

**Cotati Community**

**Redevelopment**

**Agency**

City of Cotati

Community Development Department

201 West Sierra Avenue

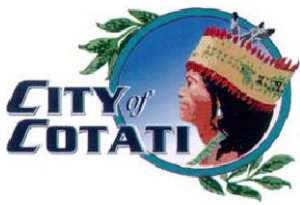
Cotati, California 94931

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**Cotati Redevelopment Project  
Five-Year Implementation Plan  
2010 – 2014**

Resolution No. \_\_\_\_\_

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## TABLE OF CONTENTS

	Page
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>A. Organization .....</b>	<b>1</b>
<b>B. Legal Requirements .....</b>	<b>2</b>
AB 1290 Requirements	
Redevelopment Requirements	
Housing Requirements	
AB 637 Requirements	
SB 701 Requirements	
<b>C. Project Area Background.....</b>	<b>4</b>
<b>II. FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT.....</b>	<b>7</b>
<b>A. Background .....</b>	<b>7</b>
<b>B. Agency’s Goals and Objectives.....</b>	<b>7</b>
<b>C. Blight Definitions in the Law .....</b>	<b>10</b>
Physical Conditions that Cause Blight	
Economic Conditions that Cause Blight	
<b>D. Blighting Conditions Present in the Project Area.....</b>	<b>11</b>
<b>E. Redevelopment and Economic Development Activities         Over the Planning Period and how these will Eliminate         Remaining Blight in the Project Area .....</b>	<b>11</b>
<b>F. Five-Year Financial Plan.....</b>	<b>15</b>
<b>III. HOUSING COMPONENT .....</b>	<b>19</b>
<b>A. Housing Activity in the Project Area.....</b>	<b>19</b>
<b>B. Agency’s Goals and Objectives.....</b>	<b>22</b>
<b>C. Policy Declaration Regarding Targeting of Monies from the         Housing Fund According to Income Need.....</b>	<b>23</b>

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**III. HOUSING COMPONENT CONTINUED**

**D. Replacement Housing.....26**

**E. Housing Production Requirements .....27**

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

**IV. IMPLEMENTATION PLAN ADMINISTRATION .....35**

**A. Implementation Plan Review .....35**

**B. Implementation Plan Amendment.....35**

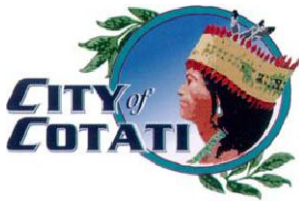
**C. Financial Commitments Subject to Available Funds.....35**

**D. Monitoring of Affordable Housing.....36**

**E. Redevelopment Plan/Conflicts .....36**

Prepared by the Cotati Community Redevelopment Agency with assistance from:





## **I. INTRODUCTION**

The California Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* ("Law") requires that a redevelopment agency administering a redevelopment plan prepare and adopt a new implementation plan for its project area every five years (Section 33490). 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 under the Law and the affordable housing needs of the community. In effect, the implementation plan is a guide, incorporating the goals, objectives, and potential programs of an agency for the five-year implementation plan period, while providing flexibility so the agency may adjust to changing circumstances and new opportunities.

This document constitutes the 2010 through 2014 ("Planning Period") Implementation Plan ("Plan") for the Cotati Redevelopment Project Area ("Project Area") administered by the Cotati Community Redevelopment Agency ("Agency"). This Plan outlines the programs of revitalization, economic development, and affordable housing activities for the Agency during the Planning Period.

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 Area, 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. Organization**

The Plan contains the following information:

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

Section II summarizes the Agency's goals and objectives for the Project Area 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.



## **B. Legal Requirements**

For redevelopment plans adopted prior to January 1, 1994, redevelopment agencies are required to adopt a new implementation plan every five (5) years. This Plan constitutes the Five-Year Implementation Plan for the Planning Period (years 2010-2014), and meets the requirements as codified in the Law by Assembly Bill 1290.

### **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:

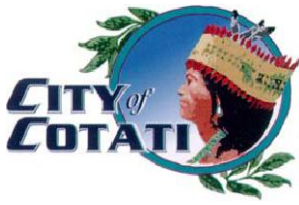
#### **Redevelopment Requirements**

- 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 Area.
- 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 Area.

#### **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 Area, and the number of



additional units that will be required to meet the inclusionary housing obligations.

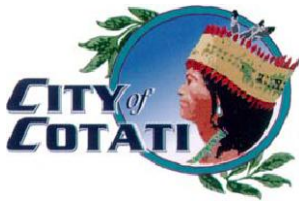
- The number of units that will be developed by the Agency, if any, including the number of units that the Agency will make available for very low-, low- and moderate-income households.
- If a planned public improvement or development project will result in destruction of existing affordable housing, 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)).

### **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.

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.

### **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.

## **C. Project Area Background**

In order to effectively plan for the future development and revitalization of the Project Area, 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 Area.

