, neurology, oncology/hematology, pediatrics, pulmonary, podiatry, rheumatology, and urology. Ancillary services will include radiology, ultrasound, laboratory, and physical and occupational therapy. Support functions will include Centralized Registration, Medical Records, Business Office, Volunteers, Materials Management, and Environmental Services. The project will also include a parking structure

Helms Community Center

The Agency intends to assist with the construction of an 8,000 – 10,000 square foot community center at Helms Middle School. The community center will house the Recreation Division and the majority of the recreation programming for the City of San Pablo. It is anticipated that the city will run after school, evening and weekend programs at the site—which will also utilize the new Gymnasium and future fields.

Burlington Northern Santa Fe

The Agency purchased this site along Rumrill Boulevard in 2008 to develop this site as a recreational field for the community.

Projects Matrix for the Project Areas

The following table provides the goal/objective/blight code (as codified earlier in this Plan) for each project the Agency anticipates undertaking during the Planning Period:

| Project | Goals Addressed | Blight Addressed |
|---|----------------------------------|--|
| Hill & Sketchley Properties Development | 1, 2, 6, 7, 8, 11 | Physical: 1 & 2 Economic: 1, 2, 3 & 4 |
| Mission Plaza | 1, 2, 4, 5, 6, 7, 8, 10, 11 & 13 | Physical: 1 & 2 Economic: 1, 3, & 4 |
| Princeton Plaza | 1, 2, 6, 8, 10, & 11 | Physical: 1 & 2 Economic: 1, 3 & 4 |
| Powell Place | 1, 2, 7, 8, 10, 11 & 13 | Physical: 1 & 2 Economic: 1, 3 & 4 |
| Circle S Project | 1, 2, 4, 5, 6, 7, 8, 9, 10, & 11 | Physical: 1, 2 & 3 Economic: 1, 3, 4, 5 & 7 |
| Public Improvement Projects | 3, 4 & 10 | Economic: 2 & 3 Public Infrastructure |
| Helms Community Center | 1, 2, 4, 5, 6, 7, 8, 9, 10, & 11 | Public Infrastructure |
| Burlington Northern Santa Fe | 1, 3, 4 & 8 | Public Infrastructure |
| West County Health | 1, 3, 4, 5, 6, & 8 | Physical: 1 |

Agency Community Outreach

The Agency will continue to solicit input from the residential and business communities of the City regarding projects and activities proposed by the Agency. One recent example is the public meeting for the proposed new West County Health Center. The Agency is assisting staff from the Contra Costa County Health Services Department on the potential development of this project. The Agency Board and Agency staff felt it was important to conduct a study session on Tuesday, July 6, 2010 regarding this project to elicit input from the community and hear about the plan for the project from County staff. Similar outreach efforts are anticipated during the Planning Period.

F. Five-Year Financial Plan

Over the next five years, the Agency will undertake those activities that can be financially supported by its revenue stream. The estimated expenditures for non-housing (economic development and capital improvement) activities and projects for the Planning Period will be approximately \$87,206,170.

The funds will be spent on activities to alleviate blighting conditions including economic development activities and improvements to public infrastructure and facilities. The nature and scope of the activities and expenditures have been shaped primarily by the Agency's goals and objectives for the Project Areas, available

revenues for funding projects and activities, and blighting factors to be eliminated within the Project Areas.

The projects and activities proposed in this Plan are in part based on certain assumptions made by the Agency relating to revenues, market conditions, community needs and priorities and developer interest. Consequently, should the Agency assumptions not be realized or should unforeseen circumstances arise, modifications in projects and activities may be required.

The Agency projects total revenue available for the Planning Period of \$115,323,586 from three revenue sources:

- Annual tax increment revenues,
- Bond issuance proceeds, and
- Other Agency and non-Agency revenues

The available revenues for non-housing projects and activities are summarized in the following table:



