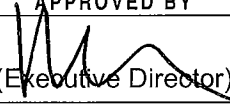




ITEM NO. 10:00 AM "B"
MEETING: December 2, 2010

REPORT TO THE REDEVELOPMENT AGENCY

APPROVED BY

(Executive Director)

DATE: December 2, 2010

FROM: MARLENE MURPHEY, Executive Director

BY: JEFF FINDLEY, Senior Project Coordinator

SUBJECT: Consider Adoption of a Resolution Approving the Proposed Five-Year Implementation Plan for the Merger No. 2 Project Area Comprised of the Fruit/Church and Southwest Fresno General Neighborhood Renewal Area Redevelopment Project Areas

RECOMMENDATION

It is recommended that the Agency Board take the following action:

1. Adopt a resolution approving the proposed updated Five-Year Implementation Plan (Attachment "A") for the Merger No. 2 Project (Fruit/Church and Southwest Fresno General Neighborhood Renewal Area Redevelopment Project Areas).

EXECUTIVE SUMMARY

In June 2005, the Redevelopment Agency adopted a Five-Year Implementation Plan update for the Merger No. 2 project areas. The subject Implementation Plan expired in June 2010, and a new five-year plan must be adopted in accordance with Redevelopment Law. The Proposed 2010 Merger No. 2 Implementation Plan has been prepared and is included in Exhibit "A" to the Resolution in Attachment "A".

On November 10, 2010, the Housing and Community Development Commission reviewed the proposed Implementation Plan, and by a 6-0 vote recommended that the Agency Board approve the Implementation Plan as recommended by staff.

BACKGROUND

Section 33490 of the California Community Redevelopment Law (Health & Safety Code Section 33000 et. seq. - the "Redevelopment Law") requires that a redevelopment agency adopt an implementation plan every five years for each redevelopment project area adopted on or after January 1, 1994. A redevelopment agency may adopt implementation plans that include more than one project area. An implementation plan generally includes the following:

1. A description of the Agency's specific goals and objectives for each Project Area, including specific programs, potential projects, and estimated expenditures for the next five years; and
2. An explanation of how these goals, objectives, programs and expenditures will eliminate blight in the project area and implement the Low and Moderate Income Housing Set-Aside and housing production requirements of the Redevelopment Law, including an annual housing program. The explanation regarding housing addresses how an Agency will meet its housing responsibilities for redevelopment plans that are within six years of the time limit on the effectiveness of the redevelopment plan, and the status of how the Agency has met its replacement housing, housing production (inclusionary) requirements, and proportionality requirements for expenditure of housing funds.

An implementation plan serves as a multi-year planning vehicle for projects, and describes the links between the programs undertaken, the alleviation of blight and the provision of affordable housing for, each project area. Implementation plans are policy documents, meant to guide the implementation of the redevelopment plans for each project area, but allow sufficient flexibility for an Agency to respond to specific opportunities as they arise.

The following programs and projects are proposed to address blighting conditions in the two project areas of the Merger No. 2 Project during the 2010-2015 planning period.

Land Assembly Program - To facilitate assembly of inadequate and nonconforming parcels into viable development sites, the Agency proposes to selectively acquire land through negotiated purchase, eminent domain, or otherwise, that the Agency deems appropriate for land assembly. Relocation assistance and payments will be provided as required by law. Replacement housing will also be provided as required by law. The Agency proposes to implement an owner participation program to assist existing property owners in the redevelopment, rehabilitation, expansion, and development of business properties.

Project Area Improvements - The Agency's public improvement program is intended to upgrade aging public infrastructure systems and implement streetscape and beautification projects. Such programs and projects include:

- Street improvements, including repair, construction and re-construction of curbs, gutters, sidewalks, street paving, landscaping and irrigation systems, traffic improvements (such as turning lanes, street widening, and street medians), street and alley abandonment, and construction of street extensions.
- Railroad route and crossing safety improvements.
- Sewer, water, and storm drain system improvements.
- Traffic signal and safety lighting improvements associated with Redevelopment Plan implementation.
- Utility undergrounding, installation and relocation.
- Parking lots and parking structure improvements to support implementation of the Redevelopment Plan and alleviate parking deficiencies in the Project Area.
- Open space, recreation and park improvements.
- Coordination, planning and assistance on public building improvements related to the construction, planning and design, and upgrading of new or existing improvements. Such activities would generally include site work, building construction, parking improvements and landscaping.

Business Revitalization and Attraction Programs - The Agency is successfully implementing business revitalization programs in existing project areas that would be carried forward in the implementation plan. One example is the Storefront Improvement Program that offers low interest loans for eligible facade improvements, up to a maximum amount, and low interest loans for other improvements to businesses, with an emphasis on exterior improvements.

Discretionary Programs - As funds become available, the Agency proposes to assist in other efforts that may include owner participation, business expansion assistance, revitalization, business attraction, and marketing, to the extent permitted by redevelopment law.

Housing Programs - The Agency proposes a low and moderate income housing program that focuses on increasing, improving, and preserving the community's supply of low and moderate income housing, and targeting the use of the funds in southwest Fresno. Housing set-aside funds generated in the Project Areas will be deposited into the Agency's Housing Fund. Housing programs may include, but are not limited to, new construction, adaptive reuse, housing rehabilitation, and in-fill housing development.

Expenditures - Anticipated expenditures for the Agency's programs in Merger No. 2 over the next five years are as follows:

Administration and Planning	\$ 1,964,446
Land Assembly	3,928,890
Project Area Improvements	9,822,225
Business Revitalization and Attraction	<u>3,928,890</u>
Subtotal for Non-Housing Programs	\$19,644,451
<u>Subtotal for Housing Programs</u>	<u>5,540,000</u>
TOTAL AGENCY PROGRAM EXPENDITURES	\$25,184,451

Funds for the programs are anticipated as follows:

Tax Increment (estimated carryover)	\$ 5,615,347
New Tax Increment	11,804,104
Sale, Lease, and Loan Proceeds	<u>2,225,000</u>
Subtotal for Non-Housing Programs	\$19,644,451
<u>Subtotal for Housing Programs</u>	<u>5,540,000</u>
TOTAL AGENCY FUNDS AVAILABLE	\$25,184,451

PUBLIC REVIEW PROCESS

Included in Appendix "C" of the Implementation Plan in Exhibit "A" is the public notice that was published (October 31, 2010, November 7, 2010, and November 14, 2010) in The Fresno Bee, and was also posted at locations within each of the two project areas of the Merger No. 2 Project pursuant to Redevelopment Law. The notices identified the November 10, 2010 meeting of the Housing and Community Development Commission, and the December 2, 2010 public hearing of the Redevelopment Agency.

On November 10, 2010, the Housing and Community Development Commission reviewed the proposed Implementation Plan, and by a 6-0 vote recommended that the Agency Board approve the Implementation Plan as recommended by staff.

Attachments:

- "A" Agency Resolution adopting Five-Year Implementation Plan for Merger No. 2
Exhibit "A" - Proposed Five-Year Merger No. 2 Implementation Plan

**AGENCY RESOLUTION ADOPTING FIVE-YEAR
IMPLEMENTATION PLAN FOR MERGER NO. 2**

Exhibit "A" - Proposed Five-Year Merger No. 2 Implementation Plan

AGENCY RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO ADOPTING THE FIVE-YEAR
IMPLEMENTATION PLAN FOR THE TWO REDEVELOPMENT
PROJECT AREAS WITHIN THE MERGER NO. TWO PROJECT:
THE FRUIT/CHURCH PROJECT AND THE SOUTHWEST
FRESNO GENERAL NEIGHBORHOOD RENEWAL AREA
PROJECT

WHEREAS, the Redevelopment Agency of the City of Fresno (the "Agency") is a community redevelopment agency organized and existing under California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) (the "CRL") to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City of Fresno (the "City Council"); and

WHEREAS, by Ordinance No. 69-13 adopted on January 14, 1969, the City Council adopted a redevelopment plan entitled the "Urban Renewal Plan for the Southwest Fresno General Neighborhood Renewal Area," as amended by Ordinance No. 72-126 adopted on August 17, 1972, and subsequently amended on March 1, 1983 by Ordinance No. 83-32, on December 16, 1986, by Ordinance No. 86-203, on December 6, 1994 by Ordinance No. 94-114, on November 16, 1998 by Ordinance No. 98-82, on October 20, 2004 by Ordinance No. 2004-108, on February 26, 2008 by Ordinance No. 2008-9 and on April 7, 2009 by Ordinance No. 2009-15 (the "Southwest Fresno Redevelopment Plan"); and

WHEREAS, by Ordinance No. 71-98, adopted on October 7, 1971, the City Council adopted a redevelopment plan for the Fruit/Church Project, as amended on

December 16, 1986 by Ordinance No. 86-205, on December 6, 1994 by Ordinance 94-113, on June 13, 1995 by Ordinance No. 95-48, on November 16, 1998 by Ordinance No. 98-83, on October 20, 2004 by Ordinance No. 2004-109, on February 26, 2008 by Ordinance No. 2008-9 and on April 7, 2009 by Ordinance No. 2009-15 (the “Fruit Church Redevelopment Plan” and, together with the Southwest Fresno Redevelopment Plan, the “Constituent Redevelopment Plans”); and

WHEREAS, pursuant to Health and Safety Code Section 33490, each redevelopment agency administering a redevelopment plan must adopt an implementation plan setting forth specific redevelopment agency goals and objections, outlining specific projects and proposed expenditures for the next five years and explaining how the stated goals, objectives, projects and expenditures will eliminate blight and meet the affordable housing needs of the community; and

WHEREAS, on June 7, 2005 by Resolution No. 1661, the Agency adopted a five-year implementation plan for the two redevelopment project areas within the Merger No. Two Project: the Fruit/Church Project and the Southwest Fresno General Neighborhood Renewal Area Project; and,

WHEREAS, the Agency now wishes to adopt an updated implementation plan; and

WHEREAS, pursuant to Health and Safety Code Section 33490, redevelopment agencies may adopt implementation plans that include more than one project area; and

WHEREAS, a proposed updated implementation plan, entitled the “Merger No.

2 Multi-Project Five Year AB 1290 Implementation Plan 2010-2015” has been prepared for both the Fruit/Church Project and the Southwest Fresno General Neighborhood Renewal Area Project (together the “Constituent Project Areas”) and has been attached as Exhibit “A”, with a copy filed with the City Clerk, and the Office of the Redevelopment Agency (the “Implementation Plan”); and

WHEREAS, a public notice was published as to the proposed Implementation Plan, as required under the CRL and the public notice was posted at locations within each of the Constituent Project Areas; and

WHEREAS, the proposed Implementation Plan describes the Agency's specific goals and objectives for each of the Constituent Project Areas, outlines specific projects and proposed expenditures to be made by the Agency during the next five years within each of the Constituent Project Areas, and explains how the stated goals and objectives, projects, and expenditures will eliminate blight and implement the affordable housing requirements of the CRL; and

WHEREAS, on November 10, 2010, at a noticed meeting, the Fresno Housing and Community Development Commission (the “Commission”) reviewed the proposed Implementation Plan, and by a 6-0 vote the Commission recommended that the Agency approve the proposed Implementation Plan, as recommended by staff; and

WHEREAS, pursuant to Health and Safety Code Section 33490, the adoption of an implementation plan does not constitute a project within the meaning of the California Environmental Quality Act (“CEQA”), and therefore no environmental analysis of the Implementation Plan is required or has been prepared at this time; and

WHEREAS, on December 2, 2010, the Agency held a noticed public hearing on the proposed Implementation Plan to receive public comment on the proposed Implementation Plan; and

WHEREAS, the Agency has considered all testimony, reports and other public comment presented at the public hearing.

NOW, THEREFORE, IT IS RESOLVED, by the Agency as follows:

Section 1. Based upon substantial evidence provided in the record before it, the Agency finds and determines the proposed Implementation Plan for the two redevelopment project areas within the Merger No. Two Project, attached hereto as Exhibit "A", is consistent with the existing Constituent Redevelopment Plans for each of the Constituent Project Areas.

Section 2. The Agency accepts the status report for each of the Constituent Project Areas, as contained in Exhibit "A".

Section 3. The Agency approves and adopts the Merger No. 2 Multi-Project Five Year AB 1290 Implementation Plan 2010-2015, attached hereto as Exhibit "A," as the new five year implementation plan for the Constituent Project Areas in the Merger No. 2 Project Area for use by the Agency for the period of fiscal year 2010-11 to fiscal year 2014-15.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA KLISCH, Ex-Officio Clerk of the Redevelopment Agency of the City of Fresno, certify that the foregoing resolution was adopted by the Redevelopment Agency of the City of Fresno, California, at a public hearing held on the ____ day of _____, 2010, and that the same was passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

REBECCA E. KLISCH
Ex-Officio Clerk

By: _____

APPROVED AS TO FORM:
Adam Lindgren
MYERS NAVE
Attorney of the Redevelopment Agency

By _____
Deputy or Contract Counsel

Exhibit "A" - Merger No 2 Multi-Project Five Year AB 1290 Implementation Plan

Redevelopment Agency of the City of Fresno

**MERGER NO. 2
MULTI-PROJECT
FIVE YEAR AB 1290 IMPLEMENTATION
PLAN
2010 - 2015**

July 2010

**MERGER NO. 2
MULTI-PROJECT
FIVE YEAR AB 1290
IMPLEMENTATION PLAN**

Table of Contents

1.0	Introduction	1
1.1	Overview	1
1.2	Regulatory Requirements	1
2.0	Merger 2 Implementation Plan	4
2.1	Introduction.....	4
2.2	Summary of Blighting Conditions	4
2.3	Goals and Objectives	6
2.4	Recent Redevelopment Accomplishments	6
2.5	Programs and Projects.....	13
2.6	How Projects and Programs Eliminate Blight	15
3.0	Affordable Housing Program	17
3.1	Overview	17
3.2	Low and Moderate Income Housing Fund.....	20
3.3	Proposed Affordable Housing Program.....	21
3.4	Affordable Housing Program Compliance Objectives	24
3.4.1	Replacement Housing.....	24
3.4.2	Housing Production (Inclusionary) Requirements	26
3.4.3	Proportionality Requirements	29
3.4.4	Section 33333.10 Focus Requirement for Housing Funds	31
3.4.5	Meeting Housing Responsibilities for Project Areas Within Six Years of the Plan Effectiveness Date.....	31
APPENDIX A: TABLE OF PROJECT AREA TIME AND FINANCIAL LIMITS, AND SIGNIFICANT REMAINING BLIGHT MAP		A-1
APPENDIX B: HISTORICAL TAX INCREMENT REVENUES.....		B-1
APPENDIX C: HOUSING PROPORTIONALITY TABLES.....		C-1
APPENDIX D: PUBLIC NOTICE AND LOCATION MAP		D-1

1.0 INTRODUCTION

1.1 OVERVIEW

The Five Year AB 1290 Implementation Plan offers an overview of how the Redevelopment Agency of the City of Fresno (the "Agency") intends to utilize its financial resources over the next five years, and specifically, how these expenditures will serve to eliminate physical and economic blight in the redevelopment project areas (individually a "Project Area" and collectively the "Project Areas") covered in this Implementation Plan (hereafter the "Implementation Plan" or the "Plan"). The Plan requirements became California Law following the passage of Assembly Bill 1290 in 1993.