### **History of the Agency**

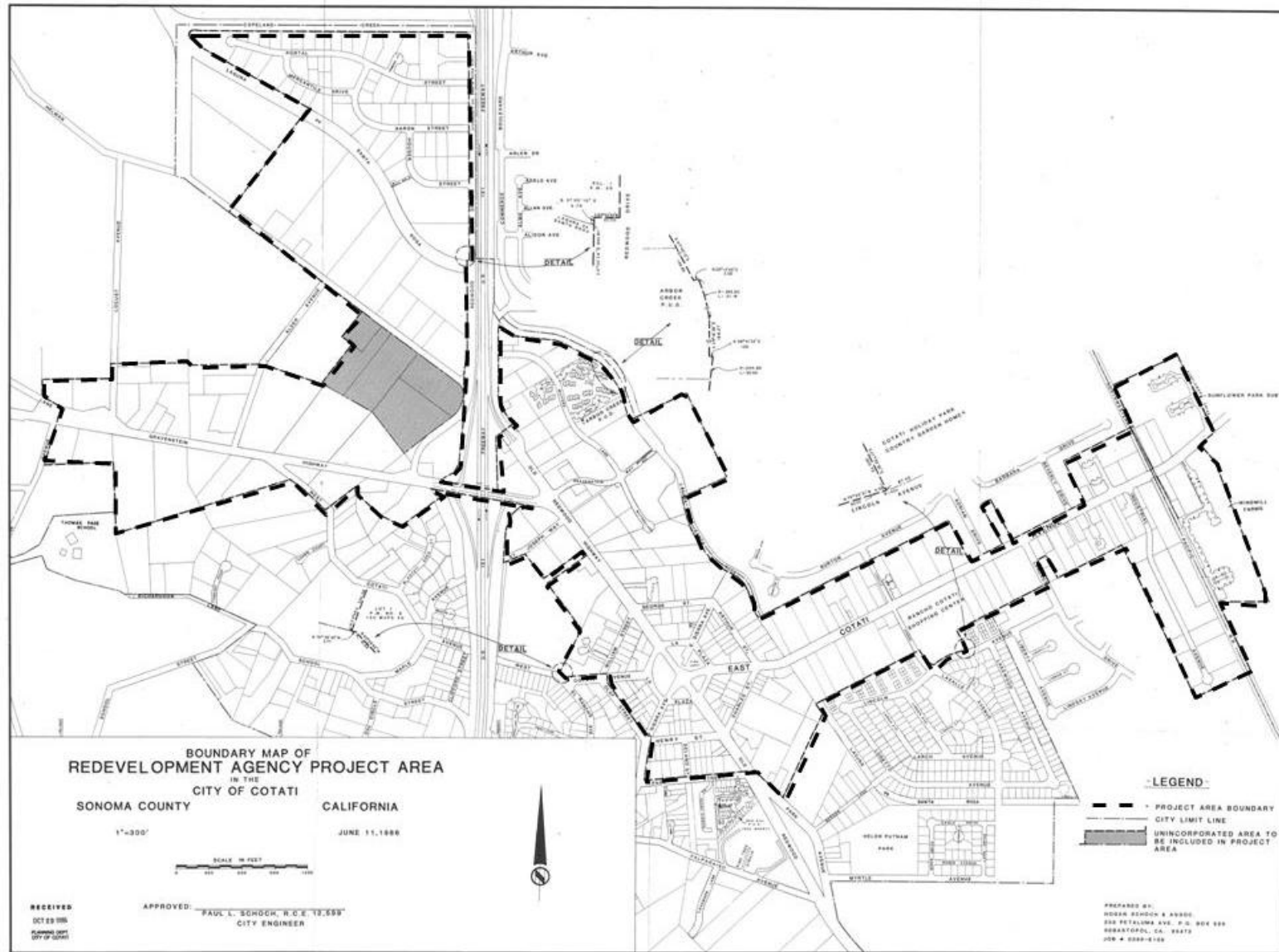
The Agency was established in 1986 to identify and eliminate blighting conditions and stimulate economic investment within the community; create, maintain and attract private investment, foster job creation, maintain and increase the supply of housing for very low-, low- and moderate-income households, and renovate, remove or replace deteriorated or dilapidated structures. On December 30, 1986, the Agency created the Cotati Redevelopment Project.

As required by Section 33490(a)(5) of the Law, the following table outlines the Project Area's main benchmarks and time limits, including date of adoption, timeframe to initiate eminent domain proceedings, timeframe to incur debt, effectiveness of the Project Area, and the time limit to collect tax increment.

<b>Project Area Time Limits</b>					
<b>Adopting Ordinance</b>	<b>Date of Adoption</b>	<b>Eminent Domain Authority</b>	<b>Timeframe To Incur Indebtedness</b>	<b>Effectiveness of Project Area</b>	<b>Timeframe to Collect Tax Increment</b>
461	12/30/86	12/30/98	Removed by Ord. 768	12/30/27	12/30/37

The location and boundaries of the Project Area are shown on the map on the following page:









## SECTION II

# FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT



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## **II. FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT**

### **A. Background**

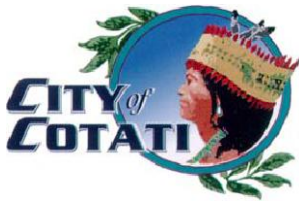
This section describes the proposed five-year non-housing redevelopment program, including a summary of the deficiencies to be corrected, project and activity descriptions, and estimated revenues and expenditures. As they are implemented, these projects and activities may be modified over time to better 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 and Objectives**

The purposes and objectives of the Redevelopment Plan for the Project Area are to eliminate the conditions of blight existing in the Project Area and to prevent the recurrence of blighting conditions in the Project Area. The Agency proposes to eliminate such conditions and prevent their recurrence by providing for the planning, development, replanning, redesign, clearance, redevelopment, reconstruction and rehabilitation of the Project Area, and by providing for such structures and spaces as may be appropriate or necessary in the interest of the general welfare, including, without limitation, recreational and other facilities incidental to them.

The Agency further proposes to eliminate the conditions of blight existing in the Project Area and prevent recurrence by providing for the alteration, improvement, modernization, reconstruction or rehabilitation of existing structures in the Project Area, and by providing for open space types of uses, public and private buildings, structures, facilities, and improvements. The Agency identified general goals in its Redevelopment Plan, which are considered crucial to the success of the Project Area.

The following tables on the following pages provide the Agency's Goals and Objectives, which were developed to provide a guide for redevelopment of the Project Area:



<b>Agency Redevelopment Goals</b>	
<b>1</b>	To stimulate and provide new private investment opportunities by revitalizing property characterized by deterioration, blight or functional obsolescence and to encourage continued investment in the Project Area where growth is planned.
<b>2</b>	To improve the visual image of the City and specifically, the Project Area, by reinforcing existing assets and by expanding the potential of the Project Area.
<b>3</b>	To improve employment opportunities, economic stability and productivity and to increase public revenues within the Project Area.
<b>4</b>	To eliminate environmental deficiencies by achieving a coordinated pattern of commercial, industrial and public land uses in the Project Area with adequate public improvements including, but not limited to streets, utilities and flood control improvements.
<b>5</b>	To foster the development of a sense of community identity within the Project Area.
<b>6</b>	To ensure a variety of commercial, office, and/or industrial land uses, which will physically and economically complement development within the Project Area.
<b>7</b>	To encourage the development of commercial uses along major thoroughfares.
<b>8</b>	To foster the establishment of landscape buffers between incongruous land uses.
<b>9</b>	To encourage the use of local resources in the development of the Project Area whenever economically feasible.



