

Redevelopment Agency of the City of Fresno

**REPLACEMENT HOUSING PLAN
FOR FIVE SITES WHICH INCLUDE 1733
AND 1737 E. BELMONT AVENUE, 161 N.
CLARK STREET, 329 N. COLLEGE
AVENUE, 864 KLETTE AVENUE, AND 3745
E. EL MONTE WAY, LOCATED WITHIN
AND ADJACENT TO THE
REDEVELOPMENT PROJECT AREAS**

January 2012

**REPLACEMENT HOUSING PLAN
FOR FIVE SITES WHICH INCLUDE 1733 AND 1737 E. BELMONT
AVENUE, 161 N. CLARK STREET, 329 N. COLLEGE AVENUE, 864
KLETTE AVENUE, AND 3745 E. EL MONTE WAY, LOCATED WITHIN
AND ADJACENT TO THE REDEVELOPMENT PROJECT AREAS**

1. INTRODUCTION

The Redevelopment Agency of the City of Fresno (“Agency”) has acquired property containing existing dwelling units, and has been proceeding with site preparation and blight removal activities in order to attract new investments to 5 sites (the “Development Sites” or “Sites”) where 4 sites are located within Redevelopment Project Areas, and one site is located immediately adjacent to a Redevelopment Project Area. The Development Sites include: Site No. 1 - Two properties located at 1733 and 1737 E. Belmont Avenue in the Central City Commercial Revitalization Redevelopment Project Area; Site No. 2 - A property located at 161 N. Clark Avenue in the Jefferson Redevelopment Project Area; Site No. 3 - A property located at 329 N. College Avenue in the Freeway 99-Golden State Boulevard Revitalization Redevelopment Project Area; Site No. 4 - A property at 864 Klette Avenue in the Southwest Fresno GNRA Redevelopment Project Area, and Site No. 5 - A property at 3745 E. El Monte Way located immediately adjacent to the Southeast Fresno Revitalization Redevelopment Project Area.

California Redevelopment Law (Health and Safety Code, Section 33000 et seq.) (the “CRL”), Section 33413.5 requires a redevelopment agency to adopt a replacement housing plan (“Plan”) by resolution, not less than 30 days before executing any agreement that will lead to destroying or removing dwelling units from the low and moderate income housing market. Agreements include, for example, any agreement to acquire real property, to dispose and develop property, or an owner participation agreement. However, for dwelling units owned by the agency, where there is an immediate danger to health and safety, the Agency may proceed with destroying or removing such dwelling units, and adopt a replacement housing plan, as soon as practicable.

This Plan identifies the impact that the blight removal and site clearance activities for the proposed Projects as defined below, will have on the community’s supply of low and moderate income housing. It also explains how the Agency has ensured and will ensure that when dwelling units are destroyed or removed from the low and moderate income housing market, appropriate replacement housing will be produced within the four-year time limit. CRL Section 33413(a) requires an agency to replace or cause the replacement of dwelling units, which house persons and families of low or moderate income, and are destroyed or removed from the low and moderate income housing market, as part of a redevelopment project subject to a written agreement with the agency, or where the agency provided financial assistance. The replacement must occur within four years after the dwelling unit is destroyed or removed from the market.

The Plan must include, for the replacement housing units, the general location of the replacement units, how the units will be financed, the number of units planned, and the timetable for meeting the housing objectives. It must also include a finding that voter approval is not required under Article XXXIV of the State Constitution, or that the voters’ approval has been obtained.

Replacement units must equal in number, and must have bedrooms equal to or greater in number than, the dwelling units destroyed or removed. An agency, in certain circumstances, may replace destroyed or removed dwelling units with fewer replacement dwelling units if the total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the

destroyed or removed units, and if the replacement units are affordable to and occupied by the same income level of households as the destroyed or removed units.

The agency may replace or cause the replacement of the removed units by rehabilitating, developing, or constructing units. Replacement units may be for rent or sale to persons and families of low to moderate income. Replacement units may be within the same redevelopment project area from which units are removed, or within the territorial jurisdiction of the agency.

One hundred percent of the replacement dwelling units shall be available at an affordable housing cost to persons in the same or a lower income category (extremely low, very low, low, moderate) as the persons displaced from the destroyed or removed units. The Agency must require that the replacement units remain available at affordable housing costs to, and remain occupied by, persons and families of extremely low, very low, low, and moderate income households, 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.

The term "persons and families of low or moderate income" includes extremely low income households, very low income households, low income households, and moderate income households. CRL Section 50106 defines "extremely low income households" as persons and families whose incomes do not exceed 30 percent of median income adjusted for family size. CRL Section 50105 defines "very low income households" as persons and families whose incomes do not exceed 50 percent of area median income adjusted for family size. CRL Section 50079.5 defines "low income household" as persons and families whose incomes do not exceed 80 percent of area median income adjusted for family size. CRL Section 50093 defines "persons and families of low income as persons and families whose incomes do not exceed 120 percent of area median income adjusted for size.