This Implementation Plan update includes two Redevelopment Project Areas in the Merger No. 2 Project Area which include the Fruit/Church and the South West Fresno General Neighborhood Renewal Area Redevelopment Project Areas (the "Merger 2 Project Area" and "Constituent Project Areas").

The Implementation Plan plays an important role in Fresno's overall economic development strategy and provides an opportunity for the Agency to display its past successes, detail its current economic development incentive programs, and look toward the future in terms of addressing community needs. The Implementation Plan represents a valuable working document that will be a useful reference for the public in the years to come.

The Agency has realized the need to target economic development activities toward job growth, expansion and diversification of the tax base, business attraction and retention, revitalization of commercial and industrial areas, and the provision of affordable housing. Toward these ends, the Fruit/Church Redevelopment Plan and the Urban Renewal Plan for the Southwest Fresno General Neighborhood Renewal Area (individually "Redevelopment Plan" and collectively the "Constituent Redevelopment Plans") governing the individual Project Areas contain language pertaining to the achievement of specific economic development goals and objectives. The Implementation Plan is intended for the Constituent Redevelopment Plans, as amended by the proposed Redevelopment Plan amendments.

Redevelopment is most effective as an incentive to the extent that it can be fully integrated into a comprehensive community economic development strategy. The Agency's revitalization program exemplifies essential elements where business and government can actively work together toward the attainment of common economic development goals. The Agency's Five-Year Implementation Plan provides another important part, serving as a blueprint for long-term planning in this critical area.

1.2 REGULATORY REQUIREMENTS

These Implementation Plans meet the requirements of Section 33490 of the California Community Redevelopment Law, Health and Safety Code Sections 33000 et seq. (the "Law") added by adoption of Assembly Bill 1290 in 1993, and amended by Senate Bill 732 in 1994. Section 33352 requires that an implementation plan be included in the Report to Council when a redevelopment plan is adopted on or after January 1, 1994.

Thereafter, Section 33490 (b) requires that the redevelopment agency, for each implementation plan prepared pursuant to subdivision c) of Section 33352, for which the redevelopment plan was adopted, to adopt an implementation plan every five years beginning with the fifth year after the

redevelopment plan was adopted. A redevelopment agency may adopt implementation plans that include more than one project area. This Implementation Plan is the fourth, five-year implementation plan for the Constituent Project Areas.

Pursuant to Section 33490, this Implementation Plan presents:

- The Agency goals and objectives for the Constituent Project Areas for the next five years;
- Agency specific programs, including potential projects with estimated expenditures planned for the next five years for each Constituent Project Area;
- An explanation of how these goals, objectives, projects, and expenditures will eliminate blight in the Constituent Project Areas;
- An explanation of how these specific goals, objectives, projects, and expenditures will increase and improve the supply of housing affordable to very low, low, and moderate income households, and
- A housing program which identifies:
 - Current funds available in, and projected deposits to, the 20 percent set aside Housing Fund (the "Housing Fund");
 - The number of new, rehabilitated, or price-restricted housing units to be developed or purchased both over the life of the Plan and during the next ten years, and the number of such units of very low, low, and moderate income households required to be developed to comply with Section 33413(b)(2) of the Law;
 - Estimates of the number of Agency-developed units that will be developed during the next five years and will be governed by Section 33413(b)(1) of the Law, and the number of such units for very low, low, and moderate income households are included pursuant to Section 33333.10, when and if the Proposed Merger 2 Plan Amendments are approved and adopted;
 - How the Agency will meet its housing responsibilities for the Redevelopment Plans that are within six years of the time limit on the effectiveness of the Redevelopment Plan;
 - Status of the Agency's obligations for the provision of replacement housing; further, estimates of the future obligations for fulfilling housing production (inclusionary) requirements are included pursuant to Section 33333.10, when and if the Proposed Merger 2 Plan Amendments are adopted;
 - Proposed locations for replacement housing the Agency may be required to produce if a redevelopment implementation project will result in destruction or removal of existing affordable housing.

The Project Area Boundaries are shown on the Location Map in Appendix E. Tax increments for all of the Agency's Project Areas for FY 2009-2010 are shown in the following Table 1-1. A complete

list of revenues for all of the Agency's Project Areas for the past five years is contained in Appendix B to this Implementation Plan.

Table 1-1: Tax Increments and Housing Set Asides for all Project Areas (2009-2010)

Project	Total Tax Increment	Admin Fees	Pass Thru Amts	SERAF Payment	Net Incr Received	Housing Set Aside @20 percent	Net Increment After 20 percent HS
CBD	\$911,412.44	\$12,348.56	\$133,806.46	\$310,786.86	\$454,470.56	\$182,282.49	\$272,188.07
Fruit Church	543,525.46	7,445.56	34,216.38	161,758.70	340,104.82	108,705.09	231,399.73
Mariposa	1,195,826.62	17,045.56	88,858.14	449,628.95	640,293.97	239,165.32	401,128.65
Southwest Fresno	3,116,891.36	52,985.56	239,214.72	1,121,261.68	1,703,429.40	623,378.27	1,080,051.13
West Fresno #1	236,435.84	3,365.56	12,370.34	77,898.26	142,801.68	47,287.17	95,514.51
West Fresno #2	980,758.48	13,716.56	19,829.74	343,051.34	604,160.84	196,151.70	408,009.14
Convention Center	1,023,132.90	14,263.56	83,692.26	351,268.31	573,908.77	204,626.58	369,282.19
Jefferson	558,748.02	9,482.56	37,325.18	213,994.25	297,946.03	111,749.60	186,196.43
Chinatown	128,774.42	2,842.56	2,840.68	64,204.97	58,886.21	25,754.88	33,131.33
West Fresno Rehab	71,616.70	35.56	7,674.24	16,463.62	47,443.28	14,323.34	33,119.94
Air Terminal	235,720.74	6,704.02	82,915.42	52,550.06	93,551.24	47,144.15	46,407.09
Roeding Bus Park	895,184.30	15,869.02	169,300.10	278,216.43	431,798.75	179,036.86	252,761.89
South Van Ness	544,402.52	6,527.56	77,637.38	86,885.58	373,352.00	108,880.50	264,471.50
Fulton	590,271.22	6,403.02	105,762.90	165,751.08	312,354.22	118,054.24	194,299.98
Airport Area	2,695,249.06	33,404.02	539,099.02	855,910.12	1,266,835.90	539,049.81	727,786.09
Southeast Fresno	3,024,016.96	43,537.02	604,839.64	768,664.54	1,606,975.76	604,803.39	1,022,172.37
South Fresno Ind	1,770,279.80	24,464.02	354,055.94	425,070.19	966,689.65	354,055.96	612,633.69
Central City	1,085,151.46	15,140.56	150,633.06	265,938.49	653,439.35	217,030.29	436,409.06
Corr 99/Gold State	2,445,312.18	41,032.02	345,569.90	726,898.57	1,331,811.69	489,062.44	842,749.25
Total	\$22,052,710.48	\$326,612.86	\$3,089,641.50	\$6,736,202.00	\$11,900,254.12	\$4,410,542.10	\$7,489,712.02

2.0 MERGER NO. 2 IMPLEMENTATION PLAN

2.1 INTRODUCTION

The Merger No. 2 Project Area includes the Fruit/Church and the Southwest Fresno (aka, "Southwest Fresno GNRA") Constituent Project Areas.

Fruit/Church: The Fruit Church Redevelopment Project Area incorporates 143 acres generally bounded by California, Fruit, Church and West Avenues, except for a portion adjacent to Fruit Avenue and south of Old Church Road. The Project Area was adopted in October 1971.

Southwest Fresno: The Southwest Fresno Project Area covers approximately 1,800 acres and is generally bounded by the proposed Freeway 180 on the north, South Fruit Avenue on the west, Freeway 99 on the east, and Church Avenue on the south. It also includes a corridor extending south from Church Avenue along Elm Avenue to the North Central Canal. The Project Area was adopted in January 1969.

A Table containing the current Time and Financial Limits and the Time and Financial Limits as proposed for amendment in the Proposed Merger No. 2 Plan Amendments is contained in Appendix A.

2.2 SUMMARY OF BLIGHTING CONDITIONS

While past redevelopment has made achievements in reinvestment and has brought a certain level of reduced blight, the Project Area suffers from a long history of disinvestment and neglect. This condition is evidenced by the high number of vacant and underutilized parcels (17%). The Project Area is also affected by a high number of parcels with indicators of disinvestment and neglect such as excessive litter and debris, dumping, graffiti, weeds, abandoned cars, exposed dirt and homeless encampments. These conditions affect thirty-two percent of the parcels in the Project Area. Despite efforts by both the private sector and the public sector, including Agency efforts, significant blight remains throughout the Project Area. These remaining blighting conditions include:

- Buildings in which it is unsafe and unhealthy for persons to live or work, as evidenced by the presence of deteriorated and dilapidated buildings (nineteen percent of Project Area buildings) and a disproportionate share of serious code violations (ten percent of unsafe building complaints and six percent of all serious code complaints vs. four percent of the City's population).
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots, as evidenced by substandard construction, obsolete buildings, and buildings constructed of unreinforced masonry. Combined, these conditions affect three percent of the parcels in the Project Area.
- Incompatible adjacent uses that have prevented the development of portions of the Project Area. There are an estimated 8,435 residents, six recreational facilities, and five schools within a one-mile radius of the intersection of Fruit Avenue and Florence Avenue that are affected by the presence of animal processing facilities that generate odors and other impacts on the surrounding residents, businesses and properties. These conditions have contributed to the significant number of vacant lots in the area.

- Depreciated and stagnant property values, as evidenced by low median home sales prices (thirty-six percent of the Citywide median and thirty-three percent of the Countywide median) and high levels of home foreclosures (thirteen percent vs. nine percent in the balance of the City). The Project Area also remains at high risk of continuing foreclosures, as evidenced by relatively low household income levels and a relatively high share of high costs mortgages (fifty-four percent vs. twenty-three percent for the balance of the City).
- A serious lack of necessary commercial facilities that are normally found in neighborhoods, as evidenced by a serious lack of supermarkets, drug stores and financial institutions. The Project Area has only one supermarket, a Food Maxx located in the Kearney Palms Shopping Center. This shopping center was completed with Agency assistance in 2000. Thus, the Project Area has approximately 16,900 persons per supermarket vs. 11,100 persons per supermarket in the City as a whole. The Project Area has only two drug stores and almost twice as many persons per drug store as the City as a whole. There are no financial institutions within the Project Area.
- Serious residential overcrowding that has resulted in significant public health and safety problems, as evidenced by the high proportion of overcrowded housing units and a high number of census block groups with high population densities. Twenty-nine percent of housing units in the Project Area have either overcrowding (more than one person per room) or severe overcrowding (more than one-point-five persons per room) vs. only seventeen percent in the City and the County. Seven of the census block groups, which include eighty-one percent of the Project Area population, have population densities that are at least fifty percent high than the Citywide average population density.
- High crime rates that constitute a serious threat to the public safety and welfare, as evidenced by high rates of serious crime and high levels of gang activity. The crime rates in the Project Area were from twice to almost four times the rates for the City between 1998 and 2006. For example, the homicide rate in the Project Area (four-point twenty- one per 1,000) was more than four times the rate for the City (zero-point-ninety six per 1,000). The Southwest Division accounted for a third of the homicides in the City while only accounting for twelve percent of the population from 2005 through 2008.

In conclusion, there are blighting conditions that exist in the Project Area that are pervasive and that persist on an area-wide basis. In particular, the problems and impacts to the Project Area due to the lack of necessary commercial facilities, the high crime rates and residential overcrowding effect the Project as a whole and not merely specific properties within the Project Area. For example, the high crime rates and high levels of gang activity affect entire neighborhoods. The properties in the residential neighborhoods exhibit a mix of physical conditions ranging from properties in good condition to deteriorated and dilapidated properties intermixed with one another. As a result of these two conditions, i.e., the prevalence of certain conditions and the intermixing of physical conditions, there are no portions of the Project Area that do not exhibit blighting conditions on a neighborhood-wide basis even though there are specific properties that may be in good condition. (See Remaining Blighting Conditions Map in Appendix A)

2.3 GOALS AND OBJECTIVES

The primary goals and objectives of the Merger 2 Project are:

1. The elimination and prevention of the spread of blight and deterioration throughout the Project Areas.
2. The promotion of new and continuing private sector and government agency investment within the Project Area to prevent the loss of and to facilitate economic activity.
3. The retention and expansion of existing businesses where possible by means of redevelopment and rehabilitation activities, and encouraging and assisting the cooperation and participation of owners, businesses, and public agencies in the revitalization of the Project Area.
4. The expansion and improvement of the City's housing supply (inside and outside of the Project Area), including opportunities for low and moderate income families and households.
5. The elimination or amelioration of deficiencies, such as substandard vehicle circulation systems; inadequate water, sewer, and storm drainage systems; insufficient off-street parking; and other similar public facility and utility deficiencies adversely affecting the Project Area.

2.4 RECENT REDEVELOPMENT ACCOMPLISHMENTS

A description of the Agency's recent major redevelopment accomplishments in the Project Area in recent years include:

Neighborhood Revitalization

In July 2000, the Agency entered into a multi-year Community Housing Partnership Program (CHPP) agreement with the Housing Authorities of the City and County of Fresno to administer a portion of the Agency's twenty percent Housing Set-Aside funds. The CHPP provides for minor, major and infill housing in designated target areas of the City, which include locations within neighborhoods located within and adjacent to the Merger No. 2 Project Areas. The CHPP has three significant elements: the Major/Minor Rehabilitation Program, the Board Up/Infill Program, and the Multi-Family Rehabilitation Program. During the next five years, the Agency will continue to expend Merger No. 2 Housing Funds in Merger No. 2 neighborhoods.