To promote the above goals the Agency has outlined the following objectives that will move the Agency toward accomplishment of the goals:

<b>Agency Redevelopment Objectives</b>	
<b>A</b>	Promote development that is consistent with the General Plan and the Zoning Ordinance.
<b>B</b>	Promote the design and construction of a more efficient and effective traffic circulation system.
<b>C</b>	Provide for adequate parcels and required public improvements to induce new construction and/or rehabilitation by private enterprise.
<b>D</b>	Promote the rehabilitation of existing housing units now affordable to persons and families of low- and moderate-income, and promote the construction of replacement housing units where existing units cannot be feasibly rehabilitated.
<b>E</b>	Promote the retention of existing, and development of new and diverse, employment opportunities.
<b>F</b>	Upgrade the physical appearance of the Project Area.
<b>G</b>	Remove economic impediments to land assembly and infill development in areas that are not properly subdivided for development or redevelopment.
<b>H</b>	Encourage the phasing out of incompatible, and/or non-conforming land uses from the Project Area.
<b>I</b>	Mitigate potential relocation impacts resulting from changes in Project Area land use from non-conforming and dilapidated uses to development in conformance with the General Plan, and the Zoning Ordinance.
<b>J</b>	Provide replacement housing as required by law when dwellings occupied by low- or moderate-income persons or families are lost to the low- or moderate-income housing market.
<b>K</b>	Encourage the cooperation and participation of Project Area property owners, public agencies and community organizations in the elimination of blighting conditions and the promotion of new or improved development in the Project
<b>L</b>	Provide a procedural and financial mechanism by which the Agency can assist, complement and coordinate public and private development, redevelopment, revitalization and enhancement of the community.
<b>M</b>	Encourage and facilitate the remediation of properties contaminated with hazardous substances by responsible parties.

These remain the Agency's goals and objectives for the Planning Period.



### C. Blight Definitions 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 following table provides 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 as contained in Section 33031 of the Law:

	<b>Blight Definitions</b>
Physical 1	Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
Physical 2	Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design, or construction given the present general plan, zoning, or other development standards.
Physical 3	Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
Physical 4	The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.
Economic 1	Depreciated or stagnant property values.
Economic 2	Impaired property values, due in significant part to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 of the Redevelopment Law (commencing with Section 33459).
Economic 3	Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
Economic 4	A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, banks and other lending institutions.
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	An excess of bars, liquor stores, or adult-oriented business that has resulted in significant public health, safety, or welfare problems.
Economic 7	A high crime rate that constitutes a serious threat to the public safety and welfare.
Public Infrastructure	Section 33030(c) of the Law also states that a blighted area may be one that contains inadequate public improvements or inadequate water or sewer utilities when other blighting conditions are present.



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## **D. Blighting Conditions Present in the Project Area**

The Agency will continue to address the remaining blighting conditions in the Project Area through the redevelopment activities. Specific conditions that remain in the Project Area include the following:

### **Physical Blight Conditions Present in the Project Area**

The Agency has been actively addressing all those physical blighting conditions as identified in the initial Report to Council at the time of the Project Area adoption; however, some physical blighting conditions remain. Those remaining blighting conditions present in the Project Area include buildings that are considered unsafe and unhealthy for persons to live or work due to serious deterioration and dilapidation and serious building code violations, conditions that prevent or substantially hinder the viable use or capacity of buildings or lots due to obsolete design, and incompatible land uses that prevent the development of those parcels or other portions of the Project Area.

### **Economic Blight Conditions Present in the Project Area**

Similarly, the Agency has been actively addressing all those economic blighting conditions as identified in the initial Report to Council at the time of the Project Area adoption; however, some economic blighting conditions remain. Conditions of economic blight addressed by the Agency include depreciated or stagnant property values, a serious lack of necessary commercial facilities and low lease rates for retail properties compared to other cities within Sonoma County.

### **Inadequate Public Improvements**

An area may also be characterized by the existence of inadequate public improvements or inadequate water or sewer utilities if physical and economic blighting conditions exist. The Project Area is characterized by the existence of inadequate public improvements and inadequate water or sewer utilities, and the Agency has been assisting with capital improvement projects.

## **E. Redevelopment and Economic Development Activities over the Planning Period and how these will Eliminate Remaining Blight in the Project Area**

The Agency's proposed goals, objectives, programs and expenditures are designed to eliminate remaining blight conditions in the Project Area. The ongoing economic development and redevelopment activities will signal to the private sector the Agency's commitment to improve the Project Area, 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 Area.



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

### **Implementation of the Downtown Cotati Specific Plan**

The Downtown Specific Plan was adopted via resolutions CRA 219 and CRA 220 on August 26, 2009. The Downtown Specific Plan serves as a guiding document for the City and the Agency in revitalizing the Downtown historic core of Cotati. The small town nature of Cotati limits its ability to capitalize on regional retail. The Downtown Specific Plan recognizes and builds on the strengths of Cotati serving as a small town community while also providing an attractive business environment for the regional traffic which passes through the Downtown.

The Downtown Specific Plan identifies the unique hexagonal hub street system in the Downtown, as an opportunity to create an environment that encourages pedestrian and bicycle activity. The Agency intends to support this and build a retail-oriented downtown. The Downtown Specific Plan focuses on mixed use development opportunities to accomplish a pedestrian and bicycle oriented environment.

Many Sonoma State University students live in Cotati and frequent the Downtown's restaurants and bars. Cotati's Downtown is thriving and historic in nature, and presents an opportunity for the City to capitalize on its strength as a quaint and pedestrian oriented retail center for the City. The Downtown has experienced some revitalization through capital improvement projects that included streetscape and pedestrian improvements, and real estate development that has created mixed-use projects.