2. THE PROJECTS

Site No. 1 - 1733 and 1737 E. Belmont, Central City Commercial Revitalization Project Area

On March 3, 2011, the Agency approved a Memorandum of Understanding (MOU) with Mathews Harley-Davidson, Inc., to assist in the retention and expansion of their dealership operation located at 548 North Blackstone Avenue, at a critical intersection near Blackstone, Abby, Belmont Avenues and the 180 Freeway On/Off ramp. Also on March 3, 2011, the Agency authorized the acquisition of properties which included the existing dwelling units at 1733 (APN 452-301-27) and 1737 E. Belmont (APN 452-301-26). On March 16, 2011, the Agency acquired a 0.17 acre parcel at 1727 E. Belmont Avenue which contained a vacant, 3-bedroom, Low Income dwelling unit. On March 22, 2011, the Agency acquired a 0.18 acre parcel at 1737 E. Belmont Avenue which contained a vacant, 2-bedroom, Very Low Income dwelling unit. The properties and the sites were cleared to further the Redevelopment Plan's goals and objectives for the removal of blight, and in conjunction with ongoing efforts to enhance the Blackstone Corridor's image and support other private and public revitalization efforts such as the retention and expansion of Mathews Harley-Davidson, Inc. The vacant buildings were boarded-up and the subject of vandalism, extensive calls for public safety services, and numerous code enforcement actions. On March 7, 2011, the Agency awarded a contract for the site clearance of the two properties demolition of the structure. Site clearance was completed on November 28, 2011.

Site No. 2 - 161 N. Clark Street, Jefferson Project Area

In January 2006, the Agency acquired a 0.17 acre parcel at 161 N. Clark Street which contained a 6-unit (6 bedrooms) apartment complex. The property is located in the Jefferson Redevelopment Project and was acquired as part of the land assembly for development of the Regional Medical Center Project on a phased basis. The property has been vacant and boarded-up since 2006.

Pursuant to the Development Agreement between the Agency and the Regional Medical Center, the site is proposed to be redeveloped for a use compatible with the Regional Medical Center Project. Discussions in 2010 with the Developer had indicated that a possible re-use and rehabilitation of the apartments would not involve a low and moderate income housing use of the property. The property contains 6 vacant, Very Low Income dwelling units which have not been demolished, but were removed from the low and moderate income housing market on June 15, 2010, in order to allow alternative re-uses of the site involving rehabilitation for housing, mixed commercial and housing uses, or clearance of the Site to allow development compatible with the Regional Medical Center Complex.

Site No. 3 - 329 College Avenue, Freeway 99-Golden State Boulevard Corridor Project Area

On February 16, 2010, the Agency acquired the 0.17 acre parcel at 329 College Avenue within the Freeway 99-Golden State Boulevard Corridor Project Area with the intent to remove blight as is consistent with the Freeway 99-Golden State Corridor Redevelopment Area Plan. The Site contains a vacant Four-plex apartment building with 4 Low Income dwelling units. The vacant buildings were boarded-up and the subject of vandalism, extensive calls for public safety services, and numerous code enforcement actions. On November 1, 2011, the Agency initiated the site clearance preparation activities for demolition of the existing vacant multi-family structure and clearance of the site to allow for future housing to be developed consistent with the Fulton Lowell Specific Plan and compatible with the neighborhood environment, thus removing the existing 4 dwelling units (4 bedrooms) from the low and moderate income housing market. On December 15, 2011, the Agency Board awarded a contract for the demolition of the structure.

Site No. 4 - 864 Klette Avenue, Southwest Fresno GNRA Project Area

On June 30, 2008, the Agency acquired a 0.17 acre parcel at 864 Klette Avenue which contained a vacant, 4-bedroom, single family, Low Income dwelling unit within the Southwest Fresno GNRA Redevelopment Project Area. The property was acquired in order to complete assembly of a 3.3 acre site for a possible future mixed use project. The acquisition furthered the Redevelopment Plan's goals and objectives for the removal of blight, to increase the area's potential attraction of new investments, to improve the area's image, and provide mixed uses of high quality affordable market rate housing and new commercial retail uses to the surrounding neighborhoods. The vacant building was boarded-up and the subject of vandalism. On March 3, 2011, the Agency Board awarded a contract for the demolition of the structure. Site clearance was completed with the demolition of the structure on July 27, 2011, resulting in the removal of the existing dwelling unit (4 bedrooms) from the low and moderate income housing market.