Since the inception of the CHPP Program, there have been 332 minor rehabs completed in the Project Area, of which ninety-four have been in the past five years. There have also been eleven major rehab projects completed in the past five years.

Board Up/Infill Program

As part of the Board Up/Infill component of the CHPP, the Agency has acquired a number of severely distressed residential properties. The Agency can facilitate development of infill housing on these parcels through establishment of a program to acquire vacant and distressed residential properties, and provision of land write-downs for development of mixed income and affordable housing. The properties recently acquired in the Project Area under the Boarded Up/Lot Purchase Program/Infill Housing Program include the following:

- Through the CHPP, the Agency acquired a boarded up property at 347 W. Strother for rehabilitation. Deemed beyond repair, the 347 W. Strother house was razed and the site prepared for the relocation of a house moved from 145 E. Geary. The home has since been sold to a qualified buyer.
- The CHPP acquired a two-bedroom one-bath boarded-up house at 1046 E. Calwa in Southwest Fresno. The house was rehabilitated and sold to a qualified buyer.
- Through the CHPP, the Agency acquired a boarded up property at 1235 E. Calwa. The home's rehabilitation was completed and the house was sold to a low income family.
- The house at 2254 S. Lotus Avenue was acquired under the CHPP program. The home was rehabilitated to "Green" Standards and sold in May 2009.
- Affordability covenants on the units will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

Kearney Palms Shopping Center

February 2000 marked the completion of construction of the \$10.23 million Kearney Palms Shopping Center Project, comprised of a major grocery market (Food 4 Less), a drug store (Rite Aid), and sixteen commercial tenants. The Project site occupies approximately twelve acres bounded by Freeway 99, Fresno, "B," and Tuolumne Streets. Included within the Project site is an Agency-owned public parking lot, providing 620 off-street parking spaces for shopping center clientele. Additionally, the Project includes an 8,000 square foot City police substation leased to the City pursuant to a Cooperation Agreement between the Agency and the City. The Agency assembled the land for the site, constructed the off-site improvements and public parking lot, and funded the development of the police sub-station. It was estimated that the Project created 350 permanent jobs.

HOPE VI

Hope VI is a multi-phased, multi-housing type master planned community generally located between West, California, Walnut and Church Avenues. The master plan envisioned approximately 267 housing units and commercial, retail and community service uses. The 3,500 square foot \$1.8 million Community Enrichment Center, which features a pre-school, community room and computer lab, opened in December 2007.

The Agency supported the \$20 million HOPE VI grant fund award through a commitment of multi-year contributions that include: Agency-owned land; assembly of additional land for a mixed-use project between California, Church, Walnut and Plumas Avenues; assistance for development of a recreation center and parking facility; and various street improvements.

California Avenue Improvements and Land Acquisition

The Agency's contribution of funds to widen California between Fruit and West fulfilled a requirement that led to the construction of fifty-three new homes in Sierra Point, thirty-three new units and thirty-six rehabilitated units in Yosemite Village, and a new Community Enrichment Center. The Agency and the City of Fresno identified California Avenue from Freeway 99 to West Avenue as a priority for funding and received Tier 1 allocation in the Measure C Bond for street widening and improvements and landscaped median islands.

California Walnut Mixed-Use/Edison Plaza Project

In FY 08/09, the Agency completed a Disposition and Development Agreement (DDA) with the Edison Plaza Partners to construct a \$12 million, 38,000 square foot Regional Resource Center and Library, along with 32,000 sq. ft. of office and commercial space and \$1.4 million in Agency funded off-sites. A lease with the County of Fresno for the Resource Services Center and Library was finalized and approved in July 2008. The Agency assembled ten acres for the Edison Plaza Mixed-Use Project and funded the required frontage improvements on California Avenue and the widening and realignment of Walnut Avenue south of California.

On March 26, 2009, over 100 community members and City and County elected officials celebrated the Regional Resource Center and library's groundbreaking ceremony. The project represents the largest development in Southwest Fresno since the Agency's Kearney Palms project in 2000.

California Avenue Revitalization Plan (CAR)

In March 2003, to encourage infill development along California Avenue, the Agency presented a "California Avenue Revitalization" (CAR) plan to the Agency Board. The plan includes fifteen significant projects along the California Corridor from S.R. 99 to West Avenue. To date, eight projects have been completed: Walnut Avenue Street Improvements, Casa San Miguel, Pocket Parks, HOPE VI Master Plan Adoption, Lincoln School Improvements, Edison Track and Edison Plaza-West Fresno Regional Center, Elm Crossing; and seven are well underway: EOC Youth Center, California Triangle, California Avenue Brownfields, California Avenue Street Widening, Edison Plaza Phase II, Walnut Avenue Realignment and Yosemite Village.

EOC Neighborhood Youth Center

The Fresno County Economic Opportunities Commission acquired approximately six-point-six acres of Agency-owned properties in the area of California and "C" Streets for development of a Youth Center. The Agency assisted with off-site improvements. When complete, the 66,000 square foot project will consist of a Recreation Building, Administrative Offices, and Vocational Training Facility with classrooms for Corp members. Currently, the Recreation Building and Administrative Offices are complete while the Vocational Training Facility and classrooms are under construction.

Clinica Sierra Vista

The Agency assembled the necessary land to assist in the development of the Southwest Fresno Sequoia Health Center Campus. In 2008, the Agency exchanged land with Sierra Clinica, enabling the expansion of the campus and construction of a dental facility on Elm Avenue north of Annadale. The Dental Facility is currently under construction.

Sequoia Village at Annadale/Elm

Following a competitive Request For Proposal (RFP) process, EAH, the selected developer, began work on a design, site planning and associated entitlements and project economics for the proposed development of about 230 residential units on seven-point-five acres at Annadale near Elm next to the Clinical Health Center (formally Sequoia Health Center). The Agency through a Disposition Development Agreement (DDA) facilitated the Community Health Center development.

Casa San Miguel

The City, National Farm Workers Service Center (NFWSC), and the Agency entered into an OPA and HOME Investment Partnership Program Grant on April 25, 2001, for development of a forty-four (44) lot affordable housing project, in three (3) independent Phases: Phase I consisting of development of thirty-two (32) lots as low and very low-income single-family housing units ("Phase

I"); Phase II consisting of development of three (3) lots as a community center (later amended to allow for three additional single-family homes); and, Phase III consisting of development of nine (9) lots as affordable single-family housing units for low to moderate income families ("Phase III"). Forty-One of the Forty-Four lots have been developed and sold to income qualified families. Affordability covenants on the units will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

California Triangle

The Agency, through the CHPP, is nearing completion of land assembly for a three-acre site at California Avenue between Kern Street and Waterman Avenue for an affordable housing development.

Edison High School Improvements

The Agency and the Fresno Unified School District entered into a Funding Agreement to provide athletic field improvements at Edison High School. A new all-weather track, runway, concession/restroom facilities, new lighting, and fencing improvements were constructed. Updated irrigation was installed to facilitate the landscape improvements.

Providence Baptist Church

To facilitate the improvements and expansion of Edison High School, the Agency entered into a Disposition and Development Agreement (DDA) with the Providence Baptist Church to relocate the congregation across Walnut Avenue. The church, located on Lorena Avenue between Walnut Avenue and the Edison High School Campus, entered into this agreement to transfer title to the Fresno Unified School District in exchange for a vacant property across the street on Walnut and Geary Avenues. The parcel was then improved and a new church building was constructed on site.

Walnut/Plumas Avenue Street Improvements and Alignment

The development agreement for the Edison Plaza mixed-use project at the southeast corner of California and Walnut triggered frontage improvements on California and the realignment and improvement of New Walnut from California to Lorena that is now completed. Preliminary plans for Phase II of the Edison Plaza Mixed-Use Project bounded by Lorena, Walnut, Plumas and Florence include construction of an 11,000 square foot early education center at the northwest corner of the site followed by 280 three- and four-bedroom units of affordable housing. This development triggers the need for widening and improvement of New Walnut from Lorena to Florence and potentially further south to Church Avenue.

Elm Avenue Business Corridor

Elm Avenue was reconstructed to a four-lane, divided arterial street with landscaped median islands. Full improvements now include curbs, gutters, paving, street lights and street trees along both sides of the street. Sidewalks were provided along the west side of Elm to enhance pedestrian circulation. Major storm drain lines were completed to provide adequate storm drain services to the Elm Avenue Business Corridor. Water and sewer services are currently available to properties along the Corridor. Agency coordination with PG&E facilitated the completion of the undergrounding of utilities along Elm Avenue. The improvements to Elm Avenue have helped generate over 1 million square feet of industrial development.

Alleyways

To complement the Agency Housing Rehabilitation Program and California Avenue Revitalization, approximately twelve-point-five miles (the area bounded by Merced Street, Pottle Avenue, California

Avenue and Freeway 99) of alleyways were identified as needing work ranging from simple clean up to complete re-grading and repaving. The rehabilitation of the alleyways began in 2003 and was completed in 2006.

Southwest Fresno Community Meetings

In a continuing series of twenty-two meetings in fiscal year 2009-2010, the Agency presented the Southwest Fresno community an overview of redevelopment projects and plans. For maximum outreach, meetings were held at 11 Southwest Fresno school sites.

Tulare Street Improvements

Implementation of the West Fresno Community Vision Plan moved forward with the construction of two landscaped median islands for Tulare Street between "B" and "C" Streets. The West Fresno Community Vision Plan with over 300 community participants was prepared for the Council of Fresno County Government Commission and adopted by the City Council.

1747 B Street Development

The Agency approved an OPA to provide assistance for construction of sixteen (16) single-family low and moderate income homes at 1747 "B" Street.

Under the OPA, the Agency constructed the off-site improvements described as curb, gutter, sidewalk around perimeter of the development, sixteen driveway approaches, an alley approach and paving of alley at an estimated \$75,000. In addition, the Agency provided a grant in the amount of \$75,000 to assist in development costs of the affordable housing units. "Affordable Housing Covenants" were placed on three (3) of the sixteen (16) homes, requiring that the three homes be made available at affordable housing cost to, and be occupied by, persons and families of extremely low or moderate income for a period of not less than forty-five years, which will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

La Vera Williams Day Care

The Agency facilitated development of a 9,500 square foot day care center at Fresno and "A" Streets accommodating 130 children, infant through elementary age. The Agency assembled the land and also provided the off-site improvements and parking.

Joe's Market

This blighted property was purchased by the Agency in the Kearney Palms Shopping Center area was demolished in 2007 making way for continued redevelopment. The property located on 1260 "A" Street attracted loiterers to the area, generated neighborhood complaints, and was considered a blighting factor of the neighborhood.

Whites Bridge Road Planning and Development

The Agency made significant improvements to key roadways in Southwest Fresno. The project consisted of installation of curbs, gutters, sidewalks, ADA ramps, streetlights, and cold-recycling pavement on Whites Bridge Avenue, Amador, "A", "B", Stanislaus and Tuolumne Streets between Teilman Avenue and Highway 99 in Southwest Fresno GNRA and a portion of Roeding Business Park.

California and Fruit Avenues Brownfields Cleanup Grant

The cleanup of this two-acre Brownfields site, containing lead contaminants on the surface, will enable housing or mixed use development as allowed by the City's General Plan and Edison

Community Plan. Development proposals will be solicited after the cleanup process is completed. The Agency received a \$200,000 Environmental Protection Agency (EPA) Brownfields Grant for the physical cleanup and remediation of a portion of the property generally located at the southeast corner of California and Fruit Avenues. The Agency received the Notice of Award for the grant in February 2009, and secured the services of an environmental consultant to implement the cleanup work plan and an environmental contractor to complete the remediation work. The Agency provided \$85,000 matching funds. The cleanup work totals approximately \$285,000 and consists of installing and operating a vapor extraction system (groundwater monitoring wells, soil-vapor wells, air-sparge wells, catalytic oxidizer unit and granular activated carbon unit). The vapor extraction system was installed in March 2009 and the work completed in 2010. The cleanup work also includes removal of approximately 1,500 cubic yards of hazardous and non-hazardous waste materials from the site, which is expected to be completed in the spring of 2011.

Summer Hill Place

The Summer Hill Place project is located on a one-point-thirty-nine-acre parcel at 430 and 436 B Street (467-173-12T and 467-173-15T), and a one-point-fifty-two-acre parcel at 2150 S. Elm Avenue (478-074-26T) assembled by the Agency. The parcel's irregular shapes have been used to advantage by Developer, AMCAL, to create unique and attractive "villages." The project is well underway and when completed will provide forty-nine affordable units on the two sites, along with one (1) manager's unit. The project consists of twenty-eight 2BR/2BA units and twenty-one 3BR/2BA units. All of the 2BR units will be available to households of fifty percent of median income (AMI) or below, with some at rents as low as thirty percent and forty percent of AMI. All of the 3BR units will be available to families of sixty percent of AMI, with several at thirty percent and forty percent of AMI.

The total project value is approximately \$8,439,576. The Agency invested \$2 million and will receive fifty-five-year affordability covenants on the forty-nine low-income units which will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

Once completed, the Summer Hill Place Apartments will help eliminate vacant, blighted parcels within the local neighborhood.

Westgate Gardens

Westgate Housing Associates, L.P., acting through its general partner, A.F. Evans, Inc., a California Corporation, rehabilitated a 100-Unit family rental property located at 848 East Belgravia Avenue (near Church Avenue and Martin Luther King Jr. Boulevard) with a thirty-year Agency loan of \$250,000, and private investment of approximately \$3,000,000. Westgate Gardens was an "expiring use" Section 8 property.