The Agency will implement the Downtown Cotati Specific Plan by undertaking activities that improve "walkability" of the Downtown by creating the following:

- lively streetscapes,
- wide sidewalks,
- street trees,
- pedestrian-oriented street frontages, and
- a bike circulation program.

### **Commercial Entitlement, Assemblage and Rehabilitation Projects**

The Agency anticipates assisting with property assemblage for mixed use projects and constructing off-site improvements within the Project Area. The Agency anticipates that acquisition projects in the Project Area may be necessary to assemble land suitable for retail development and mixed use projects that will assist in generating employment opportunities for residents. Any assemblage





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and/or infrastructure improvements the Agency undertakes during the Planning Period are expected to help the Agency as developers approach the Agency in the future and will foster the vision of the Downtown Specific Plan.

**Rehabilitation Projects** - Depending on the national economy the Agency may implement rehabilitation activities for existing businesses in the Downtown. The Agency may assist with historical façade restoration efforts in the Downtown or other rehabilitation projects that will assist current businesses within the Project Area.

### **Capital Improvement Projects**

The Agency anticipates providing financial assistance with capital improvement projects; after the City and the Agency have made the appropriate findings for use of redevelopment funds for public infrastructure and facilities projects. Activities will involve 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 Area.

The Agency may also assist in the funding of new and rehabilitated public facilities within the Project Area. 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. The Agency's efforts on capital improvements and street infrastructure projects in this Planning Period will greatly assist in meeting the goals of the Downtown Specific Plan. The Downtown Specific Plan addresses six (6) goals:

1. Enhance Old Redwood Highway as the downtown, mixed-use center of Cotati community life.
2. Maintain the historic character which makes Cotati unique, and achieve a high level of design quality to reinforce this character.
3. Improve the walking and bicycling system through downtown Cotati as well as the interconnections between Cotati and the region.
4. Promote a street system that is safe for all modes of transportation within a successful commercial mixed-use environment.
5. Design housing to accommodate a diversity of income levels, ages and needs.
6. Encourage development that is sustainable, energy efficient and conserves resources.



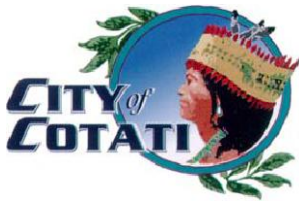
The Agency estimates that total expenditures for capital improvement projects over the 2010 - 2014 Planning Period will be \$9,171,506.

**Old Redwood Highway Rehabilitation** - Improvements to Old Redwood Highway from La Plaza to Highway 116 will help implement the vision of the Downtown Cotati Specific Plan. The Sonoma County Transportation Authority (SCTA) Board of Directors authorized a \$1.1M grant for the City of Cotati to revitalize the downtown Old Redwood Highway corridor between Highway 116 and La Plaza. The funding is provided through a grant from the Transportation for Livable Communities (TLC) program, which will be used to fund the construction of wider sidewalks that include bulb-outs, planting and other decorative features, decorative street lighting, pedestrian facilities, bicycle facilities, a tree-lined boulevard, and an enhanced City gateway. The project is scheduled for construction in the summer of 2012, and will require an additional \$7.67M to fully construct the improvements.

**Intermodal Facility Construction (Cotati Depot)** - The Agency is selling part of this property to Sonoma County Transit (SCT) and spending up to \$400,000 for the final design and construction of the project in 2010-11. The Metropolitan Transportation Commission (MTC) authorized a \$1.516M grant for the City of Cotati to construct the Intermodal Facility. The funding is provided through a grant from the Transportation for Livable Communities (TLC) program, which will be used to fund the construction of the 1,600 square foot depot building and plaza area. This portion of the Cotati Depot will assist the Agency in completing the Intermodal Facility consisting of signals, crosswalks, sidewalks, bus turn outs, seating, park and ride, the Depot building and plaza.

The following table provides the goals/objectives and blight numbers (as identified earlier in this Plan) for each project the Agency anticipates undertaking during the Planning Period:

Project	Goals Addressed	Objectives Addressed	Blight Addressed
Downtown Specific Plan Implementation	1, 2, 4, 5, 6, 7 & 8	A, B, C, E, F, G, H, I & L	Physical: 2, 3 & 4 Economic: 1, 3, 4, 5, 6 & 7
Assemblage and Entitlement of Property	1, 2, 4, 5, 6 & 7	A, E, F, G, H & I	Physical: 1, 2, 3 & 4 Economic: 1, 2, 3, 4 & 5
Mixed Use Projects in the Downtown	6 & 9	A & D	Physical: 1, 2, 3, & 4 Economic: 1, 3, 4 & 5
Old Redwood Highway – La Plaza to Highway 116	2, 3, 4, 8 & 9	C	Public Infrastructure
Intermodal Facility	5 & 9	B	Public Infrastructure



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## **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 are \$18,595,395.

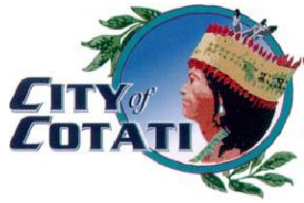
The funds will be spent on activities to alleviate blighting conditions including public infrastructure and facilities, economic development activities, and community beautification and visual blight removal projects. The nature and scope of the activities and expenditures have been shaped primarily by the Agency's goals and objectives for the Project Area, available revenues for funding projects and activities, and blighting factors to be eliminated within the Project Area.

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 anticipates revenues equaling approximately \$21,006,478 for the Planning Period from three revenue sources:

- Annual tax increment revenues,
- Other Agency revenues, and
- Non-Agency revenues.