| Redevelopment Agency of the City of San Pablo 2010-2014 Revenues and Expenditures | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | - 1 - 2010 | - 2 - 2011 | - 3 - 2012 | - 4 - 2013 | - 5 - 2014 | Total |
| Total Beginning Fund Balance (1) | \$ 29,162,209 | \$ 9,400,075 | \$ 5,728,264 | \$ 3,570,482 | \$ 388,573 | |
| Revenue (1) | | | | | | |
| Tax Increment Revenue (net of housing set-aside) | \$ 11,446,908 | \$ 9,193,500 | \$ 7,947,695 | \$ 7,709,265 | \$ 7,709,265 | \$ 44,006,633 |
| Sale of Land | \$ - | \$ - | \$ 600,000 | \$ - | \$ 12,000,000 | \$ 12,600,000 |
| Rental Income | \$ 517,500 | \$ 399,059 | \$ 153,189 | \$ 131,612 | \$ 95,000 | \$ 1,296,360 |
| Other Funds (Measure C and Grants) | \$ 7,745,452 | \$ - | \$ 1,425,538 | \$ - | \$ - | \$ 9,170,990 |
| Total Revenue | \$ 19,709,860 | \$ 9,592,559 | \$ 10,126,422 | \$ 7,840,877 | \$ 19,804,265 | \$ 67,073,983 |
| TOTAL REVENUE AVAILABLE | \$ 48,872,069 | \$ 18,992,634 | \$ 15,854,686 | \$ 11,411,359 | \$ 20,192,838 | \$ 115,323,586 |
| Expenditures (1) | | | | | | |
| Operations and Debt Service Expenditures | | | | | | |
| Tax Allocation Bonds | \$ 6,977,615 | \$ 7,027,615 | \$ 6,697,615 | \$ 6,357,615 | \$ 6,392,615 | \$ 33,453,075 |
| Administration, Maintenance, & Overhead | \$ 1,448,540 | \$ 1,520,967 | \$ 1,597,015 | \$ 1,676,866 | \$ 1,760,709 | \$ 8,004,097 |
| Graffiti Abatement | \$ 401,922 | \$ 422,018 | \$ 443,119 | \$ 465,275 | \$ 488,539 | \$ 2,220,873 |
| Small Business | \$ 242,000 | \$ 175,000 | \$ 175,000 | \$ 175,000 | \$ 175,000 | \$ 942,000 |
| Project Expenditures | | | | | | |
| Public Works | \$ 18,189,265 | \$ 152,000 | \$ - | \$ - | \$ - | \$ 18,341,265 |
| Recreation | \$ 234,350 | \$ 1,500,000 | \$ 2,200,000 | \$ - | \$ - | \$ 3,934,350 |
| Redevelopment | \$ 4,918,699 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 5,018,699 |
| Pass-Through Payments | \$ 1,120,000 | \$ 1,145,100 | \$ 1,171,455 | \$ 2,348,030 | \$ 2,345,953 | \$ 8,130,538 |
| Supplemental Educational Revenue Augmentation Fund (2) | \$ 5,939,603 | \$ 1,221,670 | \$ - | \$ - | \$ - | \$ 7,161,273 |
| TOTAL EXPENDITURES | \$ (39,471,994) | \$ (13,264,370) | \$ (12,284,204) | \$ (11,022,786) | \$ (11,162,816) | \$ (87,206,170) |
| Non-Housing Fund Ending Balance | \$ 9,400,075 | \$ 5,728,264 | \$ 3,570,482 | \$ 388,573 | \$ 9,030,022 | |
| <p>(1) San Pablo Redevelopment Agency 2010-11 Budget.</p> <p>(2) Supplemental Educational Revenue Augmentation Fund payments for 2009-10 of \$5,939,603, and 2010-11 of \$1,221,670 are due to the help off set the State's educational obligations. The California Redevelopment Association and other interested parties have filed an appeal to the decision to make these payments.</p> | | | | | | |

Other Agency and Non-Agency Revenues

Whenever possible, the Agency has been and will continue to leverage other funds in connection with its redevelopment efforts including the targeting local, State, and federal funding sources, including federal Community Development Block Grants, to assist in financing eligible projects. As permitted by law, possible funding sources include government grants and assistance programs, as well as private sector sources.

In addition, the City's development impact fees generated from new development will be a source of public infrastructure and facilities funding when feasible.



CITY OF SAN PABLO

City of New Directions

SECTION III

HOUSING COMPONENT

III. HOUSING COMPONENT

Pursuant to the Law, agencies must adopt an affordable housing compliance plan that identifies how the Agency will meet the affordable housing requirements for a redevelopment project area as required by Assembly Bills 1290 and 637, and Senate Bill 701. This section of the Plan describes the projects and programs the Agency will undertake to address affordable housing requirements under the Law.

The Agency will allocate no less than twenty percent of its gross tax increment to the Housing Fund for the purpose of increasing, improving, and preserving the supply of housing available to very-low, low- and moderate-income households, as required by Law. The Agency will ensure that affordable housing is created with deed restricted covenants that require the housing units to remain affordable for the longest feasible time, but no less than 45 years for owner-occupied units and no less than 55 years for rental units.

This housing component of the Plan contains the following:

- Housing to Date – Summarizes major housing activities to date.
- Housing Program - Estimates the number of new, rehabilitated, and restricted units to be assisted by the Agency and Housing Fund expenditures for Planning Period. Also assesses the Agency's requirement to provide replacement housing units for units removed or destroyed.
- Housing Funds - An account of available Housing Funds and the estimated amounts to be deposited in the Housing Fund during the Planning Period.
- Targeted Expenditures - A description of how the housing program will implement the requirements to spend the Housing Funds over a ten year period for very-low income households, low-income households, and housing for residents under the age of 65.

A. Housing Activity In the Project Areas

Affordable Housing Activities in the Previous Planning Period

During the previous Planning Period (2005 – 2009), the Agency utilized its affordable housing funds to spur the development of affordable housing and implement housing programs. Specifically, the following activities were implemented to meet affordable housing goals of the Agency.

San Pablo Housing Initiative

Through this effort the Agency funds both residential rehabilitation loans and assists first-time homebuyers with down payment assistance to achieve neighborhood revitalization and increase home ownership. During fiscal year

2008, the Agency increased the First Time Home Buyer down (FTHB) payment assistance amount from \$75,000 to \$200,000.

In fiscal year 2008/2009, the Agency made FTHB loans to 34 families totaling \$5,362,985. The Agency also provided 5 rehabilitation loans in the amount of \$185,202.

In fiscal year 2007/2008, the Agency made FTHB loans to 23 families totaling \$3,778,000. The Agency also provided 11 rehabilitation loans in the amount of \$279,941.

In fiscal year 2006/2007, the Agency made FTHB loans to 5 families totaling \$179,233. The Agency also provided 11 rehabilitation loans in the amount of \$279,941. The Agency also increased the First Time Home Buyer down payment assistance amount from \$30,000 to \$75,000.

Environmental Training Center

The Agency purchased this site with low- to moderate-income housing funds. This site could be redeveloped as an environmental training program for low-income residents, affordable housing units and subsidized office space for non – profit users. The site will be a mixed use and consist of up to 12 low income units.