Each unit had substantial rehabilitation work done, including significant exterior improvements. A new on-site Community Center was constructed which included a computer/learning resource center for the residents' use. In total, approximately \$30,000 per unit was spent on the project improvements. Ninety-eight of the 100 units within the Westgate Gardens complex, containing a total of 205 bedrooms, are dedicated to very low to low income families. The two remaining units are available to the complex's resident manager and maintenance personnel. The Company preserved the affordability of the ninety-eight units by retaining the Section 8 contract and underwriting the project at the tax credit rents so that in the event that the Section 8 rental assistance is terminated by HUD, the project rents will remain affordable to low income tenants. Affordability covenants on the units will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

Martin Luther King Square Apartments

Through an Owner Participation Agreement (OPA), the Agency provided \$500,000 of funding to assist Martin Luther King Square, LLC for acquisition and major rehabilitation of the Martin Luther King Square Apartments, an existing 92-unit family rental property located at 816 East Florence Avenue in Southwest Fresno. The improvements included extensive renovations to the exteriors and interiors of each unit. Exterior improvements included replacement of all asphalt parking lots, landscape upgrades, replacement/repair of all exterior fencing and gates, construction of two laundry facilities, installation of children's play ground surrounded by picnic areas and complete renovation of the multi-purpose room to function as a computer lab, community center and management and leasing offices. The Agency provided matching funds along with the City to finance a portion of the \$8.4 million needed for the project. Affordability covenants on the units will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

South Clara Estates

In 2007, the City Council and the Agency Board approved an OPA to provide for construction of eleven (11) single-family low and moderate income homes at Clara and North Avenue ("South Clara Estates") and to provide for an Agency grant of approximately \$240,000 for construction of off-site improvements and ponding basin to assist the project's feasibility.

As a condition of development, the Fresno Metropolitan Flood Control District required construction of an on-site ponding basin.

Affordable Housing Covenants will be placed on all eleven (11) homes, requiring that the homes be made available to persons and families of extremely low, very low or low income for a period of not less than forty-five years. The Affordability covenants will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

Tuolumne-Merced, "A" – "B" Street Alley Improvements

This blighted alley servicing both commercial and residential properties was discouraging commercial traffic and private investment. The alley bordered by Tuolumne and Merced Streets, and "A" and "B" Streets was cleaned of various debris, overgrown grass and weeds that accumulated on the alley shoulders. Additionally, the alley shoulders were improved with concrete millings, providing for a drivable yet permeable surface to provide water percolation during rain storms. Various asphalt patching improvements were also placed to repair the street surface.

Fink White Park Development/Improvements

The Fink-White Project rehabilitated the playground with improvements including the resurfacing of basketball courts, upgrading of fencing, lighting and electrical service, installation of new walkways for the physically challenged, and the installation of a picnic pavilion with tables, benches, and barbeques. The Agency contributed \$75,000 to access a National Parks Service Urban Parks and Recreation Recovery (URARR) Program grant of \$285,073, and a State grant of \$47,174 for a total budget of \$407,247.

Triple 'A' Burger

A ribbon-cutting ceremony on October 27, 2010, announced the completion of the Triple 'A' Burger Restaurant and new commercial building on Fresno Street across from the Kearney Palms Shopping Center. The owners/operators of this business had owned and operated this Southwest Fresno icon for 16 years. The restaurant doing business as Triple 'A' Burger has been in

continuous operation at this location over 30 years. The new construction replaced an aging, undersized old commercial building. The new construction not only doubled the operating space of the Triple 'A' Burger restaurant, but added an additional 3,500 square feet of retail space that is already fully leased, providing up to 25 new jobs. Through a reimbursement agreement the Agency has provided assistance in offsite improvements (curbs, gutters, and sidewalks).

2.5 PROGRAMS AND PROJECTS

The Agency has and will continue to play a key role in the alleviation of blighting conditions in the Project Area. The Agency's role is to encourage new development, aid existing businesses, work with other governmental agencies to alleviate blight, upgrade the physical environment, and remove major impediments to development and blight alleviation that the private sector has not been able to remove on its own. The following program of activities has been and will continue to be implemented on a Project Area-wide basis. Specific projects within these programs will be determined based upon priorities established through Agency planning and budgeting and as funds become available.

Public Improvements

The Agency's public improvement program is intended to upgrade aging public infrastructure systems and implement streetscape and beautification projects. Such programs and projects include:

1. Street improvements, including repair, construction and re-construction of curbs, gutters, sidewalks, street paving, landscaping and irrigation systems, traffic improvements (such as turning lanes, street widening, and street medians), street and alley abandonment, and construction of street extensions.
2. Sewer, water, and storm drain system improvements.
3. Traffic signal and safety lighting improvements associated with Redevelopment Plan implementation.
4. Utility undergrounding, installation and relocation.
5. Parking lots and parking structure improvements to support implementation of the Redevelopment Plan.
6. Open space, recreation and park improvements.
7. Coordination, planning and assistance on public building improvements related to the construction, planning and design, and upgrading of new or existing improvements. Such activities would generally include site work, building construction, parking improvements and landscaping.

Land Assembly

The intent of the land assembly program is to create sites large enough for modern development to contemporary standards, create expansion opportunities for existing businesses, create opportunities for consolidation and/or expansion of governmental facilities, and create opportunities for the development of mixed-use/residential projects where appropriate. The Agency may acquire properties, including vacant and improved properties, by negotiated purchase, eminent domain

(where allowed), or by other methods allowed and as appropriate for land assembly. Land acquisition is not anticipated in circumstances where the property owners are able to participate in the redevelopment process. The Agency will provide relocation assistance in accordance with the law for displaced businesses. The land assembly program may also include site clearance and preparation. Underutilized streets and alleys may also be vacated to assemble sites for redevelopment.

Business Revitalization and Attraction

The Agency will provide incentives to encourage businesses to remain in the Project Area, to expand from current facilities, or to encourage new business establishments to locate within the Project Area. Incentives could include development fee reductions, installation of support services, marketing, and financial assistance to for start-up businesses. The program also includes the Agency's storefront improvement program and could include a commercial rehabilitation loan program, which encourages property owners, and businesses to renovate existing buildings rehabilitate exterior building facades.

Discretionary Programs

When funding is available, the Agency will assist other efforts that will contribute to the alleviation of blighting conditions in the Project Area such as owner participation, business expansion assistance, revitalization, business attraction, and marketing to the extent permitted by law.

Housing Programs

The Agency has two primary housing programs to serve the goals and policies of the Redevelopment Plan. These programs are: 1) the Community Housing Partnership Program with the Housing Authorities of the City and Counties of Fresno, which focuses on minor and major rehabilitation of owner occupied housing, the construction of new infill ownership housing, and the acquisition and major rehabilitation of boarded up and distressed single-family homes; and 2) the assemblage or real property assets for the development of housing, and the provision of gap financing for the new construction of housing and the rehabilitation of existing single-family and multiple-family housing.

Financing Methods Available to the Agency

Based on the projections in Table 2-1 of this Implementation Plan, the Agency will have sufficient income to support planning, Agency administration, and program implementation in the next five years of the proposed Implementation Plan's Redevelopment Program. In years 20010-2015, the Agency is projected to have approximately \$19,644,451 in net tax increments (after pass-through payments and housing set-aside funds). The Agency will use approximately 50 percent of these funds for the Project Area Improvements Program. Approximately 20% of these funds will be used for the Land Assembly Program. Approximately 20% of these funds will be used for the Business Revitalization and Attraction Program. The remaining 10% will be utilized for the Administration and Planning Program. A description of the Agency's Programs and Projects is contained on Section 2.6.

The Implementation Plan is prepared with the intent of providing the Agency with the necessary legal authority and flexibility to implement the revitalization of the Merger 2 Project. The Plan authorizes the Agency to finance the Project with financial assistance from any or all of the following sources: (1) City of Fresno; (2) State of California; (3) federal government; (4) tax increment funds in accordance with provisions of the Law; (5) Agency bonds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; and (10) any

other legally available public or private sources.

Current provisions of the Law provide authority to the Agency to create indebtedness, issue bonds, borrow funds or obtain advances in implementing and carrying out the specific intents of a redevelopment plan. The Agency is authorized to fund the principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the Agency. To the extent that it is able to do so, the City may also supply additional assistance through City loans or grants for various public facilities or other project costs.

Potential revenue sources to fund project costs, as assumed in the economic feasibility cash flow, include, but are not limited to, the following: (1) tax increment revenues; (2) proceeds from tax allocation bonds; (3) land sale and lease proceeds and (4) interest earnings. The estimated resources available to finance the proposed redevelopment programs are summarized in the following Table 2-1.

Table 2-1 Proposed Five-Year Program Funds and Expenditures

Administration and Planning	\$ 1,964,446
Land Assembly	3,928,890
Project Area Improvements	9,822,225
Business Revitalization and Attraction	<u>3,928,890</u>
Subtotal for Non-Housing Programs	\$19,644,451
<u>Subtotal for Housing Programs</u>	<u>5,540,000</u>
TOTAL AGENCY PROGRAM EXPENDITURES	\$25,184,451

Funds for the programs are anticipated as follows:

Tax Increment (estimated carryover)	\$ 5,615,347
New Tax Increment	11,804,104
Sale, Lease, and Loan Proceeds	<u>2,225,000</u>
Subtotal for Non-Housing Programs	\$19,644,451
<u>Subtotal for Housing Programs</u>	<u>5,540,000</u>
TOTAL AGENCY FUNDS AVAILABLE	\$25,184,451

2.6 HOW THE PROJECTS AND PROGRAMS WILL ELIMINATE REMAINING BLIGHT

Public Improvements

The primary focus of the Agency's efforts to support the rehabilitation of existing and installation of new public improvements will be to help offset the cost or to install such improvements where the costs exceed cost levels that would normally be borne by the private sector. The construction of such public improvements will support investments in the private sector in the reuse of vacant, deteriorated, obsolete and unsafe buildings, the effective utilization of vacant lots, and the rehabilitation of existing and construction of new housing to alleviate overcrowding in the Project Area. Such investments, in turn, will support and increase property values and create jobs, which will in turn, reduce crime and encourage the development of supermarkets and other essential commercial services for the community.

Land Assembly

The land assembly program will enable the Agency to acquire and consolidate parcels, especially vacant and underutilized buildings and lots for development. Rehabilitation of existing buildings and the development of new commercial and residential uses will help reduce the number of unsafe and unhealthy buildings, the number of obsolete and substandard buildings, and the number of vacant lots. Such rehabilitation and new development will increase property values, support higher lease rates, and reduce the number of vacant and abandoned buildings in the Project Area. It will also provide locations for new commercial businesses to provide goods and services to the community and create opportunities for the rehabilitation of existing and development of new housing at all income levels, including housing affordable to persons and families of low and moderate incomes.

Business Revitalization and Attraction

Supporting the expansion of existing businesses and the attraction of new businesses will encourage the revitalization of existing buildings, and development of new facilities to create jobs, increase property values, and remove or rehabilitate unsafe buildings (such as unreinforced masonry, obsolete and abandoned buildings) and develop new buildings on vacant lots. Such development will increase property values and lease rates, and encourage the development of necessary commercial facilities to serve residents and businesses.

Discretionary Programs

From time to time, as opportunities arise for the Agency to participate in discretionary programs that will support the goals of the Redevelopment Plan, the Agency will be able to target programs and funds for alleviating blight through supporting existing businesses and recruiting new businesses in the Project Area. Discretionary programs will also allow the Agency to assist in the development of new facilities and the revitalization of existing properties. These efforts will support the creation of jobs and diversification of the local economy to reduce crime and support the installation of public improvements and the reuse of existing buildings properties.

Housing Programs

The housing programs allow the Agency, in collaboration with the Community Housing Partnership Program with the Housing Authorities of the City and Counties of Fresno to provide funds for the acquisition of blighted properties in addition to the rehabilitation and preservation of existing housing units, and the production of new low and moderate income housing. The Agency works cooperatively with property owners and developers to provide opportunities to remove blight and increase the number of affordable housing units in the Project Area.

Table 2-2: Blighting Conditions and the Projects and Programs to Alleviate Blight

Blighting Condition	Agency Programs				
	Public Improvements	Land Assembly	Business Revitalization and Attraction	Discretionary Programs	Housing Programs
Buildings in which it is unsafe or unhealthy for persons to live or work.		X	X	X	X
Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots... given the present general plan, zoning, or other development standards.	X	X	X	X	X
Depreciated or stagnant property values.	X	X	X	X	X
Abnormally low lease rates and an abnormally high number of abandoned buildings	X	X	X	X	
A serious lack of necessary commercial facilities that are normally found in neighborhoods.	X	X	X	X	
Serious residential overcrowding		X		X	X
An excess of bars, liquor stores, or adult oriented businesses that has resulted in significant public health, safety or welfare problems.			X	X	
A high crime rate	X		X	X	

3.0 **AFFORDABLE HOUSING PROGRAM**

3.1 **OVERVIEW**

This chapter will address the requirements of California Redevelopment Law (CRL) pertaining to the use of the Low and Moderate Income Housing Fund (the "Housing Fund") for the Merger No. 2 Redevelopment Project Areas.

Section 33490 (a)(2) requires that Implementation Plan's Affordable Housing Program contain the following components:

(A) A portion of the implementation plan shall address the agency housing responsibilities and shall contain a section addressing Project Areas amended pursuant to Section 33333.10, if applicable, and Sections 33334.2, 33334.4, and 33334.6, the Low and Moderate Income Housing Fund, and, if subdivision (b) of Section 33413 applies, a section addressing agency developed and project area housing. The section addressing the Low and Moderate Income Housing Fund shall contain:

(i) The amount available in the Low and Moderate Income Housing Fund and the estimated amounts which will be deposited in the Low and Moderate Income Housing Fund during each of the next five years.

(ii) A housing program with estimates of the number of new, rehabilitated, or price restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years.

(iii) A description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund over a 10-year period for various groups as required by Section 33334.4. For project areas to which subdivision (b) of Section 33413 applies, the 10-year period within which Section 33334.4 is required to be implemented shall be the same 10-year period within which subdivision (b) of Section 33413 is required to be implemented. Notwithstanding the first sentence of Section 33334.4 and the first sentence of this clause, in order to allow these two 10-year time periods to coincide for the first time period, the time to implement the requirements of Section 33334.4 shall be extended two years, and project areas in existence on December 31, 1993, shall implement the requirements of Section 33334.4 on or before December 31, 2014, and each 10 years thereafter rather than December 31, 2012. For project areas to which subdivision (b) of Section 33413 does not apply, the requirements of Section 33334.4 shall be implemented on or before December 31, 2014, and each 10 years thereafter.

(iv) This requirement to include a description of how the housing program will implement Section 33334.4 in the implementation plan shall apply to implementation plans adopted pursuant to subdivision (a) on or after December 31, 2002.

(B) For each project area to which subdivision (b) of Section 33413 applies, the section addressing the agency developed and project area housing shall contain:

(i) Estimates of the number of new, substantially rehabilitated or price restricted residential units to be developed or purchased within one or more project areas, both over the life of the plan and during the next 10 years.

(ii) Estimates of the number of units of very low, low-, and moderate- income households required to be developed within one or more project areas in order to meet the requirements of paragraph (2) of subdivision (b) of Section 33413, both over the life of the plan and during the next 10 years.