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



City of Cotati Redevelopment Agency - Nonhousing Funds (Tax Increment, Debt Service and TABs Funds) 2010-2014 Revenues and Expenditures						
	- 1 - FY 09-10	- 2 - FY 10-11	- 3 - FY 11-12	- 4 - FY 12-13	- 5 - FY 13-14	Total
<b>Tax Increment Fund Beginning Fund Balance</b>	\$ 2,407,534	\$ 1,458,421	\$ 703,195	\$ -	\$ 0	
<b>Tax Allocation Bonds (TABs) Fund Beginning Fund Balance</b>	657,901	653,398	650,148	-	(0)	
<b>Debt Service Fund Beginning Fund Balance</b>	1,103,945	1,102,681	1,101,631	1,100,591	1,099,561	
<b>Revenue (1)</b>						
Revenue - Tax Increment Fund	1,765,397	1,764,162	1,764,162	1,764,162	1,764,162	8,822,045
Investment Earnings - Debt Service Fund	286	500	510	520	531	2,347
Investment Earnings - Tax Increment Fund	21,959	21,000	21,420	21,848	22,285	108,513
Investment Earnings - TABs Fund	6,746	6,750	6,885	7,023	7,163	34,567
<b>Total Revenue</b>	<b>1,794,388</b>	<b>1,792,412</b>	<b>1,792,977</b>	<b>1,793,553</b>	<b>1,794,141</b>	<b>8,967,471</b>
<b>TOTAL REVENUE AVAILABLE</b>	<b>5,963,768</b>	<b>5,006,912</b>	<b>4,247,951</b>	<b>2,894,144</b>	<b>2,893,702</b>	<b>21,006,478</b>
<b>Expenditures (1)</b>						
<b>Operating Fund</b>						
School District Agreement	37,734	38,500	38,500	38,500	38,500	191,734
Tax Administration Fees (2)	47,568	48,000	48,000	48,000	48,000	239,568
Agency Administration	273,956	323,336	231,793	280,543	279,781	1,389,409
Contract Services	84,035	316,350	125,000	76,250	77,013	678,648
<b>Tax Increment Fund</b>						
Capital Improvement Projects - Tax Increment Fund	200,000	566,000	1,188,777	486,010	486,448	2,927,235
Operating Transfers In - To Operating Fund from Tax Increment Fund	1,222,781	1,474,388	1,300,000	1,300,000	1,300,000	6,597,169
<b>Tax Allocation Bonds Fund</b>						
Expenses	2	-	-	-	-	2
Capital Improvement Projects - TABs Fund	11,247	10,000	657,033	7,023	7,163	692,466
<b>Debt Service Fund</b>						
Banking Fees	150	150	150	150	150	750
Operating Transfers Out	1,400	1,400	1,400	1,400	1,400	7,000
2001 Tax Allocation Bonds (3)	392,553	390,310	392,878	399,983	396,783	1,972,507
2004 Tax Allocation Bonds (3)	415,395	418,465	415,768	417,362	418,230	2,085,220
<b>Supplemental Educational Revenue Augmentation Fund (4)</b>	<b>1,313,688</b>	<b>500,000</b>				
<b>TOTAL EXPENDITURES</b>	<b>4,000,509</b>	<b>4,086,899</b>	<b>4,399,299</b>	<b>3,055,221</b>	<b>3,053,467</b>	<b>18,595,395</b>
<b>Tax Increment Fund Ending Fund Balance</b>	\$ 1,458,421	\$ 703,195	\$ -	\$ 0	\$ (0)	
<b>TABs Fund Ending Fund Balance</b>	\$ 653,398	\$ 650,148	\$ -	\$ (0)	\$ (0)	
<b>Debt Service Fund Ending Fund Balance</b>	\$ 1,102,681	\$ 1,101,631	\$ 1,100,591	\$ 1,099,561	\$ 1,098,542	

(1) Amended 2009-2010 Budget, approved February 24, 2010 and the 2010-11 budget presented to Council on June 16, 2010.  
 (2) Property Tax Administration Fee in July the LA Court of Appeal ruled in favor of Cities in LA County Property Tax Administration Fee dispute. The matter will likely be appealed to the California Supreme Court.  
 (3) Annual Audited Financial Statements for period ended June 30, 2009  
 (4) Supplemental Educational Revenue Augmentation Fund payments for 2009-10 of \$1,313,688, and 2010-11 of \$500,000 (budgeted) are due to the help off set the State's educational obligations. The California Redevelopment Association and other interested parties have lost an appeal to the decision to make these payments. Shown in Agency Budget as Reduction in Property Tax Revenue Received.



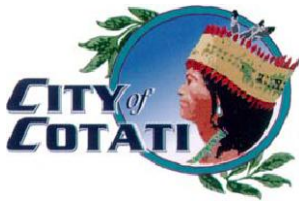
### **Other Agency and Non-Agency Revenues**

Whenever possible the Agency will continue to leverage other funds in connection with its redevelopment efforts including targeting local, State, and federal funding sources, and federal Community Development Block Grants, to assist in financing eligible projects. 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.



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 Area**

The Agency has worked cooperatively with affordable housing developers. Notable projects with Burbank Housing & Development Corporation ("Burbank Housing") highlight the Agency's efforts to provide affordable housing options within the Project Area:

##### **Charles Street Village – Completed in 2001**

Charles Street Village is a 48 unit development reserved for Senior Citizens aged 62 years or more. It is situated one block from downtown Cotati, restaurants and shopping. Amenities include a community center, arts and crafts room, and laundry facilities.





### **Wilford Lane Village – Completed in 2003**

Wilford Lane Village consists of a 36-unit craftsman-style apartment complex. Amenities include wheelchair accessibility in some units to accommodate special needs households. Some of the larger 2 bedroom, 2 bath units are equipped with dishwashers and washer/dryer hookups.



### **Affordable Housing Activities in the Previous Planning Period**

During the previous Planning Period (2005 – 2009), the Agency utilized its Housing Fund 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.



**Affordable Projects** - The Agency worked with Burbank Housing, Habitat for Humanity and the Sonoma County Housing Land Trust to identify locations for development of affordable housing within the Project Area.

On February 25, 2009, the Agency Board approved the 2009 Affordable Housing Program and Direction to staff to Develop Funding Agreements with affordable housing developers. Specifically this action authorized the following:

1. Agency staff may expend up to \$414,965 for a 5-unit Habitat for Humanity mutual self-help project to be located on Woodland Hills Drive; and
2. Agency staff is to develop a funding agreement with Sonoma County Housing Land Trust to begin the process of acquiring and developing affordable housing at 343 East School Street, and expend no more than \$6000 for appraisal services.
3. Identified the Northern Gateway District within the Downtown Specific Plan area as an appropriate location for affordable housing projects and authorized staff to work with Burbank Housing to identify a site and develop a project for up to 45 units.