Circle S Project– Mixed-Use

The Redevelopment Agency began eminent domain proceedings against the Alvarado and Circle S Mobilehome Parks in April 2005 and July 2005 (respectively) as a part of the “Circle S Project” and successfully acquired the Alvarado mobile home park in June 2006 and the Circle S Mobile Home Park and the Salvation Army site in July 2007. The Agency assembled these lots with Chattleton Lane Homes and the lumber yard parcel (Davis Lumber).

The Agency acquired the 1.74 acre parcel on Chattleton Lane for \$1,205,845.15 during Fiscal Year 2008/2009. The Davis Lumber property was located between the two mobile home parks, so, this was acquired in 2002 to assist with the development plans for this Project. The Agency also acquired a small parcel that was wedged in the center of the Alvarado mobile home park. The total acreage for the Circle S Project is just over 17 acres.

After obtaining input from the community, Agency staff has developed a family-oriented mixed-use concept project site. Agency staff is actively seeking a qualified developer to build the project.

El Paseo Family Apartments (1150 Brookside) – Affordable Housing

On May 19, 2004, the Agency purchased 1150 Brookside Drive for the development of 132 units of affordable housing to be built by Simpson Housing Solutions, LLC (SHS). Building permits were issued in December of 2005. Construction commenced in 2007 and units were available in May 2008.

1800 23rd Street (Powell Place)

After being vacant for over a decade, the Agency purchased the 20,909 square foot lot located at the northeast corner of 1800 23rd Street and Market in May of 2006 and a small adjoining residential lot that added an additional 5,000 square feet to the project site. The proposed project would consist of approximately 9,000 square foot of commercial space and 31 for-sale condominium units above with roof gardens and a two-story parking structure. This site serves as a major entry point into the Old Town commercial district. This project is currently on hold due to the current housing market.

1820 Rumrill

The property located at the northeast corner of Rumrill Boulevard and Market Avenue was purchased by the Agency in 2007 for \$704,753. This property consists of a 21,075 square foot parcel of vacant land that was formerly a gas station. The proposed project for this site would consist of affordable housing and ground floor commercial.

Giant Road Family Apartments - Affordable Housing

On April 5, 2004 the Agency approved and authorized execution of an Owner Participation Agreement with East Bay Asian Local Development Corporation for the development of an affordable housing complex containing 86 rental dwelling units on property located on Giant Road near Richmond Parkway within the boundaries of the Tenth Township and Legacy Redevelopment Project Areas. This project site was originally an industrial site where large trucks were parked and cleaned. The Project Areas were littered with various abandoned industrial buildings, contained contaminated soil and had become an eyesore in the community. Construction was completed by mid year of 2007 and leasing has begun to appropriate income qualifying families. Over 700 applications were submitted for residency consideration.

This project is located outside the Tenth Township Project Area and the Agency is only able to receive a 2 for 1 affordable housing credit for these units.

Housing Activity in the Project Areas

The Project Areas experienced new residential development and rehabilitation activity throughout the previous Planning Period. These projects occurred without Agency assistance. The following table includes information obtained from a review of building permits within the Project Areas:

| Housing Activity in Previous Planning Period | | | | | |
|--|------|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Substantial Rehab | 32 | 34 | 25 | 0 | 0 |
| Apartment Units | 0 | 127 | 0 | 8 | 0 |
| New Condos | 60 | 25 | 0 | 8 | 0 |
| Modular Home | 1 | 3 | 0 | 0 | 8 |
| New In-law Units | 0 | 12 | 2 | 1 | 0 |
| New Single Family | 8 | 10 | 13 | 10 | 1 |
| New Townhomes | 0 | 29 | 5 | 4 | 3 |
| Total | 101 | 240 | 45 | 31 | 12 |

Residential Rehabilitation Loan Program

The Agency also provides housing stock improvement programs in the form of two (2) first time homebuyer programs, a paint rebate program, and a residential rehabilitation assistance program in conjunction with the Contra Costa County Building Inspection Department.

**Contra Costa County Neighborhood Preservation Program
San Pablo Redevelopment Agency
Residential Rehab Loan Program**

| Year | Total Loan Amount | Number of Loans |
|--------------|------------------------|-----------------|
| 2004/2005 | \$ 277,899.00 | 8 |
| 2005/2006 | \$ 153,077.00 | 4 |
| 2006/2007 | \$ 148,266.00 | 5 |
| 2007/2008 | \$ 279,941.00 | 7 |
| 2008/2009 | \$ 198,855.75 | 4 |
| Total | \$ 1,058,038.75 | 28 |

Source: Pat Corum, Program Manager
Contra Costa County Neighborhood Preservation Program

International Student Housing

The Agency working in concert with Contra Costa College and the property owner Tommy Tu acquired three (3) of a four (4) properties for a future student housing site and retail mixed use project. The project will serve the housing needs for international students attending Contra Costa College and could include 70 one bedroom units. The Agency acquired the following properties for \$4,644,769:

- 14555 San Pablo Avenue (Assessor Parcel Number 413-352-012-4), which consists of a 4,500 square foot lot with a 1,617 square foot building constructed in 1963.
- 14501 San Pablo Avenue (Assessor Parcel Number 413-352-017-3), which consists of a 23,087 square foot lot with a 5,200 square foot building constructed in 1983.

- 14535 San Pablo Avenue (Assessor Parcel Number 413-352-013-2), which consists of a 9,200 square foot lot with a 1,224 square foot building built in 1965.