(iii) The number of units of very low, low-, and moderate-income households which have been developed within one or more project areas which meet the requirements of paragraph (2) of subdivision (b) of Section 33413.

(iv) Estimates of the number of agency developed residential units which will be developed during the next five years, if any, which will be governed by paragraph (1) of subdivision (b) of Section 33413.

(v) Estimates of the number of agency developed units for very low, low-, and moderate-income households which will be developed by the agency during the next five years to meet the requirements of paragraph (1) of subdivision (b) of Section 33413.

(C) The section addressing Section 33333.10, if applicable, and Section 33334.4 shall contain all of the following:

(i) The number of housing units needed for very low income persons, low- income persons, and moderate-income persons as each of those needs have been identified in the most recent determination pursuant to Section 65584 of the Government Code, and the proposed amount of expenditures from the Low and Moderate Income Housing Fund for each income group during each year of the implementation plan period.

(ii) The total population of the community and the population under 65 years of age as reported in the most recent census of the United States Census Bureau.

(iii) A housing program that provides a detailed schedule of actions the agency is undertaking or intends to undertake to ensure expenditure of the Low and Moderate Income Housing Fund in the proportions required by Section 33333.10, if applicable, and Section 33334.4

(iv) For the previous implementation plan period, the amounts of Low and Moderate Income Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low income households, very low income households, and low-income households; the number, the location, and level of affordability of units newly constructed with other locally controlled government assistance and without agency assistance and that are required to be affordable to, and occupied by, persons of low, very low, or extremely low income for at least 55 years for rental housing or 45 years for homeownership housing, and the amount of Low and Moderate Income Housing Fund moneys utilized to assist housing units available to families with children, and the number, location, and level of affordability of those units.

Section 33490 (a)(3) requires that the Implementation Plan's Affordable Housing Program contain the following:

If the implementation plan contains a project that will result in the destruction or removal of dwelling units that will have to be replaced pursuant to subdivision (a) of Section 33413, the implementation plan shall identify proposed locations suitable for those replacement dwelling units.

Section 33490 (a)(4) requires that the Implementation Plan's Affordable Housing Program contain the following:

For a project area that is within six years of the time limit on the effectiveness of the redevelopment plan established pursuant to Section 33333.2, 33333.6, 33333.7 or 33333.10, the portion of the implementation plan addressing the housing responsibilities shall specifically address the ability of the agency to comply, prior to the time limit on the effectiveness of the redevelopment plan, with subdivision (a) of Section 33333.8, subdivision (a) of Section 33413 with respect to replacement dwelling units, subdivision (b) of Section 33413 with respect to project area housing, and the disposition of the remaining moneys in the Low and Moderate Income Housing Fund.

3.2 LOW AND MODERATE INCOME HOUSING FUND

Table 3-1 shows housing set-aside accumulations for the past five years in all of the Agency's Redevelopment Project Areas.

Table 3-1: Housing Fund – All Project Areas, FY 2005-06 thru FY 2009-10

<u>Year</u>	<u>20 Percent Housing Set-Aside</u>
2005-2006	\$ 2,953,782.24
2006-2007	\$ 3,509,427.27
2007-2008	\$ 4,220,372.58
2008-2009	\$ 4,428,784.73
<u>2009-2010</u>	<u>\$ 4,410,542.10</u>
TOTAL	\$ 19,522,908.92

As shown in Table 1-1, the two Project Areas in Merger No. 2 contributed \$732,083.36 or 16.6% of the total Housing Fund contribution of \$4,410,542.10 in FY 2009-2010.

In the following Table 3-2 are estimates that the Merger No. 2 Project Areas will contribute a total of \$5,540,000 over the next five years to the Housing Fund, an average increase of \$112,000 per year. The increased contribution rate of 30% by the proposed Merger No. 2 Plan Amendments for the two Constituent Project Areas would be effective starting in FY 2011-12, if the Proposed Merger No. 2 Plan Amendments are adopted, and are shown in the following table. Over the five-year Implementation Plan period, the Southwest Fresno Constituent Project Area is the largest contributor from the Merger No. 2 Project Areas to the Housing Fund, accounting for nearly 85 percent of the total Merger No. 2 Set-aside Funds.

Table 3-2: Projected Tax Increments and Housing Set Aside Fund for FY 2010-11 thru FY 2014-15

NET TAX INCREMENTS¹							
	2009-10 Estimated	2010-11	2011-12	2012-13	2013-14	2014-15	Total 5-yr
Merger 2 Project Area							
Fruit-Church	\$388,000	\$353,729**	\$346,000	\$358,000	\$370,000	\$380,000	\$1,807,729
SW Fresno GNRA	\$2,129,000	\$1,915,375**	\$1,911,000	\$1,985,000	\$2,061,000	\$2,124,000	\$9,996,375
Total	\$2,517,000	\$2,269,104**	\$2,257,000	\$2,343,000	\$2,431,000	\$2,504,000	\$11,804,104
HOUSING SET ASIDE @20 percent & 30 percent**							
Merger 2 Project Area							
Fruit-Church	\$109,000	\$109,000	\$169,000*	\$176,000*	\$183,000*	\$191,000*	\$828,000
SW Fresno GNRA	\$614,000	\$613,000	\$960,000*	\$1,002,000*	\$1,046,000*	\$1,091,000*	\$4,712,000
Total	\$723,000	\$722,000	\$1,129,000*	\$1,178,000*	\$1,229,000*	\$1,282,000*	\$5,540,000

¹ Net of administration fees, pass-through payments, housing set aside, and **SERAF Payment.

**Housing Set-Aside at 30%

3.3 PROPOSED AFFORDABLE HOUSING PROGRAM

Over the next five years, the Agency plans to implement the following Merger No. 2 Housing Program with projects involving a range of new housing construction, substantial rehabilitation (involving large site developments and infill sites), mixed use housing, and neighborhood infill involving primarily single family dwellings, as well as several multi-family projects in order to further the goals for revitalization of the Constituent Project Areas in Merger No. 2.

Proposed Affordable Housing Projects

Sequoia Village/EAH Housing - Through a negotiated agreement with Sequoia Health, the Agency received 7.5 acres of vacant land on Annadale Avenue, just west of Elm Avenue. In FY 07/08, the Agency issued a Request for Proposals for a potential housing development on the property. The Agency Board approved the Agency's selection of EAH Housing and the Agency entered into an ENA with EAH on November 16, 2008.

Agency staff has worked with the Developer to coordinate pre-planning activities with City staff including preparation of the entitlement application. During the time the project Site Plan application was submitted to the City, the Developer had an opportunity to acquire the sole single family home within the project footprint that caused the project site to be very inefficient and irregular. The acquisition occurred in October, 2009 with Agency financial assistance. The Agency will receive title to the property from EAH if the project does not move forward. The acquisition has prompted a redesign and amended entitlement application; acquisition of the single family home and a reworking of the project financing in anticipation of submitting a 9% LIHTC application are still necessary.

The project would address the demand for needed senior housing. The development would also be the first PACE (Program of All-inclusive Care for the Elderly) in the Central Valley. EAH has incorporated the PACE component into this project and is currently evaluating its project feasibility. In April, 2010 EAH provided additional information to the Agency regarding their entitlement and financing status. The project faces significant challenges due to the inability to secure either Prop 1C (Urban Infill Grant) funds or Project-based Section 8 vouchers from the Housing Authority. In response, EAH now contemplates dividing the project into two separate projects – a family and a senior project – and undertaking separate design, entitlement, and financing tracks for either in

order to make the gap financing affordable to the Agency and to increase its chances for full tax credit fund through the competitive application rounds.

Given the current tax credit funding environment, EAH contemplates that the development of this project would be done in phases over the next several years, segregating the senior housing project from the family project. One of the conditions of approval of the project, required by the City, is to construct a domestic water well to support the development of the housing project. EAH wants support to push that requirement until the development of the second phase, senior housing. The funds requested would support the pre-development activities of both phases of the project, at \$497,830 for the senior project and \$497,780 for the family project.

Southwest Fresno Infill Housing - California Triangle - The Agency and Housing Authority partners have nearly completed the acquisition of properties in the project area referred to as the California Triangle, an area bounded by Kern, Waterman and California Streets within the Southwest Redevelopment Area. All residents in this area were relocated to improved housing. The project site consists of approximately three acres divided into a number of parcels. The Housing Authority completed acquisition of a property at 864 S. Klette Street in June 2008, and the house is slated to be relocated to another infill lot in the neighborhood, then rehabilitated and sold to a low-moderate income family. A local non-profit will use the house as a training lab for their construction trade students.

Two parcels in the original footprint remain to be acquired. These have clouded title issues as there are various claims of ownership. As of this date, the Housing Authority has approval from three of the four owners and is searching for the final owner on one of the parcels. They expect to have acquisition completed in 2010. In addition, the Housing Authority is acquiring the former County Library property in the California Triangle from Fresno County, with the Housing Authority taking the lead in the documents on behalf of the Agency.

In addition to the property acquisition, the Agency has budgeted funds for California Avenue improvements from Martin Luther King Boulevard to Walnut Avenue in connection with the California Triangle Project.

Once all of the acquisition is complete, the Agency will publish a Request for Qualifications (RFQ) seeking developers for a mixed-use or mixed-income project.

Edison Plaza Partners, LLC - Through a Request for Proposals process, the Agency Board selected Edison Plaza Partners, LLC to develop a 20 acre site in Southwest Fresno, just west of Edison High School. The project was to be in two phases: in February 2010 the developer completed the first phase with the opening of the One Stop Center, a County Library and human services center, on the first 10 acres. They have proposed a total of 280 large-family (3- and 4 bedroom) units on the remaining 10 acres, with the first half of that (140 units) proposed for entitlement and financing in Fiscal Year 2010-11. The developer has proposed the use of tax-exempt bonds and 4% Low Income Housing Tax Credits, due to the extremely competitive environment statewide for the more attractive 9% Tax Credits.

This mechanism would leave the project with a \$50,000 per-unit gap to be filled with local (Agency) funds. That will result in a request for approximately \$7,000,000 in Agency assistance for the first 140 units, plus construction by the Agency of the off-site improvements, as was done for the first phase project (the One Stop Center).

Additionally, the project will also contain a new 11,000 s.f. Head Start building to be leased to the EOC, the operator of the Head Start program.

Habitat for Humanity - Habitat for Humanity Fresno was awarded funds in 2010 from Habitat International to hire a Neighborhood Stabilization Programs Coordinator. International wants affiliates to be more focused on new house construction as a part of overall neighborhood revitalization i.e. multiple unit new house as the centerpiece supported by near-by new house in-fill, minor rehabilitation along with other community development work like community gardens, community centers, etc. South Clara Estates was what they want to do in future projects also. Habitat has requested from the Agency \$15,000 per lot for four lots on Almy Street in Southwest Fresno. These homes would be added to their efforts in South Clara Estates. They would want to build these lots at the end of 2011 or early 2012 but would need to purchase them in 2010 to prepare them for construction.

Housing Authority Contract/Community Housing Partnership Program (CHPP) - The Agency's multi-year Community Housing Partnership Program (CHPP) agreement with the Housing Authorities of the City and County of Fresno provides for minor and major rehabilitation of low- and moderate-income, owner-occupied housing in designated target areas of the City. Several contract amendments have expanded target areas and increased the funding for aggressive programs to attack blight caused by boarded-up houses and neglected vacant land. Since July 2000, 1,643 homes have received minor and major rehabilitation and, from boarded up or vacant lots, approximately 25 homes have been built or reconstructed to provide infill housing. In FY 09/10, it is expected that approximately 62 homes will have been rehabilitated and two reconstructed.

1511 and 1515 "B" Street - The CHPP acquired lots at 1511 and 1515 "B" Street in southwest Fresno. The process to create two parcels has been completed. The timing for development will be influenced by market conditions.

Summer Hill Place - The Summer Hill Place project is located on a 1.39 acre parcel at 430 and 436 "B" Street, and a 1.52 acre parcel at 2150 S. Elm Avenue assembled by the Agency. The parcel's irregular shapes have been used to advantage by the Developer, AMCAL, to create unique and attractive "villages." The project is well underway and when completed will provide 49 affordable housing units on the two sites, along with one manager's unit. The project consists of 28, 2BR/2BA units and 21, 3BR/2BA units. All of the 2BR units will be available to households of 50% of median income (AMI) or below, with some at rents as low as 30% and 40% of AMI.

The total project value is approximately \$8,439,576. The Agency invested \$2 million and will receive 55-year affordability covenants on 49 low-income units will assist the Agency in meeting its replacement housing and inclusionary housing obligations.

Following in Table 3-3 are estimated Housing Expenditures and estimated Housing Development Units for the Agency's Proposed Affordable Housing Program for each of the five years of the proposed Implementation Plan for FY 2010-11 thru FY 2014-15.

Table 3-3 Five-Year Affordable Housing Program Funds and Estimated Housing Development

MERGER NO 2 FIVE-YEAR AFFORDABLE HOUSING PROGRAM FUNDS AND ESTIMATED HOUSING DEVELOPMENT						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	TOTAL
HOUSING PROGRAM						
Housing Expenditures						
*New Construction, *Adaptive Reuse, *Substantial Rehab. Minor Rehabilitation	\$722,000	\$1,129,000	\$1,178,000	\$1,229,000	\$1,282,000	\$5,540,000
Estimated Housing Units	20 - 32 units	52 - 67 units	53 - 68 units	55 - 70 units	56 - 71 units	236 - 308 units
HOUSING FUND DEPOSITS	\$722,000	\$1,129,000	\$1,178,000	\$1,229,000	\$1,282,000	\$5,540,000
*45 Year Covenants for Owner-Occupied Housing and 55 Year Covenants for Rental Housing						

3.4 AFFORDABLE HOUSING PROGRAM COMPLIANCE OBJECTIVES

3.4.1 REPLACEMENT HOUSING REQUIREMENTS

Redevelopment Law Section 33413 (a) requires agencies to construct or cause the construction of housing to replace each unit destroyed or removed from the low and moderate income housing market. All project areas adopted after 1975, and since 1986, all project areas adopted prior to 1975, must meet the replacement housing requirements within four years.