Site No. 5 - 3745 E. El Monte Way, Adjacent to the Southeast Fresno Project Area

The Agency and the City have been proceeding with the land assembly and site clearance process for the 8th and Ventura Mixed-Use Affordable Residential/Commercial Project. The Agency has taken the lead in the site clearance phase and has provided for the demolition of the vacant, 2-bedroom, single family, Low Income dwelling unit at 3743 E. El Monte Way, as well as the former FUSD Maintenance Yard (Building "G") at the adjacent 717 S. 7th Street location. The site clearance activities have furthered the Redevelopment Plan's goals and objectives for the removal of blight, to increase the area's potential attraction of new investments, to improve the area's image, and provide mixed uses of high quality affordable housing and new commercial retail uses to the surrounding neighborhoods. On November 18, 2010 the Agency Board awarded a contract for the demolition and site clearance of the subject residential and adjacent former FUSD Maintenance Yard site. The vacant residential building was boarded-up and the subject of vandalism and calls for public safety services. Site clearance was completed with the demolition of the residential structure on April 15, 2011, resulting in the removal of the existing dwelling unit (2 bedrooms) from the low and moderate income housing market.

3. DESCRIPTION OF DWELLING UNITS THAT MAY BE DESTROYED OR REMOVED FROM THE LOW TO MODERATE INCOME HOUSING MARKET

The Projects will result in the demolition and/or removal from the low and moderate income housing market of 14 existing dwelling units (21 bedrooms), as shown in the following Table 1, Replacement Housing Obligations. The Table shows, for each of the Projects, the income categories for each of the 21 bedrooms to be demolished or removed, the date the units were demolished or removed from the low and moderate income market, and the replacement date within four years of its demolition or removal.

TABLE 1 REPLACEMENT HOUSING OBLIGATIONS								
PROJECT LOCATION	Dwelling Units	Bedrooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Date Removed/ Destroyed	Replacement Due Date (4 Yrs)
1733 E. Belmont	1	3			3		11/28/2011	11/28/2015
1737 E. Belmont	1	2		2			11/28/2011	11/28/2015
161 N. Clark	6	6		6			6/15/2010	6/15/2014
329 N. College	4	4			4		7/01/2011	7/01/2015
864 Klette	1	4			4		7/27/2011	7/27/2015
3745 E. El Monte Way	1	2			2		4/15/2011	4/15/2015
TOTAL	14	21		8	13			
REDEVELOPMENT AGENCY REPLACEMENT HOUSING OBLIGATIONS FOR 21 TOTAL BEDROOMS CONSISTING OF 8 VL BEDROOMS AND 13 LOW BEDROOMS WITHIN 4 YEARS OF DESTRUCTION OR REMOVAL								

4. REPLACEMENT HOUSING REQUIREMENTS, AND INTENDED REPLACEMENT HOUSING UNITS

The term "replacement dwelling unit" means a dwelling unit that is (a) rehabilitated, developed or constructed pursuant to CRL Section 33413 in replacement of a dwelling unit destroyed or removed from the low and moderate income housing market as part of a redevelopment project that is subject to a written agreement with the Agency or where the Agency provides financial assistance, and (b) is decent, safe and sanitary and contains at least the same number of bedrooms and other living areas as the dwelling unit destroyed or removed by Agency activities. CRL Section 33413(a) requires that 100 percent of the replacement units replace dwelling units available at affordable housing costs in the same income level of the very low income households, lower income households, and persons and families of low or moderate income households, and

persons and families of low or moderate income as the persons to be displaced from the destroyed or removed units. Following, in Table 3, Replacement Housing Resources Provided is information that describes the dwelling unit(s) provided to meet the Agency's replacement housing requirements. Any dwelling unit(s) exceeding replacement requirements will be available to help the Agency meet its inclusionary housing requirements.

In the following Table 2, FY 2011 Income Limits, is information that reflects the applicable income limits for the calendar year 2011 for the "extremely-low" (30%), "very-low" (50%), "low" (80%), and "moderate"(120%) income categories as established by the State Housing and Community Development Department for Fresno County, California. The Table illustrates the income categories for each household.

TABLE 2 FY 2011 INCOME LIMITS Fresno, CA MSA									
Income Category	AMI %	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Extremely Low Income	30%	12,050	13,750	15,450	17,150	18,550	19,900	21,300	22,650
Very Low	50%	20,050	22,900	25,750	28,600	30,900	33,200	35,500	37,800
Low Income	80%	32,050	36,600	41,200	45,750	49,450	53,100	56,750	60,400
Moderate Income	120%	48,050	54,900	61,800	68,650	74,150	79,650	85,150	90,600

A redevelopment agency may construct, rehabilitate, or acquire and rehabilitate dwelling units to create replacement units for low and moderate income persons and households. Or, it may cause the creation of replacement dwelling units through the same methods for low and moderate income persons and households. As shown in Table 3, the Agency has met its replacement housing requirements on a bedroom-for-bedroom basis, where each bedroom from a replacement dwelling unit (Table 1) is in the same or lower income level from that of each bedroom that has been destroyed or removed from the low and moderate income market. The replacement housing resource utilized has been from extremely low income and very-low income households from dwelling units in the Parc Grove Common II housing project, described further in the following.