The following table provides the affordable housing (deed restricted units) with the Agency.



| Project | No. of Units Restricted (Income Level/ percent of AMI) | | | | | | | | | Received Monitoring Information for 2009 | Affordability term dates | Senior (units) | Restricted Rents | | | | | | | | Developer | Agency Loan Amount | |
|-------------------------------|---|-----|-----|-----|-----|-----|------|------|-----|---|-----------------------------|-------------------|------------------|------------|-------------|------------|------------|------|-------------|--------------|--|---|--|
| | 30% | 40% | 45% | 50% | 60% | 80% | 100% | 120% | 30% | | | | 40% | 45% | 50% | 60% | 80% | 100% | 120% | | | | |
| Monte Vista Senior Apartments | | | | | | | | | 82 | YES | 55 years (2003-58)* | YES | | | | | | | | 30% of 120% | Simpson Housing | \$ 1,100,000.00 | |
| Casa Adobe Senior Apartments | 5 | | 9 | | | | | | | YES | 55 years (2008-2063)* | YES (54) | 30% of 100% | | 45% of 100% | | | | | | EAH (Gregory Hyson) | \$ 825,000.00 | |
| El Paseo Family Apartments | 13 | 13 | | 70 | 36 | | | | | YES | 55 years (2005-60)* | NO | 30% of 30% | 30% of 50% | - | 30% of 50% | 30% of 60% | | | | El Paseo Housing Investors | \$ 500,000.00 | |
| Giant Road Family Apartments | | | | | 41 | | | 43 | | YES | 55 years (2004-2059)* | NO | | | | | 30% of 60% | | 30% of 100% | | EBALDC (Brock Arner) | \$ 500,000 set aside funds + 1,200,000 (2nd loan) | |
| El Portal Gardens Apartments | | | | | | | | | | NO | 55 years (2008-2063) | | | | | | 30% of 60% | | | | El Portal LLC (Rory Robertson) | | |
| Casa Linda | | | | | | | | | 24 | YES | Through 12/14/2012 | YES (24) | | | | | | | | 100% of 120% | Casa Linda, Herzer Financial Services, Inc., Port Development Partnership, | \$ 108,000.00 | |
| | | | | | | | | | | | | | | | | | | | | | | | |

* 55 years from the date on the Certificate of Completion

B. Agency's Goals for Housing

The Agency intends to meet its affordable housing obligations through development of new affordable housing, rehabilitation of existing housing that is affordable to low- to moderate-income residents and encouragement of home ownership for persons or families of low- or moderate-income levels.

The Agency will achieve affordable housing goals to create and preserve affordable housing by meeting the housing requirements set forth by the Law during the Planning Period. The Agency utilizes the "Housing Goals, Policies, Programs and Quantified Objectives" identified in January 2010 Draft version of the San Pablo Housing Element of the 2010 General Plan Update as well as the Agency's affordable housing requirements set forth in the Law. The Housing Element for the City is currently being updated and this will be adopted after this Plan is adopted. However, the Agency will continue to implement affordable housing in the Project Areas that is consistent with the goals and objectives of the Housing Element. The following are the goals from the Housing Element:

- Goal H-1 Preserve and enhance San Pablo's residential neighborhoods to improve the quality of life for all residents.
- Goal H-2 Provide a diversity of housing types to meet the needs of all economic segments and family types in San Pablo.
- Goal H-3 Ensure housing accessibility for all segments of the community.
- Goal H-4 Promote the development of energy efficient homes to help protect the environment and lower the energy costs for San Pablo residents.

During the Planning Period, the Agency will concentrate on activities that help the Agency meet its housing goals and objectives.

Additionally, the Agency plans to spend its Housing Funds in proportion of the need for the specific income groups and age groups as stated in the Law. The Agency will continue to encourage the preservation and development of housing affordable to those income groups with the greatest need.

C. Policy Declaration Regarding Targeting of Monies from The Housing Fund according to Income Need and Age

As of January 1, 2002, there are additional restrictions on the use of monies from the Housing Fund. Redevelopment agencies are required to spend Housing Funds in proportion to the community's need as defined in the City's Housing Element.

Pursuant to Section 33334.4 of the Law, Housing Fund monies are required to be spent over the ten-year planning period of the Plan in at least the same proportion to the total number of housing units needed for very low-, low-, and moderate-income groups within the community, as determined for the City pursuant to Section 65584 of the Government Code.

In accordance with Section 33490(a) (2) (A) (iii) of the Law, the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and each ten years thereafter.

The Final Regional Housing Needs Assessment ("RHNA") for the City of San Pablo was determined by the Association of Bay Area Governments. For the planning period between 2007 and 2014, the housing need for very low- and low-income households represents 69.6% percent of the City's total housing need. The following table shows the fair share allocation for the different income groups.

| Regional Housing Need Allocation | | |
|---|--|---|
| Income Level | RHNA Allocation (Units)¹ | Targeting Requirement (% of Total) |
| Very-Low Income | 22 | 18.3% |
| Low Income | 38 | 31.7% |
| Moderate Income | 60 | 50.0% |
| Total | 120 | 100.0% |

¹ Source: ABAG Final RHNA March 20, 2008

As illustrated in the table above, the Agency is required to spend at least 18.3% of its Housing Funds on housing for very low- income households, and at least 31.7% on housing for low-income households. It may not spend more than 50.0% on housing for moderate-income households. The above table excludes the above moderate-income unit allocation calculated by ABAG since Housing Funds are only to be spent on housing units available to very low-, low- and moderate-income households.

As permitted under the Law, agencies are able to shift or reduce their income targeting requirement if other locally controlled funds are available for those targeted income groups. These additional funds, however, must not be used in combination with Housing Fund monies, and long-term affordability must be met (45 years for owner-occupied and 55 years for rental housing). Locally controlled funds include funding sources such as CDBG and fees received by the City pursuant to inclusionary housing programs.