- A redevelopment agency may replace the dwelling units by, or cause the replacement by, major rehabilitation of existing housing units or the construction of new housing units. The Agency's role may range from a major funding contribution to a replacement housing project, to purchasing affordability covenants.
- Affordability for all replacement housing units has and will be reserved, for the time period required by law, through covenants placed on the rehabilitated or constructed units secured through Owner Participation Agreements, Disposition and Development Agreements, or other agreements for acquisition or donation of affordability covenants.
- Replacement units must equal in number, and must have bedrooms equal to or greater in number than, the dwelling units destroyed or removed.
- When dwelling units are destroyed or removed after January 1, 2002, the replacement units must also be affordable to and occupied by the same income level of households as the destroyed or removed units. However, a lower income category than the destroyed or removed unit may be substituted (i.e., a Very Low Income unit may replace a Low Income or Moderate Income unit, and a Low Income unit may replace a Moderate Income unit, but not vice-versa).

- The Agency must require that the replacement units remain available at affordable housing costs, and remain occupied by, low and moderate income families for the longest feasible time, but not less than 55 years for rental units and 45 years for owner occupied units. In certain instances an agency may permit sales of owner occupied units before the expiration of the 45 year affordability period.

Status of Redevelopment Agency Replacement Housing Obligations

Replacement Housing Plan for Hope VI Residential And Commercial Mixed Use Project -

On November 29, 2005, the Agency adopted Resolution No. 1667, approving the Replacement Housing Plan for the Hope VI Residential and Commercial Mixed Use Project. This involved the proposed demolition of 15 existing dwelling units (42 bedrooms). Nine of the dwelling units (28 bedrooms) were occupied by very low income households. Four of the dwelling units (8 bedrooms) were occupied by low income households. Two of the dwelling units (6 bedrooms) were occupied by moderate income households.

Demolition of 14 dwelling units was completed by July 2007. Compliance with the requirements for replacement of eight units (37 bedrooms) of very low income housing; four units (8 bedrooms) of low income housing; and two units (6 bedrooms) of moderate income housing were met through the use of 15 units of Major Rehabilitation resources from the MLK Square Housing Project in the Southwest Fresno Project Area. MLK Square was issued a Certificate of Completion on January 11, 2008. The replacement bedrooms included 20 bedrooms of extremely low income housing and 19 bedrooms of very low income housing.

Demolition of 1 unit (3 bedrooms) of very low income housing was completed in June 2008. Compliance with the requirement for replacement housing was met through the construction of 1 unit of new housing (4 bedrooms) on a infill property located within the Southwest Fresno Project Area that was sold to a very low income family in May 2009.

California Triangle Replacement Housing Plan - On October 3, 2006, the Redevelopment Agency adopted Resolution No. 1685 approving the California Triangle Replacement Housing Plan. This involved the proposed demolition/removal from the low and moderate income market of ten existing dwelling units (42 bedrooms). Four of the dwelling units (11 bedrooms) were occupied by extremely low income households. Four of the dwelling units (10 bedrooms) were occupied by very low income households. Two of the dwelling units (5 bedrooms) were occupied by low income households.

Compliance with the requirements for replacement of the ten dwelling units were met through the use of 10 units of Major Rehabilitation resources from the MLK Square Housing Project in the Southwest Fresno Project Area. MLK Square was issued a Certificate of Completion on January 11, 2008. The replacement bedrooms included 11 bedrooms of extremely low housing, 10 bedrooms of very low income housing, and 5 bedrooms of low income housing.

Replacement Housing Plan for 2304 South Walnut - On January 29, 2008, the Agency adopted a Replacement Housing Plan for 2304 South Walnut for a vacant, Very Low Income dwelling unit (3 bedrooms). On November 1, 2010, the building was demolished and within four years of its demolition, the Agency will be required to replace the dwelling with at least 3 bedrooms in the very low income or lower income range.

Except for the replacement dwelling unit of the dwelling unit demolished at 2304 South Walnut, all of the Agency's replacement housing obligations described above have been met within the four-year time period, and all low and moderate income category bedrooms have been replaced with the same income category, or with an income category lower than that which was destroyed or removed.

3.4.2 HOUSING PRODUCTION (INCLUSIONARY) REQUIREMENTS

Both of the Constituent Plans in Merger 2 (Fruit/Church and Southwest Fresno) were adopted prior to 1977, and therefore, have not been subject to the provisions of Section 33413 (b)(4). Consequently there are no Housing Production obligations to report during the previous five year Implementation Plan period.

However, both of the Constituent Plans are being proposed to be updated pursuant to Section 33333.10. The Implementation Plan is intended for the Constituent Redevelopment Plans, as amended by the proposed Redevelopment Plan amendments. Therefore, when and if the plan amendment ordinances for the Fruit/Church and Southwest Fresno Constituent Project Areas are effective, a 10 year time period for meeting the Housing Production requirements would start.

Future Application of Housing Production Requirements

For the purposes of the draft Five Year Implementation Plan in the following analysis, projections are made for what the Housing Production requirements would be for an estimated 10 year time period starting in November 2010, and projections are also made for the Housing Production requirements to the duration of the two Constituent Project Areas.

Housing Production Requirements - Section 33413(b)(1), when it would become applicable, requires that at least 30 percent of all new or rehabilitated units developed within the project area by the Agency itself are available at affordable costs to households of very low (up to 50 percent of area median income), low (51 percent-80 percent of area median income), or moderate (81 percent-120 percent of area median income). Of this 30 percent, not less than 50 percent are required to be available at affordable costs to very low-income households.

Section 33413(b)(2), when it would become applicable, requires that at least 15 percent of all new or substantially rehabilitated units developed within each project area by persons or entities other than an agency be made available at affordable costs to low or moderate income households. Of this 15 percent, not less than 40 percent of the units are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated and not on a case-by-case basis to each dwelling unit created or rehabilitated unless so required by an agency. The requirements include:

a. Requirements For Housing Not Developed by the Agency:

At least 15 percent of new or rehabilitated dwelling units developed or substantially rehabilitated must be available at affordable housing cost to very low (50 percent or less of median), low (51 percent to 80 percent of median), and moderate (81 percent to 120 percent of median) income households.

Of those units, at least 40 percent must be affordable to very low income households (i.e., 40 percent of 15 percent = 6 percent).

b. Requirements For Housing Developed Directly by the Agency:

At least 30 percent of new or rehabilitated dwelling units developed directly by a redevelopment agency must be available at affordable housing cost to very low (50 percent or less of median), low (51 percent to 80 percent of median), and moderate (81 percent to 120 percent of median) income households.

Of those units, at least 50 percent must be affordable to very low income households (i.e., 50 percent of 30 percent = 15 percent).

This requirement for Agency-developed housing does not apply to units developed by housing developers pursuant to agreements with an agency. Therefore, this requirement is seldom applied, as most redevelopment agencies do not act as a housing developer.

c. Substantially Rehabilitated Dwelling Units

Substantially rehabilitated dwelling units means all units substantially rehabilitated with Agency assistance.

d. Agency Alternatives for Meeting Housing Production Plan Obligations

The Agency may "cause" low and moderate income housing to be available, by regulation or agreement. An example of a regulatory approach, would be where an agency would work with its City to seek the adoption of a "Inclusionary Housing" Ordinance, which may involve "in-lieu" fees to provide developers with more alternatives to meet obligations. An example of an approach using agreements would include, for example, Development and Disposition Agreements, and Owner Participation Agreements.

Two-for-One Alternative - Instead of providing units within a project area, the Agency may cause affordable housing to be available outside a project area, inside another project area, by regulation or agreement.

Aggregation between Project Areas - Instead of providing units within a particular redevelopment project area, the Agency may aggregate the responsibility in one or more Project Areas, if appropriate findings are made that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation.

Purchase of Affordability Covenants - An agency may purchase or acquire long-term affordability covenants, but they cannot be used to satisfy more than 50 percent of the dwelling units required to meet the Housing Production obligations.

Section 33413 (b)(4) requires agencies to adopt an affordable housing production plan to meet the requirements of Section 33413 mentioned above for each Project Area. The production plan must be consistent with the Fresno General Plan Housing Element and must also be reviewed at least every two years in conjunction with either the cyclical preparation of the Housing Element or Implementation Plan cycle to ensure that the requirements are met every 10 years.

Projected Agency Housing Production Obligations

Fruit/Church Project Area

Fruit/Church (Projected Nov 2010 – Nov 2020)

- Agency Assisted New Construction – 45 Affordable Units (25 Very Low units, 20 Low and Moderate units)
- Non-Agency New Construction – 4 units
- Total Agency Housing Production Obligations for 10 year Time Period
 - 49 units x 6% = 3 units of Very Low Income Housing
 - 49 units x 9% = 4 units of Low and Moderate Income Housing

The Agency estimates that during the 10 year Housing Production Period for the Fruit/Church Project Area there will be a net surplus of 22 units of Very Low Income Housing and 16 units of Low and Moderate Income Housing, which can be applied to Agency Housing Production Obligations for the Project Area for the next 10 Year Period or to the obligations of another Redevelopment Project Area.

Fruit/Church (Projected to Plan Duration Nov 2020 – Oct 7, 2024)

- Agency Assisted New Construction – 18 Affordable Units
- Non-Agency New Construction – 4 units
- Total Agency Housing Production Obligations to Plan Duration Time Period
 - 22 units x 6% = 1 unit of Very Low Income Housing
 - 22 units x 9% = 2 units of Low and Moderate Income Housing

Southwest Fresno Project Area

Southwest Fresno (Projected Nov 2010 – Nov 2020)

- Agency Assisted New Construction – 630 Affordable Units (301 Very Low units, 328 Low and Moderate units)
- Agency Assisted Substantial Rehabilitation – 100 Affordable Units (20 Very Low units, 80 Low and Moderate units)
- Non-Agency New Construction – 350 units
- Total Agency Housing Production Obligations for 10 year Time Period
 - 1,080 units x 6% = 65 units of Very Low Income Housing
 - 1,080 units x 9% = 97 units of Low and Moderate Income Housing

The Agency estimates that during the 10 year Housing Production Period for the Southwest Fresno Project Area there will be a net surplus of 256 units of Very Low Income Housing and 311 units of Low and Moderate Income Housing, which can be applied to Agency Housing Production Obligations over the next 10 Year Period or to the obligations of another Redevelopment Project Area.

Southwest Fresno (Projected to Plan Duration Nov 2020 – Jan 14, 2022)

- Agency Assisted New Construction – 65 Affordable Units (30 Very Low units, 35 Low and Moderate units)
- Agency Assisted Substantial Rehabilitation – 12 units
- Non-Agency New Construction – 40 units
- Total Agency Housing Production Obligations to Plan Duration Time Period

117 units x 6% = 7 units of Very Low Income Housing
117 units x 9% = 11 units of Low and Moderate Income Housing

3.4.3 Compliance with Housing Fund Expenditures Proportionality Requirements

Effective January 2002, expenditure of housing set-aside revenues is subject to certain legal requirements. Pursuant to Section 33334.4, at a minimum, the Agency's low and moderate income housing set-aside revenue is to be expended in proportion to the community's need for very low and low income housing, over a 10-year time period. The Agency has the option to implement the Section 33334.4 obligations for Project Areas in existence prior to December 31, 1993, over a longer period of time. Both the Fruit/Church and Southwest Fresno Constituent Plans were adopted and in existence prior to December 31, 1993. The proportionality requirements for the Constituent Plans would be implemented on or before December 31, 2014, and each 10 years thereafter.

The City's 2009-2013 Housing Element contains the Regional Housing Needs Allocation for the City of Fresno, which identified a need for 20,967 dwelling units for the Housing Element Planning Period. The City's share of the January 1, 2006 RHNA for low, very low, and extremely low income housing is expressed as a percentage share. For purposes of this report, the extremely low income category was combined with the very low income category. The resulting percentages (Very Low 24%, Low 16%, and Moderate 16%) are contained in the following Table which summarizes the Low and Moderate Housing Fund Expenditures for the 10 year period from FY 2001-02 thru FY 2009-10. The RHNA percentages are used as the minimum thresholds for housing program expenditure compliance that would be required over the 10-year term. In Attachment B to this Implementation Plan is a Proportionality Table of Low and Moderate Housing Funds for each of the fiscal years between 2001-02 and 2009-10. The Table also includes the previous January 1, 2000 RHNA that had been applicable prior to January 1, 2006.

In the following Table 3-4 is a summary of the Agency's Housing Fund expenditures for the time period from FY 2001-02 thru FY 2009-10, for all of the Agency's Project Areas, including the two Constituent Project Areas in Merger No. 2. The Table identifies Housing Fund Expenditures for all housing units developed or improved with Housing Funds, categorized by the income level of the families or individuals benefited by the Housing Fund Expenditures. The Table shows that the Agency has exceeded the minimum threshold requirements of the RHNA percentages for the expenditure of Housing Funds for the required very low and low income housing categories for the initial 10-year compliance period (FY 2001-02 thru FY 2009-10).

Table 3-4 Summary of Housing Fund Expenditures for FY 2001-02 thru FY 2009-10

EXHIBIT ____ May 2010 PROPORTIONALITY OF LOW MOD FUND EXPENDITURES ALL REDEVELOPMENT PROJECT AREAS TOTALS FY 2001-02 THRU 2009-10**				
	VL	L	Mod	TOTALS
TOTALS				
Total of Units by Income	712	634	356	1,702
Total of Expenditures* by Income	\$4,481,671	\$5,948,402	\$2,710,936	\$13,141,009
Percentage of Units by Income	42%	37%	21%	100%
Percentage of Expenditures by Income	34%	45%	21%	100%
RHNA Percentage by Income***	24%	16%	16%	
*Expenditures for developed units, funds used on administration are excluded from analysis **Data for FY 2009-10 is partial year thru March 31, 2010 ***Regional Housing Needs Allocation (RHNP) Percentages from 2007 Fresno County Regional Housing Needs Allocation Plan				

Senior Affordable Housing

Pursuant to CRL Section 33334.4 the Agency must expend the Housing Funds to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent Census of the United States Census Bureau. Therefore, Housing Fund expenditures for non-senior housing would be in proportion to the number of non-senior households in the community.

Previously, in 2002, the State Legislature adopted AB 687, which required that, over the duration of each redevelopment implementation plan, the moneys in the LMIH Fund shall be spent to assist housing that is available to all persons regardless of age in at least the same proportion as the population under age 65 bears to the total population of the community as reported in the most recent census of the United States Census Bureau ("the 2002 Requirement"). In 2005, the State Legislature adopted SB 527, which amended the requirement to provide that an Agency is allowed to spend the LMIH Fund money to assist senior, affordable housing in the same proportion as senior low-income households bears to the total low-income households in the community (the "2006 Requirement"). The effect of this change was anticipated to allow for agency assistance to a greater population of senior housing than the CRL allowed prior to 2006.