On October 15, 2009, the acquisition of a 29,185 square foot (0.67 acres) property by the Agency set in place the potential for affordable housing to be developed in the eastern portion of the Project Area. This property is located at the northeast corner of East Cotati Avenue and Ryan Lane on Assessor Parcel Number 144-301-012. This site will be used in conjunction with an affordable housing developer to provide approximately six (6) affordable housing units.

The following identifies affordable housing units developed (without Agency assistance) within the Project Area during the previous Planning Period:

Project	# of Units	Income Level
Heritage Gardens	6	Moderate
Cotati Station	16	Moderate
Cotati Station	14	Moderate

**Second Dwelling Units** - The Agency made available the second dwelling unit program to provide non-deed restricted attainable (low monthly rent levels) housing for residents. The following identifies second dwelling units constructed within the Project Area during the previous Planning Period:

2nd Dwelling Unit	# of Units
Heritage Gardens	6
Gilman Ranch	3



**Homeless Prevention Loan Assistance Program** - The Agency donated \$35,500 in fiscal year 2004-2005 to the Sonoma County Adult and Youth Development Program - \$10,000, the Rebuilding Together Program - \$25,000, and the Sonoma County Homeless Census - \$500.

**First Time Homebuyers Program** - The Agency provided \$20,000 in down payment assistance loan to eligible first-time home buyers in 2009. These two (2) loans were structured as forgivable loans after ten years as long as the homeowners continue to live in and own the home. This program also allows homeowners to refinance for better rates or repairs. These units do not have deed restrictions (no affordable housing covenants were recorded), so the Agency will not count these towards its affordable housing obligations.

The Agency plans to continue to use Housing Funds in the 2010-2014 Planning Period to expand its affordable housing stock for development and to continue to fund housing programs listed above for rehabilitation, new homeownership programs, and affordable rental units within the Project Area.

**Inclusionary Housing Fund** - In addition to the affordable housing obligations of the Agency, the City has collected development fees to assist the City in meeting its Regional Housing Needs Allocation requirements established by the Association of Bay Area Governments for cities within Sonoma County.

In 2002 the City amended its 1985 inclusionary housing fee ordinance making it mandatory for each project greater than 9 units to construct the affordable housing on site. Projects that are 9 units and less can still pay an in-lieu fee. In 2006, the City adopted a commercial linkage fee program requiring non residential developments to contribute a fee toward affordable housing development. These funds are placed in the Inclusionary Housing Fund. As of June 30, 2010 the balance of the Inclusionary Housing Fund is \$3,159,817.

## **B. Agency's Goals and Objectives**

The Agency intends to meet its affordable housing obligations through development of new affordable housing, and rehabilitation of existing housing that is affordable to low- to moderate-income residents. 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 and Implementation Program Housing Goals" identified in "Goal G: Housing Element" of the 1998 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. However, the Agency will continue to implement affordable housing in the Project Area that is consistent with the goals and objectives of the Housing Element. The following are the goals, policies and implementation programs from the Housing Element in the 1998 General Plan update:



- 
- Goal H-1 Conserve and improve the existing housing stock to provide adequate, safe, and decent housing for all Cotati residents.
  - Goal H-2 Provide housing for all economic segments of the community.
  - Goal H-3 Expand affordable housing opportunities for persons with special housing needs such as the elderly, households with very low to moderate income, and first time homebuyers.
  - Goal H-4 Promote housing opportunities for all persons regardless of race, gender, age, sexual orientation, marital status or national origin.
  - Goal H-5 Ensure public participation in the development of the City's housing policies.

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 to 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**

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.

As permitted under the Law, redevelopment 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.

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 regional fair share housing need allocation must be used to determine the Agency’s targeting for Housing Funds.

### Regional Housing Needs Allocation

The Regional Housing Needs Allocation (“RHNA”) for the City of Cotati was determined by the Association of Bay Area Governments for the period between 2007 and 2014. The housing need for very low-income households represents 45.3% of the City’s total housing need, and low- to moderate-income households represent 54.7% percent of the City’s total housing need. The following table shows the fair share allocation for the different income groups:

City of Cotati Regional Housing Need Allocation <sup>1</sup>		
Income Level	RHNA Allocation (Units) <sup>2</sup>	Targeting Requirement (% of Total)
Very-Low Income	67	45.3%
Low Income	36	24.3%
Moderate Income	45	30.4%
<b>Total</b>	<b>148</b>	<b>100.0%</b>
<sup>1</sup> Source: ABAG Final RHNA Plan, Planning Period 2007 to 2014, approved March 20, 2008.		
<sup>2</sup> Excludes 109 above moderate-income units		

The above table excludes the above moderate-income unit allocation calculated by ABAG since Redevelopment Housing Funds are only to be spent on housing units available to very low-, low- and moderate-income households.

The Agency is required to report the proposed amount from the Housing Fund to be spent on each of the income categories in relation to the need as identified by the City’s RHNA. As a result, the Agency proposes to spend at least 45.3% of its Housing Funds on housing for very-low income households, at least 24.3% on housing for low-income households, and no more than 30.4% on housing for moderate-income households

The following table on the following page shows the proposed expenditure of Housing Funds based on the RHNA Plan for each income group for the Planning Period:



<b>Projected Housing Fund Expenditures per Income Category (1)</b>				
<b>2010 - 2014</b>				
Fiscal Year	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 (2)
2010	\$ 399,146	\$ 214,467	\$ 268,083	\$ 881,696
2011	\$ 398,972	\$ 214,373	\$ 267,966	\$ 881,312
2012	\$ 398,972	\$ 214,373	\$ 267,966	\$ 881,312
2013	\$ 398,972	\$ 214,373	\$ 267,966	\$ 881,312
2014	\$ 398,972	\$ 214,373	\$ 267,966	\$ 881,312
<i>Subtotal</i>				
<b>Total</b>	<b>\$ 1,995,035</b>	<b>\$ 1,071,959</b>	<b>\$ 1,339,949</b>	<b>\$ 4,406,944</b>

(1) Expenditure by income level is based on the ABAG Final RHNA Plan for Planning Period 2007 to 2014.  
 (2) Source: 2009-2010 and 2010-2011 Agency Budgets

### 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 77.8% of its housing production available for households with at least one member under the age of 65 with household incomes less than 80% of area median income.