Age Proportionality Requirement

In 2002 by Assembly Bill 687, the Law was amended to determine the minimum percentage of Housing Fund expenditures on non-age restricted housing, so, that Agencies would not target all their affordable housing funds for senior housing. The Law (Section 33334.4 (b) of the Health and Safety Code) requires the Agency to expend its Housing Funds (for each implementation plan) in at least the same proportion as the number of low-income households with a member under 65 years age of years bears to the total number of low-income households in the community, as reported in the most recent census.

Data identifying low-income households with at least one member under the age of 65 is not readily available within U.S. Census Bureau data. The data that most closely represents this group is found in the Comprehensive Housing Affordability Strategy (“CHAS”) allocation numbers, provided by the United States Department of Housing and Urban Development. It should be noted that the CHAS allocation numbers are presented for persons age 62, as opposed to age 65, as the threshold for senior and non-senior households.

According to data provided by the CHAS database, and as illustrated in the table below, the Agency is required to make at least 81.7% of its housing production available for households with at least one member under the age of 62.

| Housing Fund Expenditures Age Proportionality | | |
|--|------------------------------------|---------------|
| Age | Low Income Households ¹ | Percentage |
| Less Than 62 Years Old | 4,447 | 81.7% |
| 62 Years and Over | 997 | 18.3% |
| Total | 5,444 | 100.0% |

¹ Source: Comprehensive Housing Affordability Strategy

The Agency will monitor its use of low- to moderate-income housing funds to ensure that the Agency is in compliance with the above expenditure requirements through the end of the compliance period in 2014.

D. Replacement Housing

The Agency must replace any housing units that have been demolished or removed from the affordable housing stock as a result of a redevelopment project or program, within four (4) years after they are removed from the market. The replacement housing obligation is triggered when units are destroyed or removed by a redevelopment project that is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency. The requirement includes vacant units that could reasonably be expected to be occupied by low- or moderate-income households, if occupied. Replacement housing units may be located anywhere within the territorial jurisdiction of the City.

When dwelling units are destroyed or removed after January 1, 2002, Section 33413(a) of the Law requires that all the replacement units be available at affordable housing cost at the same household income level as the households that were displaced from the destroyed or removed units. Income limits for replacement units are equivalent to those for inclusionary units.

The following table outlines the Agency's Replacement Housing obligation:

| Replacement Housing Obligation | | | | | | | | | | | | | | | | | |
|--|-------------------|-----------------------|------|------|------|------------------|------|------|------|-----------------------|------|------|------|-------------|----------|-----|------|
| | | Very-Low Income Units | | | | Low Income Units | | | | Moderate Income Units | | | | Total Units | Bedrooms | | |
| | | 0/1Bed | 2Bed | 3Bed | 4Bed | 0/1Bed | 2Bed | 3Bed | 4Bed | 0/1Bed | 2Bed | 3Bed | 4Bed | | VL | Low | Mod |
| Through 7/1/2004 | Demolished | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Replaced | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Surplus (Deficit) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7/1/2004 - 6/30/2009 | Demolished | 19 | 3 | 0 | 0 | 24 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 60 | 25 | 24 | 14 |
| | Replaced | 0 | 96 | 0 | 0 | 0 | 296 | 0 | 0 | 0 | 0 | 0 | 0 | 392 | 192 | 592 | 0 |
| | Surplus (Deficit) | (19) | 93 | 0 | 0 | (24) | 296 | 0 | 0 | (14) | 0 | 0 | 0 | 332 | 167 | 568 | (14) |
| 7/1/2009 - 6/30/2014 | Demolished | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Replaced | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 35 | 0 | 0 | 47 | 0 | 0 | 82 |
| | Surplus (Deficit) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 35 | 0 | 0 | 47 | 0 | 0 | 82 |
| Total Removed | | 19 | 3 | 0 | 0 | 24 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 60 | 25 | 24 | 14 |
| Total Produced | | 0 | 96 | 0 | 0 | 0 | 296 | 0 | 0 | 12 | 35 | 0 | 0 | 439 | 192 | 592 | 82 |
| Cumulative Surplus (Deficit) Through June 30, 2009 | | (19) | 93 | 0 | 0 | (24) | 296 | 0 | 0 | (2) | 35 | 0 | 0 | 379 | 167 | 568 | 68 |

Source: City of San Pablo Redevelopment Agency

Pursuant to Section 33413(f)(1)(2) of the Law, the Agency may replace destroyed or removed dwellings with fewer units if the replacement units have a greater or equal number of bedrooms and are affordable to households of the same income level as the destroyed or removed units.

2010-2014 Planning Period

The Agency is focused on developing mixed use retail/housing opportunities in the Project Areas. The Agency anticipates that no housing units will be removed in the Project Areas during the Planning Period.

E. Housing Production Requirements

Redevelopment project areas adopted on or after January 1, 1976 and territory added to project areas by amendments adopted on or after January 1, 1976 must meet affordable housing production requirements. As part of the Plan, agencies must adopt a plan showing how the Agency intends to meet its housing production requirement ("Housing Production Plan").

Prior to the time limit on the effectiveness of a redevelopment plan, at least thirty percent of the new or substantially rehabilitated housing developed by the Agency itself in the Project Areas must be restricted for low- and moderate-income households, with fifty percent of the total restricted units reserved for very-low income households.

Additionally, not less than 15% percent of the housing units developed by public or private entities other than the Agency within the Project Areas must be restricted for low- and moderate-income households, with 40% of the total restricted units reserved for very-low income households.