In regard to the 2002 Requirement, the 2000 U.S. Census statistics as reported in the City's 2009-2013 Housing Element, indicated that persons 62 years or older were 10.8% of the population in the City of Fresno. In regard to the 2006 Requirement, the City's 2009-2013 Housing Element, reported that there were 4,843 low-income households (51-80% of median income) under the age of 65 in the City of Fresno, and 20,089 low-income households in the City of Fresno. Therefore no more than 24.1% of Project Area housing set-aside funds may be expended on housing for households age 65 or older.

Since the 2002 Requirement regarding senior housing became effective, the Agency has not utilized Housing Fund moneys to assist any housing project within the Project Area, other Project Areas, or outside the Project Area that contained units dedicated to senior housing. Therefore, whether the 2002 Requirement or the 2006 Requirement is used, the Agency has complied, during the 10-year period of the Implementation Plan, with the CRL requirements to not spend LMIH Fund moneys in excess of the Senior Housing limitation. During the next 10-year period for the Implementation Plan,

the Agency may not expend more than 24.1% Housing Fund moneys on housing for households age 65 or older.

3.4.4 Compliance with Section 33333.10 Requirements to Focus Housing Fund Expenditures

The Implementation Plan is intended for the Constituent Redevelopment Plans, as amended by the proposed Redevelopment Plan amendments. If and when the Proposed Merger No. 2 Plan Amendments are approved and adopted, then, pursuant to Section 33333.10(2), in the first fiscal year following the adoption of the Proposed Merger No. 1 Plan Amendments regarding the Fruit/Church and the Southwest Fresno Constituent Project Areas, the Agency may continue to expend moneys from the Housing Fund for Moderate Income Housing, but with certain limitations. In a Five Year Period (estimated to start in FY 2011-2012 upon adoption of the Proposed Merger No. 2 Plan Amendments in FY 2010-11 that would follow adoption of the Proposed Merger No. 2 Plan Amendments in FY 2010-11), the amount that would be expended on Moderate Income Housing shall not exceed 15% of the amount of Housing Funds deposited from the above listed Project Areas, and shall only be used to assist housing projects in which no less than 49% of the units are affordable to and occupied by Extremely Low, Very Low, or Low Income families or persons. Or, the Agency may spend the subject Housing Funds on Moderate Income Housing, but the amount shall not exceed the lesser of: the amount of Housing Funds spent on Extremely Low Income Housing, or 5% of the Housing Fund deposits during the Five Year Period.

The Five Year Period for compliance with the Section 33333.10(2) requirements regarding the expenditure of Housing Funds for Moderate Income Housing would extend beyond the Five Year Period of the Proposed Merger No 2 Implementation Plan (FY 2010-11 through FY 2014-15). Therefore the Agency's compliance with this requirement would be reported in the next Five Year Implementation Plan.

3.4.5 Meeting Housing Responsibilities For Project Areas Within Six Years of the Plan Effectiveness Date

In this Implementation Plan, both of the Constituent Project Areas in Merger No. 2 will reach their respective Plan Effectiveness Dates (2014 for Fruit/Church and 2012 for Southwest Fresno), unless they are extended as proposed in the Merger No. 2 Plan Amendments. The Implementation Plan is intended for the Constituent Redevelopment Plans, as amended by the proposed Redevelopment Plan amendments.

Should the Plan Effective Date be reached for any of the above listed Project Areas, and the Agency has not complied with its affordable housing obligations pursuant to CRL Section 3333.8(a)(1), then the Agency must use all tax increment funds, not pledged to repay indebtedness, to comply with the housing obligations that have not been met. The Agency will take all steps necessary including, without limitation, budgeting and encumbering funds as necessary to comply with CRL requirements.

It should be noted that neither of the Constituent Project Areas in Merger No. 2 will reach their time limit for Debt Repayment within the five year period of the Proposed Implementation Plan.

APPENDIX A

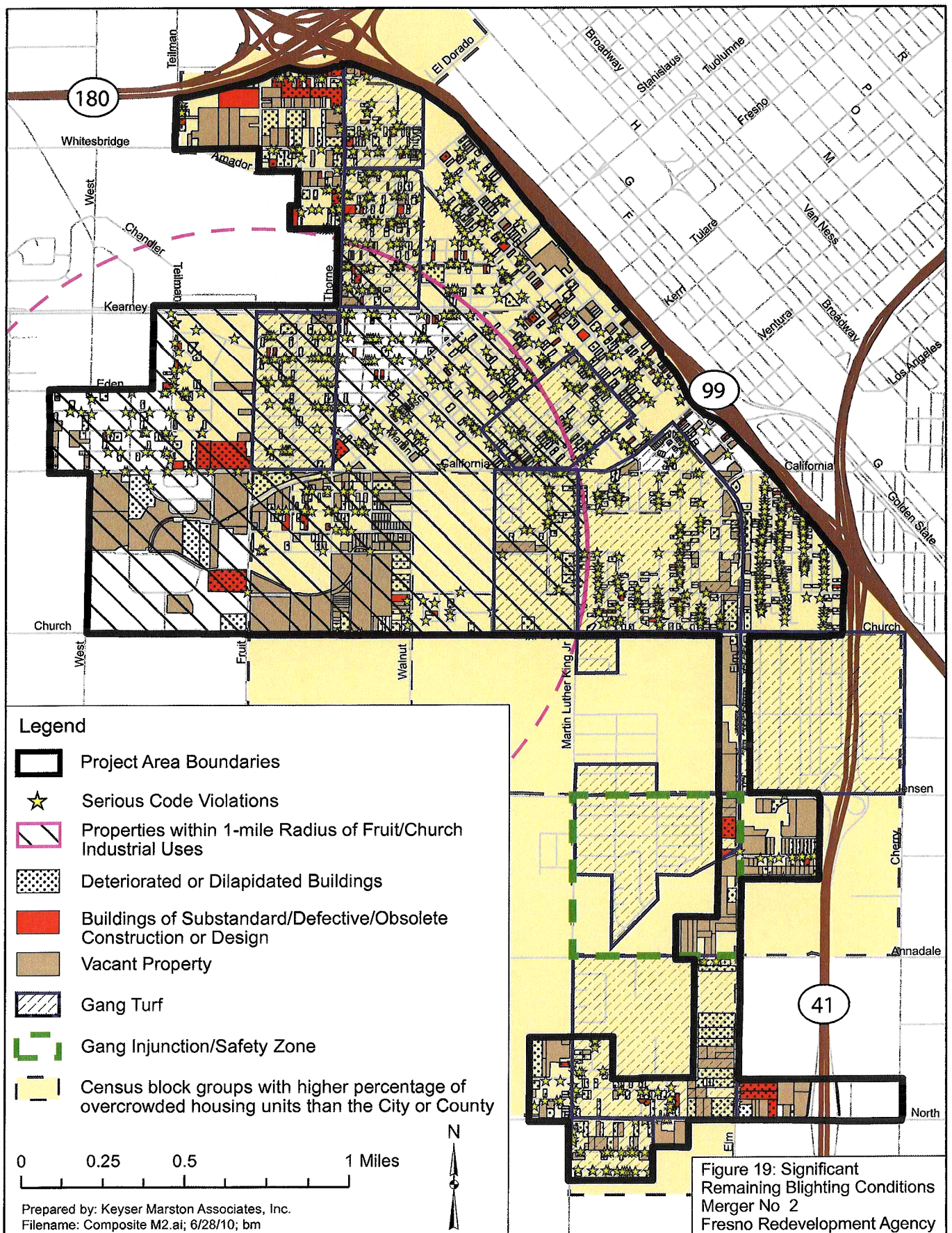
TABLE OF PROJECT AREA TIME AND FINANCIAL LIMITS AND SIGNIFICANT REMAINING BLIGHT MAP

Existing and Proposed Time and Financial Limits

	Fruit/Church	Southwest Fresno GNRA
Plan Expiration Date		
Existing	October 7, 2014	January 14, 2012
Proposed	October 7, 2024	January 14, 2022
Eminent Domain Time Limit		
Existing	December 17, 2010	December 17, 2010
Proposed*	+ 12 years**	+ 12 years**
Tax Increment Cap		
Existing	\$21,000,000	\$113,000,000
Proposed	\$52,500,000	\$226,000,000
Time Limit to Repay Debt/Receive Tax Increment		
Existing	October 7, 2024	January 14, 2022
Proposed	January 14, 2034	January 14, 2032
Maximum Bonded Indebtedness		
Existing	N/A	N/A
Proposed	--	--
Time Limit to Establish Debt		
Existing	Eliminated	Eliminated
Proposed	--	--

**The properties within the boundaries of Fruit/Church and Southwest Fresno G.N.R.A., are subject to acquisition by purchase or condemnation pursuant to the Redevelopment Plan; provided, however, the Agency shall not acquire, by eminent domain, any property in any part of the Project Area on which any persons lawfully reside. For purposes of this Plan, "property on which any persons lawfully reside" shall mean that a person lawfully lives on the property, and that the property is zoned for residential use, or that the residential use on the property is a legally non-conforming use, as defined by the City of Fresno Municipal Code.*

*** The actual time limit will be 12 years from the effective date of the ordinance adopting the amendment (thirty days after adoption). The Amendments are assumed to be adopted in December 2010*



APPENDIX B

HISTORICAL TAX INCREMENT REVENUES

Redevelopment Agency
2005-2006 Incremental Revenue and 20% Housing Set Aside

Project	Total Tax Increment	Less:				Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS
		Admin Fees	Pass Thru Amts		ERAF Payment			
			1st Install	2nd Install				
Central Business District	637,874.85	11,127.00	4,382.86	4,382.86	43,216.03	574,766.10	127,574.97	447,191.13
Fruit/Church	374,687.72	6,614.00	2,766.60	2,766.60	29,851.26	332,689.26	74,937.54	257,751.72
Mariposa	836,422.22	14,580.00	5,742.73	5,742.73	64,745.39	745,611.37	167,284.44	578,326.93
Southwest Fresno	2,503,494.30	43,424.00	17,500.18	17,500.18	176,735.88	2,248,334.06	500,698.86	1,747,635.20
West Fresno #1	202,326.09	3,574.00	1,407.70	1,407.70	17,917.80	178,018.89	40,465.22	137,553.67
West Fresno #2	869,049.47	15,484.00		0.00	45,938.32	807,627.15	173,809.89	633,817.26
West Fresno #3		0.00		0.00		0.00	0.00	0.00
Convention Center	856,476.94	15,202.00		0.00	36,576.97	804,697.97	171,295.39	633,402.58
Jefferson	694,296.03	12,206.00	5,267.95	5,267.95	12,364.81	659,189.32	138,859.21	520,330.11
Chinatown	179,859.89	3,160.00	1,669.31	1,669.31	19,266.20	154,095.07	35,971.98	118,123.09
West Fresno Rehab	40,189.70	695.00	273.64	273.64	1,819.34	37,128.08	8,037.94	29,090.14
Air Terminal	250,590.39	2,829.00	42,834.61	42,834.61	38,053.69	124,038.48	50,118.08	73,920.40
Roeding Business Park	515,018.26	7,844.00	36,262.43	36,262.43	32,561.25	402,088.15	103,003.65	299,084.50
South Van Ness	159,664.14	2,424.00	11,478.17	11,478.17	9,273.06	125,010.74	31,932.83	93,077.91
Fulton	259,436.16	3,964.00	17,927.33	17,927.33	16,183.06	203,434.44	51,887.23	151,547.21
Airport Area Revitalization	2,055,486.04	28,934.00	206,733.01	206,733.01	199,367.34	1,413,718.68	411,097.21	1,002,621.47
Southeast Fresno	1,756,953.97	24,564.00	180,871.00	180,871.00	143,625.83	1,227,022.14	351,390.79	875,631.35
South Fresno Industrial	910,021.83	12,786.00	92,166.88	92,166.88	37,064.73	675,837.34	182,004.37	493,832.97
Central City	484,999.68	7,266.00	34,503.71	34,503.71	24,887.86	383,838.40	96,999.94	286,838.46
Corridor 99/Golden State	1,182,063.50	17,901.00	85,932.85	85,932.85		992,296.80	236,412.70	755,884.10
Totals	14,768,911.18	234,578.00	747,720.96	747,720.96	949,448.82	12,089,442.44	2,953,782.24	9,135,660.20

Redevelopment Agency 2006-2007 Incremental Revenue and 20% Housing Set Aside								
Project	Total Tax Increment	Admin Fees	Less:		ERAF Payment	Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS
			Pass Thru Amts					
			1st Install	2nd Install				
Central Business District	809,568.86	11,699.00	5,578.07	5,578.07		786,713.72	161,913.77	624,799.95
Fruit/Church	421,365.34	6,151.00	3,063.14	3,063.14		409,088.06	84,273.07	324,814.99
Mariposa	1,171,238.70	17,092.00	8,071.32	8,071.32		1,138,004.06	234,247.74	903,756.32
Southwest Fresno	2,920,775.17	42,538.00	20,303.87	20,303.87		2,837,629.43	584,155.03	2,253,474.40
West Fresno #1	202,917.23	2,974.00	1,412.14	1,412.14		197,118.95	40,583.45	156,535.50
West Fresno #2	893,614.64	13,042.00		0.00		880,572.64	178,722.93	701,849.71
West Fresno #3	0.00	0.00		0.00		0.00	0.00	0.00
Convention Center	915,019.03	13,353.00		0.00		901,666.03	183,003.81	718,662.22
Jefferson	557,433.75	8,129.00	4,339.49	4,339.49		540,575.77	111,486.75	429,089.02
Chinatown	167,247.56	2,441.00	1,607.50	1,607.50		161,591.56	33,449.51	128,142.05
West Fresno Rehab	42,886.08	613.00	292.31	292.31		41,688.46	8,577.22	33,111.24
Air Terminal	136,887.68	1,998.00	25,127.90	25,127.90		84,633.88	27,377.54	57,256.34
Roeding Business Park	724,726.14	10,578.00	52,693.86	52,693.86		608,760.42	144,945.23	463,815.19
South Van Ness	226,328.29	3,234.00	15,801.21	15,801.21		191,491.87	45,265.66	146,226.21
Fulton	431,765.07	6,302.00	29,841.51	29,841.51		365,771.97	86,353.01	279,418.96
Airport Area Revitalization	2,229,560.74	32,547.00	207,472.72	207,472.72		1,782,068.30	445,912.15	1,336,156.15
Southeast Fresno	2,002,294.68	29,224.00	206,173.47	206,173.47		1,560,673.74	400,458.94	1,160,214.80
South Fresno Industrial	1,107,265.58	16,164.00	112,145.67	112,145.67		866,810.24	221,453.12	645,357.12
Central City	692,743.32	10,096.00	49,323.47	49,323.47		584,000.38	138,548.66	445,451.72
Corridor 99/Golden State	1,893,498.49	27,639.00	137,609.10	137,609.10		1,590,641.29	378,699.70	1,211,941.59
Totals	17,547,136.35	255,814.00	880,856.75	880,856.75	0.00	15,529,500.77	3,509,427.27	12,020,073.50