Housing Fund Expenditures Age Proportionality Requirement		
Age	Households <sup>1</sup>	Percentage
Over 65 Years of Age and Less than 80% AMI	215	22.2%
Under 65 Years of Age and Less than 80% AMI	752	77.8%
<b>Total</b>	<b>967</b>	<b>100%</b>

<sup>1</sup> Source: U.S. Department of Housing and Urban Development CHAS

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.

Age Proportionality Based on Affordable Units Production Requirements					
	Households <sup>1</sup>	Percentage Requirements for Age Groups	Affordable Housing Produced (2005 to 2009)	Affordable Housing Projected for Planning Period 2010 to 2014	Affordable Housing Projected for 2014 to 2026
Affordable Housing Required			27	8	12
<b>Total</b>	<b>967</b>	<b>100.00%</b>			
Over 65 Years of Age and Less than 80% AMI	215	22.23%	0	2	3
Under 65 Years of Age and Less than 80% AMI	752	77.77%	16	6	9

<sup>1</sup> Source: U.S. Department of Housing and Urban Development CHAS

In the previous Planning Period the Agency did not produce affordable senior housing in proportion to the population of households over 65 years old with household incomes less than 80% of area median income. During the Planning Period the Agency will focus on providing housing to households based on the above percentages.

Prior to the Age Proportionality requirement in 2002, the Agency assisted Burbank Housing (in fiscal year 2000-01) with the development of 48 senior housing units available to very low-income households with the Charles Street Village project.

#### 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.

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. To date the Agency has not removed or destroyed any housing units; and has not incurred a replacement housing obligation.

### **2010-2014 Planning Period**

The Agency is focused on developing mixed use retail/housing opportunities in the Project Area. The Agency anticipates that 20 housing units could be removed in the Downtown as a result of mixed use developments that will be created during the Planning Period. The Agency does not know the income levels of residents or the number of bedrooms that will be removed as a result of new mixed use developments in the Project Area, since no projects have begun. However, the Agency will ensure that all required replacement units will be available at affordable housing costs at the same household income level as the households that are displaced from the removed units.

One of the strategies the Agency will implement to ensure that displaced low- to moderate-income housing residents are given priority for occupancy in replacement units is the Agency will work with future developers to construct projects in phases to accommodate relocation of displaced households on the new development site. The Agency will work with developers to build the housing portion of the site first and then relocate as many of the low- to moderate-income households into the housing on site, at the required affordability level and bedroom count mix, to the greatest extent possible.

## **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 Area must be restricted for low- and moderate-income households. Also, fifty percent of the total restricted units must be reserved for very-low income households. Additionally, not less than fifteen percent of the housing units developed by public or private entities other than the Agency within the Project Area must be restricted for low- and moderate-income households, and forty percent of those restricted units must be reserved for very-low income households.



## **Pre 2002 Affordable Housing**

Prior to January 1, 2002, deed restricted affordable housing units must be restricted for sales price or rent amount for the longest feasible time, but not less than the period of time the land use controls of the redevelopment plan remain in effect. For owner-occupied housing, current law allows the non-qualifying sale of an affordable housing production unit provided that the Agency replaces the unit within three (3) years at the same income level as the original. As of January 1, 2002, units must remain affordable for the longest feasible time, but no less than 55 years for rental units and 45 years for the homeownership unit.

Prior to 2002 the Agency provided silent second mortgage assistance to the Bridgeway Townhome in 1993 and assisted senior housing within the Project Area:

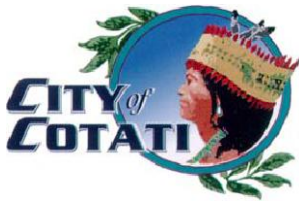
- The Bridgeway Townhome project consists of a 7-unit for sale affordable housing project, with four (4) of the units sold to low-income households, and three (3) units sold to moderate-income households. The agreement between the Agency and the affordable homeowners required the homeowners to sell the units to low- and moderate-income households or the silent second mortgage must be repaid to the Agency.
- The Agency provided \$850,000 to Burbank Housing for the Charles Street Village project to develop 48 senior housing units available to very low-income households in fiscal year 2000-01.

## **Planning Period Housing Production Requirements**

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

- The number of units of very-low, low- and moderate-income housing which have been developed within the project area 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 area, both over the life of the redevelopment plan 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 area 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 may create housing outside the Project Area during



the Planning Period; and as developer proposals are presented to staff for residential housing outside the Project Area, 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.

New housing opportunities have developed in Cotati in the past ten years and the Agency anticipates that future mixed use housing/commercial developments will occur in the Project Area 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 Plan, 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.

### **New Construction of Affordable Family Rental Units**

The Agency 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.

**Burbank Housing** - The Agency anticipates working with Burbank Housing to construct up to 45 units in the Downtown. This project will involve layered financing including Agency low- to moderate-income housing funds and Low Income Housing Tax Credits from the State.

### **New Construction of Affordable Homeownership Units for Families**

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. For the Planning Period the Agency anticipates assisting with the following affordable homeownership projects:

**Habitat for Humanity** - As directed by the Agency Board on February 25, 2009, Agency staff is working with Habitat for Humanity for affordable housing development. The Habitat for Humanity-owned property is located at 20 Woodland Hills Drive (Assessor Parcel Number 144-650-020) and consists of a 32,234 square foot (0.74 acres) of residential property. This development is proposed to consist of five (5) self-help housing units that will be set for affordable households.

The project is located outside the boundaries of the Project Area, and the Agency will only be able to count half of the units towards its deed restricted affordable housing production requirements.