The Plan must include the following information regarding the Agency's housing production obligations for its Project Areas:

- The number of units of very-low, low- and moderate-income housing which have been developed within the Project Areas which meet the production requirements.
- An estimate of the number of new, substantially rehabilitated, or price restricted residential units to be developed or purchased within the Project Areas, both over the life of the Redevelopment Plans and during the next ten years.
- An estimate of the number of units of very-low, low-, and moderate-income housing required to be developed within Project Areas in order to meet the production requirements.
- An estimate of the number of Agency developed residential units which will be developed during the next five years.
- An estimate of the number of Agency developed units for very-low, low-, and moderate-income households during the next five years.

The Agency may count, pursuant to Section 33413(b) (2) (II) of the Law, affordable units produced outside of a project area for fifty percent inclusionary housing credit. The Agency anticipates creating housing outside the Project Areas during the Planning Period; and as developer proposals are presented to staff for residential

housing outside the Project Areas, the fifty percent inclusionary housing credit methodology (pursuant to Section 33413(b) (2) (II) of the Law) will be applied to those units and they will be counted towards the Agency's affordable housing obligation.

The Project Areas contain residential buildings that suffer from deferred maintenance and substandard conditions. New housing opportunities have developed in San Pablo in the past ten years and the Agency anticipates that future mixed use housing/commercial developments will occur in the Project Areas over the Planning Period. The Agency expects to assist development by acquiring properties, entitling the land for residential and/or mixed use land uses and implementing an in-fill housing program to take advantage of smaller residential lot consolidation for affordable housing.

In addition to the programs and projects identified below, the Agency may sponsor or assist other programs or projects during the Planning Period that the Agency finds are worthy of financial assistance and further the affordable housing goals and objectives set forth in this Plan and the Law. The following programs have been identified as part of the Agency's Redevelopment Plans, but this list of programs may be modified by future budgetary considerations and development opportunities and constraints.

First Time Homebuyer Program

The First Time Homebuyer Program was established to provide down payment assistance to first time homebuyers of low- and moderate-income. The Program is funded with Housing Funds. It is anticipated that the Program could assist five (5) low- and/or moderate- income households provided that market conditions are favorable. The Agency is anticipating \$150,000 per year to be expended on this program in 2010-11 and \$780,606 over the five year program.

Rehabilitation Loan Program

The Agency works with the Contra Costa County Neighborhood Preservation Program of the Contra Costa County Building Inspection Department to administer the loan program. On June 1, 2004 the City of San Pablo contracted with Contra Costa County to administer the San Pablo Rehabilitation Loan Program which is also funded by Community Development Block Grant funds. In the previous Planning Period the loan program funded 28 rehabilitation loans, and in the current Planning Period the program intends to fund approximately six (6) rehabilitation loans per year. The Agency intends to spend \$500,000 in low- to moderate-income loans/grants in 2010-11 and \$2,602,020 over the five year period.

Construction of New Affordable Units

The Agency intends to provide financial assistance to cause the construction of new homeownership units for low- and moderate-income families provided that market conditions are favorable and Agency assistance is warranted. In most cases, the creation of these units will be the result of an inclusionary obligation on a market-rate residential development within the Project Areas. It is estimated that the Agency will assist in the construction of 35 units during the Planning Period. Affordable homeownership projects that receive funds from the Agency will have long-term

affordability covenants of 45 years. The Agency intends to serve as the beneficiary of the affordability covenants for a portion of all homeownership projects developed in the Project Areas, whether or not the Agency provides financial assistance for the project.

The Agency also aims to provide financial assistance to cause the construction of new affordable family and senior rental units for occupancy by very-low, low- and moderate-income households. The Agency expends a great deal of effort in assessing possible new construction sites and projects. However, due to the limited availability of land for such projects, this endeavor is increasingly difficult. New construction projects that receive funds from the Agency will have long-term affordability covenants, generally 55 years or more for multi-family projects.

Environmental Training Center at 1820 Rumrill Boulevard

The Agency purchased this site for a mixed use office use and up to 12 low income housing units. The office use will consist of an environmental training program facility for low-income residents.

Powell Place at 1800 23rd Street and 1821 Powell Street

This affordable housing site is proposed to be developed with 35 condominium units for sale to moderate-income households. The project will include ground floor retail underneath the condominium units.

As of the end of the previous Planning Period (2009), the Agency had a surplus of 203 very low-income affordable housing units and a surplus of 233 low- to moderate-income housing units. During the Planning Period the Agency expects to assist with the development of an additional 96 affordable units, which will be available to low- and moderate-income households.

An additional 384 units may be constructed throughout the life of the Project Areas which will result in an affordable housing obligation of 58 units. Of the 58 units, 23 will need to be available to very low-income households. These housing production estimates from 2010 through the life of the Project Areas (2042) are based on historical housing production in the Project Areas and current general plan zoning/land use designations. An estimate of 10 housing units per year will be constructed in the Project Areas through 2010 to 2042.