Redevelopment Agency
2007-2008 Incremental Revenue and 20% Housing Set Aside

Project	Total Tax Increment	Less:			Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS
		Admin Fees	Pass Thru Amts				
			1st Install	2nd Install			
Central Business District	1,099,450.63	14,554.00	7,593.00	7,593.00	1,069,710.63	219,890.13	849,820.50
Fruit/Church	507,529.59	6,770.00	3,620.64	3,620.64	493,518.31	101,505.92	392,012.39
Mariposa	1,345,069.35	17,932.00	9,276.45	9,276.45	1,308,584.45	269,013.87	1,039,570.58
Southwest Fresno	3,461,776.95	46,002.00	23,984.55	23,984.55	3,367,805.85	692,355.39	2,675,450.46
West Fresno #1	218,137.78	2,921.00	1,517.81	1,517.81	212,181.16	43,627.56	168,553.60
West Fresno #2	899,064.83	11,989.00		0.00	887,075.83	179,812.97	707,262.86
West Fresno #3	0.00	0.00		0.00	0.00	0.00	0.00
Convention Center	986,231.13	13,148.00		0.00	973,083.13	197,246.23	775,836.90
Jefferson	698,870.84	9,308.00	5,346.56	5,346.56	678,869.72	139,774.17	539,095.55
Chinatown	135,059.33	1,801.00	1,409.35	1,409.35	130,439.63	27,011.87	103,427.76
West Fresno Rehab	62,532.45	822.00	428.69	428.69	60,853.07	12,506.49	48,346.58
Air Terminal/FATRA	216,328.32	2,884.00	37,886.97	37,886.97	137,670.38	43,265.66	94,404.72
Roeding Business Park	1,050,810.88	14,014.00	75,689.29	75,689.29	885,418.30	210,162.18	675,256.12
South Van Ness	368,569.73	4,750.00	25,064.73	25,064.73	313,690.27	73,713.95	239,976.32
Fulton	488,930.00	6,521.00	33,709.30	33,709.30	414,990.40	97,786.00	317,204.40
Airport Area Revitalization	2,342,988.49	31,254.00	234,230.06	234,242.33	1,843,262.10	468,597.70	1,374,664.40
Southeast Fresno	2,427,773.28	32,377.00	261,780.90	261,780.90	1,871,834.48	485,554.66	1,386,279.82
South Fresno Industrial	1,388,986.90	18,529.00	138,866.15	138,866.15	1,092,725.60	277,797.38	814,928.22
Central City	906,966.48	12,177.00	61,937.62	63,694.00	769,157.86	181,393.30	587,764.56
Corridor 99/Golden State	2,496,785.95	33,302.00	176,399.48	176,410.76	2,110,673.71	499,357.19	1,611,316.52
Totals	21,101,862.91	281,055.00	1,098,741.55	1,100,521.48	18,621,544.88	4,220,372.58	14,401,172.30

Redevelopment Agency
2008-2009 Incremental Revenue and 20% Housing Set Aside

Project	Total Tax Increment	Less:				ERAF Reserve	Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS
		Fees		Pass Thru Amts					
		AB 1389	Admin	1st Install	2nd Install				
Central Business District	867,458.00	351.50	13,139.00	6,000.12	6,000.12		841,967.26	173,491.60	668,475.66
Fruit/Church	494,937.76	210.90	7,854.00	3,682.37	3,682.37		479,508.12	98,987.55	380,520.57
Mariposa	1,280,590.90	210.90	19,536.00	8,835.98	8,835.98		1,243,172.04	256,118.18	987,053.86
Southwest Fresno	3,534,678.34	242.54	54,284.00	24,769.05	24,769.05		3,430,613.70	706,935.67	2,723,678.03
West Fresno #1	233,857.43	140.60	3,580.00	1,628.20	1,628.20		226,880.43	46,771.49	180,108.94
West Fresno #2	959,755.57	140.60	14,621.00	0.00	0.00		944,993.97	191,951.11	753,042.86
West Fresno #3	0.00	14.06	0.00	0.00	0.00		(14.06)	0.00	(14.06)
Convention Center	998,862.23	246.05	15,227.00	0.00	0.00		983,389.18	199,772.45	783,616.73
Jefferson	664,581.78	281.20	10,039.00	5,145.36	5,145.36		643,970.86	132,916.36	511,054.50
Chinatown	126,913.33	210.90	1,836.00	1,375.88	1,375.88		122,114.67	25,382.67	96,732.00
West Fresno Rehab	69,832.77	281.20	1,053.00	480.87	480.87		67,536.83	13,966.55	53,570.28
Air Terminal/FATRA	444,332.25	210.90	6,752.00	74,261.50	74,261.50		288,846.35	88,866.45	199,979.90
Roeding Business Park	1,058,459.84	316.35	16,190.00	78,253.20	78,253.20		885,447.09	211,691.97	673,755.12
South Van Ness	456,902.82	210.90	6,893.00	31,518.77	31,518.77		386,761.38	91,380.56	295,380.82
Fulton	445,848.21	281.20	6,802.00	30,815.58	30,815.58		377,133.85	89,169.64	287,964.21
Airport Area Revitalization	2,224,121.30	210.90	34,514.00	222,437.52	222,437.52		1,744,521.36	444,824.26	1,299,697.10
Southeast Fresno	2,903,412.53	351.50	44,321.00	290,713.47	290,713.47		2,277,313.09	580,682.51	1,696,630.58
South Fresno Industrial	1,630,618.72	281.20	25,648.00	163,372.17	163,372.17		1,277,945.18	326,123.74	951,821.44
Central City	1,009,807.03	246.05	15,525.00	69,980.74	69,980.74		854,074.50	201,961.41	652,113.09
Corridor 99/Golden State	2,738,952.82	281.20	42,119.00	193,184.95	193,184.95		2,310,182.72	547,790.56	1,762,392.16
Totals	22,143,923.63	4,720.65	339,933.00	1,206,455.73	1,206,455.73	0.00	19,386,358.52	4,428,784.73	14,957,573.79

Redevelopment Agency
2009-2010 Incremental Revenue and 20% Housing Set Aside - Estimated

Project	Estimated Total Tax Increment	Less:				Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS	
		Fees		Pass Thru Amts					SERAF Payment
		AB 1389	Admin	1st Install	2nd Install				
Central Business District	911,412.44	35.56	12,313.00	66,903.23	66,903.23	310,786.86	454,470.56	182,282.49	272,188.07
Fruit/Church	543,525.46	35.56	7,410.00	17,108.19	17,108.19	161,758.70	340,104.82	108,705.09	231,399.73
Mariposa	1,195,826.62	35.56	17,010.00	44,429.07	44,429.07	449,628.95	640,293.97	239,165.32	401,128.65
Southwest Fresno	3,116,891.36	35.56	52,950.00	119,607.36	119,607.36	1,121,261.68	1,703,429.40	623,378.27	1,080,051.13
West Fresno #1	236,435.84	35.56	3,330.00	6,185.17	6,185.17	77,898.26	142,801.68	47,287.17	95,514.51
West Fresno #2	980,758.48	35.56	13,681.00	9,914.87	9,914.87	343,051.34	604,160.84	196,151.70	408,009.14
West Fresno #3	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Convention Center	1,023,132.90	35.56	14,228.00	41,846.13	41,846.13	351,268.31	573,908.77	204,626.58	369,282.19
Jefferson	558,748.02	35.56	9,447.00	18,662.59	18,662.59	213,994.25	297,946.03	111,749.60	186,196.43
Chinatown	128,774.42	35.56	2,807.00	1,420.34	1,420.34	64,204.97	58,886.21	25,754.88	33,131.33
West Fresno Rehab	71,616.70	35.56		3,837.12	3,837.12	16,463.62	47,443.28	14,323.34	33,119.94
Alr Terminal/FATRA	235,720.74	59.02	6,645.00	41,457.71	41,457.71	52,550.06	93,551.24	47,144.15	46,407.09
Roeding Business Park	895,184.30	59.02	15,810.00	84,650.05	84,650.05	278,216.43	431,798.75	179,036.86	252,761.89
South Van Ness	544,402.52	35.56	6,492.00	38,818.69	38,818.69	86,885.58	373,352.00	108,880.50	264,471.50
Fulton	590,271.22	59.02	6,344.00	52,881.45	52,881.45	165,751.08	312,354.22	118,054.24	194,299.98
Airport Area Revitalization	2,695,249.06	59.02	33,345.00	269,549.51	269,549.51	855,910.12	1,266,835.90	539,049.81	727,786.09
Southeast Fresno	3,024,016.96	59.02	43,478.00	302,419.82	302,419.82	768,664.54	1,606,975.76	604,803.39	1,002,172.37
South Fresno Industrial	1,770,279.80	59.02	24,405.00	177,027.97	177,027.97	425,070.19	966,689.65	354,055.96	612,633.69
Central City	1,085,151.46	35.56	15,105.00	75,316.53	75,316.53	265,938.49	653,439.35	217,030.29	436,409.06
Corridor 99/Golden State	2,445,312.18	59.02	40,973.00	172,784.95	172,784.95	726,898.57	1,331,811.69	489,062.44	842,749.25
Totals	22,052,710.48	839.86	325,773.00	1,544,820.75	1,544,820.75	6,736,202.00	11,900,254.12	4,410,542.10	7,489,712.02

APPENDIX C
HOUSING PROPORTIONALITY TABLES

ATTACHMENT B

May 2010

PROPORTIONALITY OF LOW MOD FUND EXPENDITURES

TOTALS FY 2001-02 THRU 2009-10*

	VL	L	Mod	TOTALS
FY 2001-02				
Subtotal of Units Benefitted by Income	137	51	22	210
Percentage of Units Benefitted by Income	65%	24%	11%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2002-03				
Subtotal of Units Benefitted by Income	92	97	102	291
Percentage of Units Benefitted by Income	32%	33%	35%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2003-04				
Subtotal of Units Benefitted by Income	180	215	93	488
Percentage of Units Benefitted by Income	37%	44%	19%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2004-05				
Subtotal of Units Benefitted by Income	41	43	30	114
Percentage of Units Benefitted by Income	36%	38%	26%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2005-06				
Subtotal of Units Benefitted by Income	33	35	21	89
Percentage of Units Benefitted by Income	37%	39%	24%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2006-07				
Subtotal of Units Benefitted by Income	70	94	34	198
Percentage of Units Benefitted by Income	36%	47%	17%	100%
RHNA Percentage by Income**	21%	15%	20%	
FY 2007-08				
Subtotal of Units Benefitted by Income	107	39	21	167
Percentage of Units Benefitted by Income	64%	23%	13%	100%
RHNA Percentage by Income***	24%	16%	16%	
FY 2008-09				
Subtotal of Units Benefitted by Income	30	25	20	75
Percentage of Units Benefitted by Income	40%	33%	27%	100%
RHNA Percentage by Income***	24%	16%	16%	
FY 2009-10*				
Subtotal of Units Benefitted by Income	22	35	13	70
Percentage of Units Benefitted by Income	31%	50%	19%	100%
RHNA Percentage by Income***	24%	16%	16%	
TOTALS				
Subtotal of Units Benefitted by Income	712	634	356	1,702
Percentage of Units Benefitted by Income	42%	37%	21%	100%
RHNA Percentage by Income***	24%	16%	16%	
*Data for FY 2009-10 is partial year thru March 31, 2010				
**Regional Housing Needs Allocation (RHNP) Percentages from 2001 Fresno County Regional Housing Needs Allocation Plan				
***Regional Housing Needs Allocation (RHNP) Percentages from 2007 Fresno County Regional Housing Needs Allocation Plan				

APPENDIX D

PUBLIC NOTICE AND LOCATION MAP

NOTICE OF PUBLIC HEARING

As required by state law, the Redevelopment Agency of the City of Fresno ("Agency") is proposing a updated Five-Year Redevelopment Implementation Plan for Two (2) Project Areas in the Merger No. 2 Area. The Agency is holding a public meeting and a public hearing to review and evaluate the proposed updated implementation plan, and to receive testimony from interested parties.

The proposed updated implementation plan will cover the Agency goals and objectives for the Two (2) project areas over the next five years, and the redevelopment programs and projects planned to achieve the goals and objectives. It will also describe anticipated programs and projects, estimated expenditures, and explain how the goals, objectives, programs, and expenditures will help eliminate blight in the project areas, and carry out the Agency's low and moderate income housing responsibilities.

Project areas addressed by the Implementation Plan include the Fruit/Church and Southwest Fresno General Neighborhood Renewal Area (the "Constituent Project Areas").

The Agency will hold one public meeting and one public hearing to review and evaluate the proposed updated implementation plans, and to receive testimony of all interested parties. The public meeting and the public hearing will be at the following times and places:

Housing and Community Development Commission Meeting

City Hall - 2600 Fresno Street
Second Floor, Council Chambers
Wednesday, November 10, 2010, at 5:00 P.M.

Redevelopment Agency Hearing

City Hall - 2600 Fresno Street
Second Floor, Council Chambers
Thursday, December 2, 2010, at 10:00 A.M.

The proposed Five-Year Implementation Plans will be available for review by November 5, 2010, in the City Clerk's Office at City Hall, 2600 Fresno Street, Fresno, California 93721; Fresno County Library Main Branch Reference Desk at 2420 Mariposa Street in downtown Fresno; Fresno County Library West Fresno Branch at 188 E. California Avenue, Fresno, California 93706; and Redevelopment Agency Office at 2344 Tulare Street, Suite 200, or the Redevelopment Agency's website www.fresnorda.com.

If you challenge the proposed action in court, you may be limited to raising only those issues that you raised at the public hearing, or in written correspondence delivered to the Fresno Redevelopment Agency at or before the public hearing.

If you have questions, you may call Jeff Findley or Jerry Freeman at (559) 621-7600.

Publish:
Fresno Bee

October 31, November 7, and November 14, 2010