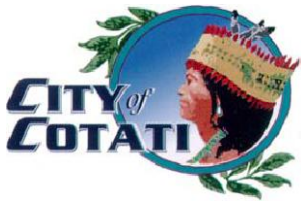
**Housing Land Trust of Sonoma County** - On June 23, 2010 the Agency Board adopted Resolution No. CRA-228 approving an Exclusive Negotiating Rights Agreement with the Housing Land Trust of Sonoma County. The approval sets in place the potential for an affordable housing development on the Agency-owned property (Assessor Parcel Number 144-301-012) at East Cotati Avenue and Ryan Lane. This property is expected to provide six (6) affordable housing units.

It is estimated that the Agency will assist in the construction of the above 56 units during the Planning Period to offset the Agency's affordable housing obligation deficit accumulated from 1986 through 2009. As of the end of the previous Planning Period (2009), the Agency had incurred an inclusionary housing requirement (deficit) of 23 low-income housing units and a surplus of 14 very low-income affordable housing units.

### **Affordable Housing Production Requirements over the Life of the Redevelopment Plan**

During the Planning Period the Agency expects to complete an additional 40 affordable units in the Project Area available to low-income households and six (6) units available to moderate-income households. An additional five (5) very low-income housing units will be constructed outside the Project Area, of which the Agency will only be able to receive a 2 for 1 affordable housing credit. At the end of the 2014 Compliance Period the Agency will have met its affordable housing obligations and have a surplus of 18 low- to moderate-income affordable housing units and a surplus of 18 very low-income affordable housing units.

An additional 364 units may be constructed from 2014 throughout the life of the Project Area (2027). The 364 units will result in an affordable housing obligation of 55 units, but because the Agency will have a surplus of 18 and 18 affordable housing units for low- to moderate-income households and very low-income households the Agency is expected to create 15 low- to moderate-income and four (4) very low-income housing units from 2014 throughout the remaining life



of the Project Area. The housing production estimate of 364 units expected to be constructed from 2014 through the life of the Project Area (December 30, 2027) is based on zoning codes and vacant land currently within the Project Area. This total buildout analysis produced an estimate of 26 housing units per year from 2014 through 2027.

The following table on the following page outlines the required production of affordable housing units within the Project Area:



Inclusionary Housing Requirements Summary								
	Planning Period 1986 to 1999	Planning Period 2000 to 2004	Planning Period 2005 to 2009	Total (1986 to 2009)	Potential Construction During Planning Period 2010 to 2014 (1)	Total (1986 to 2014)	Potential Construction 2014 to 2027 (2)	Total 1986 to 2027
Total Construction in the Project Area	362	315	178	855	56	911	364	1,275
<b>Affordable Units Required (15% of units constructed in the Project Area)</b>	<b>54</b>	<b>47</b>	<b>27</b>	<b>128</b>	<b>8</b>	<b>137</b>	<b>55</b>	<b>191</b>
Low/Mod Income (60% of Affordable Units Required)	33	28	16	77	5	82	33	115
Very Low-Income (40% of Affordable Units Required)	22	19	11	51	3	55	22	77
<b>Deed Restricted Affordable Units Constructed Inside Project Area</b>								
Low/Mod Income	20	18	16	54	46	100	15	115
Very Low-Income	0	66	0	66	5	71	4	75
<b>Deed Restricted Affordable Units Constructed Outside Project Area</b>								
Low/Mod Income	0	0	0	0	0	0	0	0
Very Low-Income	0	0	0	0	5	0	0	0
<b>Total Deed Restricted Affordable Housing Production (Agency only gets half credit for affordable units constructed outside the Project Area)</b>								
Low/Mod Income	20	18	16	54	46	100	15	115
Very Low-Income	0	66	0	66	8	74	4	78
<b>Affordable Units Produced Surplus (Deficit) by Planning Period</b>								
Low/Mod Income	(13)	(10)	(0)		41		(18)	
Very Low-Income	(22)	47	(11)		4		(18)	
<b>Affordable Units Produced Surplus (Deficit) Cumulative Totals</b>								
Low/Mod Income	(13)	(23)	(23)	(23)	18	18	0	0
Very Low-Income	(22)	25	14	14	18	18	0	0
(1) - Based on potential affordable housing projects known by the Agency in the Project Area.								
(2) - Based on available land in the Project Area and general plan zoning to determine buildout potential estimated at 26 units per year from 2014 to 2027.								



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

The Project Area is projected to receive approximately \$4.4 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 intends to spend most of its available funds within the Planning Period.

The following table shows the anticipated revenue and expenditures over the Planning Period. The anticipated Housing Revenues and Expenditures for the Planning Period were developed based on the Agency's 2009-10 and 2010-11 budgets.

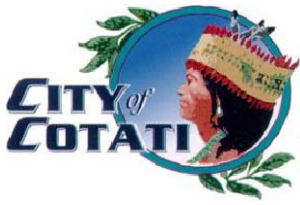
<b>Projected Housing Fund Revenues and Expenditures (1)</b>			
<b>2010 - 2014</b>			
Fiscal Year	Housing Fund Revenue	Program Expenditures/Debt Obligations	Total Funds Available for Housing
Fund Balance 2009	\$ 4,552,990		\$ 4,552,990
2010 (2)	\$ 881,696	\$ 426,349	\$ 5,896,664
2011 (2)	\$ 881,312	\$ 1,205,538	\$ 5,572,438
2012	\$ 881,312	\$ 209,649	\$ 6,244,101
2013	\$ 881,312	\$ 213,842	\$ 6,911,572
2014	\$ 881,312	\$ 218,119	\$ 7,574,765
Subtotal	\$ 4,406,944		
<b>Total</b>	<b>\$ 8,959,934</b>	<b>\$ 2,534,891</b>	<b>\$ 42,193,847</b>
<i>(1) Agency's 2009-2010 Amended Budget and 2010-11 Adopted Budget.</i>			
<i>(2) 2010 Capital Improvements includes \$275,000 for property acquisition and 2011 includes \$1 million for property acquisition for Housing Land Trust.</i>			





## 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 Plan, 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 Area 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 Area 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, and Agency bonds secured by tax increment or other revenues. 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. Redevelopment Plans/Conflicts**

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