The following table outlines the production of affordable housing units within the Project Areas:



| Inclusionary Housing Requirements Summary | | | | | | | |
|---|-------------------|---------------------------------|---------------------------------|---|---------------------------------|---|---------------------------------|
| | Inception to 1999 | Planning Period 2005 to 2009 | Total (Inception to 2009) | Potential Construction During Planning Period 2010 to 2014 (2) | Total (Inception to 2014) | Potential Construction 2014 to 2042 (3) | Total (Inception to 2042) |
| Total Construction in the Project Area | 2,630 | 428 | 3,058 | 104 | 3,162 | 280 | 3,442 |
| Affordable Units Required (15% of units constructed in the Project Area) | 395 | 64 | 459 | 16 | 474 | 42 | 516 |
| Very Low-Income (40% of Affordable Units Required) | 158 | 26 | 183 | 6 | 190 | 17 | 207 |
| Deed Restricted Affordable Units Constructed Inside Project Area | | | | | | | |
| Low/Mod Income | 82 | 294 | 376 | 47 | 423 | 25 | 448 |
| Very Low-Income | 291 | 96 | 387 | 7 | 394 | 17 | 411 |
| Deed Restricted Affordable Units Constructed Outside Project Area | | | | | | | |
| Low/Mod Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Very Low-Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Deed Restricted Affordable Housing Production (Agency only gets half credit for affordable units constructed outside the Project Area) | | | | | | | |
| Low/Mod Income | 82 | 294 | 376 | 47 | 423 | 25 | 448 |
| Very Low-Income | 291 | 96 | 387 | 7 | 394 | 17 | 411 |
| Affordable Units Produced Surplus (Deficit) by Planning Period | | | | | | | |
| Low/Mod Income | (22) | 255 | | 37 | | 0 | |
| Very Low-Income | 133 | 70 | | 1 | | 0 | |
| Affordable Units Produced Surplus (Deficit) Cumulative Totals | | | | | | | |
| Low/Mod Income | (22) | 233 | 233 | 280 | 280 | 305 | 305 |
| Very Low-Income | 133 | 203 | 203 | 210 | 210 | 227 | 227 |
| (1) - Based on potential affordable housing projects known by the Agency in the Project Area. | | | | | | | |
| (2) - Based on available land in the Project Area, affordable housing projects proposed for Planning Period and general plan zoning to determine buildout potential estimated at 10 units per year from 2010 to 2014. | | | | | | | |
| (3) - Based on available land in the Project Area and general plan zoning to determine buildout potential estimated at 10 units per year from 2014 to 2042. | | | | | | | |

F. Housing Fund Deposits during the Planning Period (2010-2014)

The Project Areas are projected to receive approximately \$12.6 million in tax increment to be deposited in the Housing Fund over the Planning Period which the Agency will use to implement housing activities. The Agency borrowed \$3 million from Housing Fund to pay the Supplemental Educational Revenue Augmentation Fund obligation for 2009-10. This amount must be paid back within 5 years or the Agency's minimum Housing Fund contribution ("set aside") increases from 20% of gross tax increment to 25%.

The Agency is required to report the proposed amount from the Housing Funds to be spent on each of the income categories in relation to the need as identified by the RHNA. As a result, the Agency proposes to spend at least 18.3% of its Housing Funds on housing for very-low income households, at least 31.7% on housing for low-income households, and no more than 50.0% on housing for moderate-income households. The following table below shows the housing need identified by the RHNA plan for each income group for the Planning Period:

| Projected Housing Fund Expenditures per Income Category | | | | |
|--|--|---|--|-----------------------------------|
| 2010 - 2014 | | | | |
| | Expenditure of Housing Funds for Very Low-Income Housing | Expenditure of Housing Funds for Low-Income Housing | Expenditure of Housing Funds for Moderate-Income Housing | Total Funds Available for Housing |
| Targeting % | 18.3% | 31.7% | 50.0% | |
| 2010 | \$ 440,917 | \$ 763,774 | \$ 1,204,691 | \$ 2,409,382 |
| 2011 | \$ 449,735 | \$ 779,049 | \$ 1,228,785 | \$ 2,457,569 |
| 2012 | \$ 458,730 | \$ 794,630 | \$ 1,253,360 | \$ 2,506,721 |
| 2013 | \$ 472,492 | \$ 818,469 | \$ 1,290,961 | \$ 2,581,922 |
| 2014 | \$ 486,667 | \$ 843,023 | \$ 1,329,690 | \$ 2,659,380 |
| <i>Subtotal</i> | | | | |
| Total | \$ 2,308,540 | \$ 3,998,947 | \$ 6,307,487 | \$ 12,614,974 |

The following table below shows the Plan revenue and expenditures over the Planning Period. The anticipated Housing Revenues and Expenditures for the Planning Period were developed based on the Agency's 2010-11 Budget.



| Redevelopment Agency of the City of San Pablo 2010-2014 Housing Fund Revenues and Expenditures | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|--|
| | - 1 - | - 2 - | - 3 - | - 4 - | - 5 - | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | Total | |
| Total Beginning Fund Balance (1) | \$ 2,595,000 | \$ 3,029,002 | \$ 4,327,371 | \$ 5,651,707 | \$ 7,027,598 | | |
| Revenue (1) | | | | | | | |
| Tax Increment Revenue (Housing set-aside) | \$ 2,409,382 | \$ 2,457,569 | \$ 2,506,721 | \$ 2,581,922 | \$ 2,659,380 | \$ 12,614,974 | |
| TOTAL REVENUE AVAILABLE | \$ 5,004,382 | \$ 5,486,571 | \$ 6,834,091 | \$ 8,233,630 | \$ 9,686,978 | \$ 35,245,651 | |
| Expenditures (1) | | | | | | | |
| Operations and Debt Service Expenditures | | | | | | | |
| Salaries | \$ 55,900 | \$ 57,018 | \$ 58,158 | \$ 59,322 | \$ 60,508 | \$ 290,906 | |
| Benefits | \$ 29,200 | \$ 29,784 | \$ 30,380 | \$ 30,987 | \$ 31,607 | \$ 151,958 | |
| Professional Services | \$ 42,000 | \$ 42,840 | \$ 43,697 | \$ 44,571 | \$ 45,462 | \$ 218,570 | |
| Project Expenditures | | | | | | | |
| Potential Affordable Housing Development | \$ 2,409,382 | \$ 2,457,569 | \$ 2,506,721 | \$ 2,581,922 | \$ 2,659,380 | \$ 12,614,974 | |
| First Time Homebuyer | \$ 150,000 | \$ 153,000 | \$ 156,060 | \$ 159,181 | \$ 162,365 | \$ 780,606 | |
| Lead Paint Abatement | \$ 50,000 | \$ 51,000 | \$ 52,020 | \$ 53,060 | \$ 54,122 | \$ 260,202 | |
| Paint Rebate | \$ 25,000 | \$ 25,500 | \$ 26,010 | \$ 26,530 | \$ 27,061 | \$ 130,101 | |
| Dumpster Grant | \$ 10,000 | \$ 10,200 | \$ 10,404 | \$ 10,612 | \$ 10,824 | \$ 52,040 | |
| Emergency Grant | \$ 10,000 | \$ 10,200 | \$ 10,404 | \$ 10,612 | \$ 10,824 | \$ 52,040 | |
| Low/Mod Housing Loans/Grants | \$ 500,000 | \$ 510,000 | \$ 520,200 | \$ 530,604 | \$ 541,216 | \$ 2,602,020 | |
| Cal HOME Grants | \$ 80,000 | \$ 81,600 | \$ 83,232 | \$ 84,897 | \$ 86,595 | \$ 416,323 | |
| Supplemental Educational Revenue Augmentation Fund (2) | \$ 3,000,000 | | | | | | |
| TOTAL EXPENDITURES | \$ (6,361,482) | \$ (3,428,711) | \$ (3,497,285) | \$ (3,592,298) | \$ (3,689,964) | \$ (17,569,740) | |
| Non-Housing Fund Ending Balance | \$ (1,357,100) | \$ 2,057,860 | \$ 3,336,806 | \$ 4,641,331 | \$ 5,997,014 | | |
| (1) San Pablo Redevelopment Agency 2010-11 Budget. | | | | | | | |
| (2) Loan of \$3 million to the redevelopment non-housing fund for the SERAF payment for 2009-10 | | | | | | | |



SECTION IV

IMPLEMENTATION PLAN ADMINISTRATION

IV. IMPLEMENTATION PLAN ADMINISTRATION

The Agency shall be responsible for administering this Implementation Plan and for monitoring redevelopment activities or programs undertaken pursuant to this Plan.

A. Implementation Plan Review

At least once within this Plan's five-year term, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the adopted Redevelopment Plans, the corresponding Plan, and evaluating the progress of the redevelopment projects. The public hearing shall be held no earlier than two years and no later than three years after the date of adoption of this Plan.

This Plan covers the Agency's activities in the Project Areas from January 1, 2010 through December 31, 2014. Consistency of the information contained in the Plan, the Redevelopment Agencies Financial Transactions Report and the HCD Annual Report of Housing Activity of Community Redevelopment Agencies will assist the Agency's staff in monitoring the progress the Agency is making in achieving its goals and objectives for redevelopment and housing activities. This will make preparing the staff report for the mid-term review and efficient process.

Notice of the public hearing to review the Redevelopment Plans and this Implementation Plan shall be published pursuant Section 33490 of the Law and Section 6063 of the Government Code. Notice shall be mailed at least three weeks in advance to all persons and agencies that requested such notice, and posted in at least four permanent places within the Project Areas for a period of at least three weeks. Publication, mailing and posting of the notice shall be completed not less than 10 days prior to the date set for hearing.

B. Implementation Plan Amendment

Pursuant to Section 33490 of the Law, this Plan may from time to time be amended after holding a public hearing on the proposed amendment.

C. Financial Commitments Subject to Available Funds

The Agency is authorized to utilize a wide variety of funding sources for implementing each Redevelopment Plan. Such funding sources include but are not limited to financial assistance from the City, State of California, federal government, property tax increments, interest income, Agency bonds secured by tax increment or other revenues, or any legally available revenue resource. Although the sources of revenue utilized by the Agency are generally deemed to be reliable from year to year, such funds are subject to legislative, program, or policy changes that could reduce the amount or availability of the funding sources upon which the Agency relies.

D. Monitoring of Affordable Housing

Pursuant to Section 33418 of the Law, the Agency is required to monitor, on an ongoing basis, any housing affordable to persons and families of low- or moderate-income developed or otherwise made available through any provision of the Law.

As part of this monitoring, the Agency will require owners or managers of affordable housing units to submit an annual report to the Agency. The annual reports will include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Law states that only income and family size are the required information that is required to be reported by the tenant and shall be the only information on income or family sizes that owner or manager will be required to submit in the annual report to the Agency.

Section 33418(b) of the Law states that the information obtained by the Agency from owners and managers of affordable housing must be included in any reports required by law to be submitted to the California Housing and Community Development Department ("HCD") or the State Controller. In addition, Section 33418(c) of the Law provides that the Agency must adequately fund its monitoring activities as needed to insure compliance of applicable laws and agreements in relation to affordable units. For purposes of defraying the cost of complying with these monitoring requirements and with the HCD Report required to be filed with the State Controller's Report, the Agency can establish and impose fees upon owners of properties monitored pursuant to the Law.

E. Resolution of Conflicts with the Redevelopment Plans

In the event of a conflict between this Plan, the Redevelopment Plans, or any other City or Agency plan or policy, the Redevelopment Plans shall control.



CITY OF SAN PABLO

City of New Directions