The replacement housing in the Plan consists of the Parc Grove Commons II Affordable Housing Project (PGC Project), a rental housing project that involves the replacement of 200 public housing units that were demolished by the Housing Authority. The PGC Project is located on the Southeast corner of Clinton Avenue and Fresno Street, which is outside of the nearby Central City Commercial Revitalization Redevelopment Project Area, but within the jurisdiction of the Agency. On October 29, 2009 the Agency Board approved a Development Agreement with the Housing Authority where the Agency would receive 55 year restrictions on 16 units to assist the Agency in meeting its replacement and inclusionary housing obligations. On December 13, 2011, an Amendment to Declaration Restrictions was recorded for the 16 residential units (9 Extremely Low Income Units with 20 bedrooms; 7 Very Low Income Units with 18 bedrooms) to be used as Affordable Rental Housing and affordable replacement dwellings pursuant to the Development Agreement.

The PGC Project is a multi-phase affordable housing project which will replace the former, 200 unit, low-income Funston Place Public Housing Project that contained units built between 1945 and

1952, that were demolished and removed from the 25 acre site by the Fresno Housing Authority. The Fresno Housing Authority and Better Opportunities Builder, Inc., proposed to construct 464 units of affordable housing on the 25 acre site, of which 200 units were to be public housing replacement units (500 bedrooms).

TABLE 3 REPLACEMENT HOUSING RESOURCES PROVIDED								
PROJECT & LOCATION	Dwelling Units	Bedrooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Date Covenants Recorded	Duration of Covenants
Parc Grove Commons II SE Corner of Clinton & Angus Sts.	9	20	20				12/13/2011	55 Years
	4	12		12				
	3	6		6				
TOTAL	16	38	20	18				
<p>REDEVELOPMENT AGENCY REPLACEMENT HOUSING OBLIGATIONS FROM TABLE 1 FOR 21 TOTAL BEDROOMS CONSISTING OF 8 VL BEDROOMS AND 13 LOW BEDROOMS ARE MET WITH 1 VL BEDROOM AND 20 EL BEDROOMS FROM PARC GROVE REPLACEMENT HOUSING RESOURCE, WITHIN 4 YEARS OF REMOVAL OR DESTRUCTION.</p> <p>NOTE: REPLACEMENT HOUSING OBLIGATIONS ARE REQUIRED TO BE MET ON A BEROOM-BY-BEDROOM BASIS AND MAY BE PROVIDED BY THE SAME INCOME CATEGORY OR A LESSER INCOME CATEGORY THAN THE UNITS REMOVED OR DESTROYED.</p>								

5. FINANCING FOR REPLACEMENT DWELLING UNITS

The Agency, as the Law requires, sets aside 20 percent of all tax increment funds it receives and places the funds into the Low and Moderate Income Housing Fund (the Housing Fund). The replacement units provided under this Plan were funded in whole or in part from the Housing Fund, through a \$500,000 loan made by the Agency to the Housing Authority to assist the Housing Authority in the development of the PGC Project pursuant to the Development Agreement.

6. NON-APPLICABILITY OF ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

None of the replacement housing proposed or anticipated under this Plan are, or will be "low rent housing projects" as described in Article XXXIV, and Section 37001 (b) of the California Health and Safety Code. Article XXXIV, requires voter approval for certain low rent housing projects, developed, constructed, or acquired in any manner by any state public body. The Agency is a state public body. Under Health & Safety Code Section 37001, however, the term "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, does not apply to any development composed of urban or rural dwellings, apartments, or other living accommodations, which meets any one of the subparagraphs listed in Section 37001.

Under Health & Safety Code Section 37001(f), development activities consisting of the rehabilitation, reconstruction, improvement to, or replacement of existing low-rent housing projects is excluded from Article XXXIV's purview. Health & Safety Code Section 37001(g) likewise

excludes from the definition of “low-rent housing project” the acquisition or improvement of a rental housing development that was the subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households, and maintains or enters a contract for federal or state public assistance for the same purpose. Since, the PGC Project that contains rental replacement housing falls within subparagraph (f) of Section 37001, the rental replacement housing portion does not constitute a “low rent housing project” under, and no voter approval is required pursuant to, Article XXXIV of the California Constitution.

7. TIMETABLE FOR IMPLEMENTING THIS REPLACEMENT PLAN

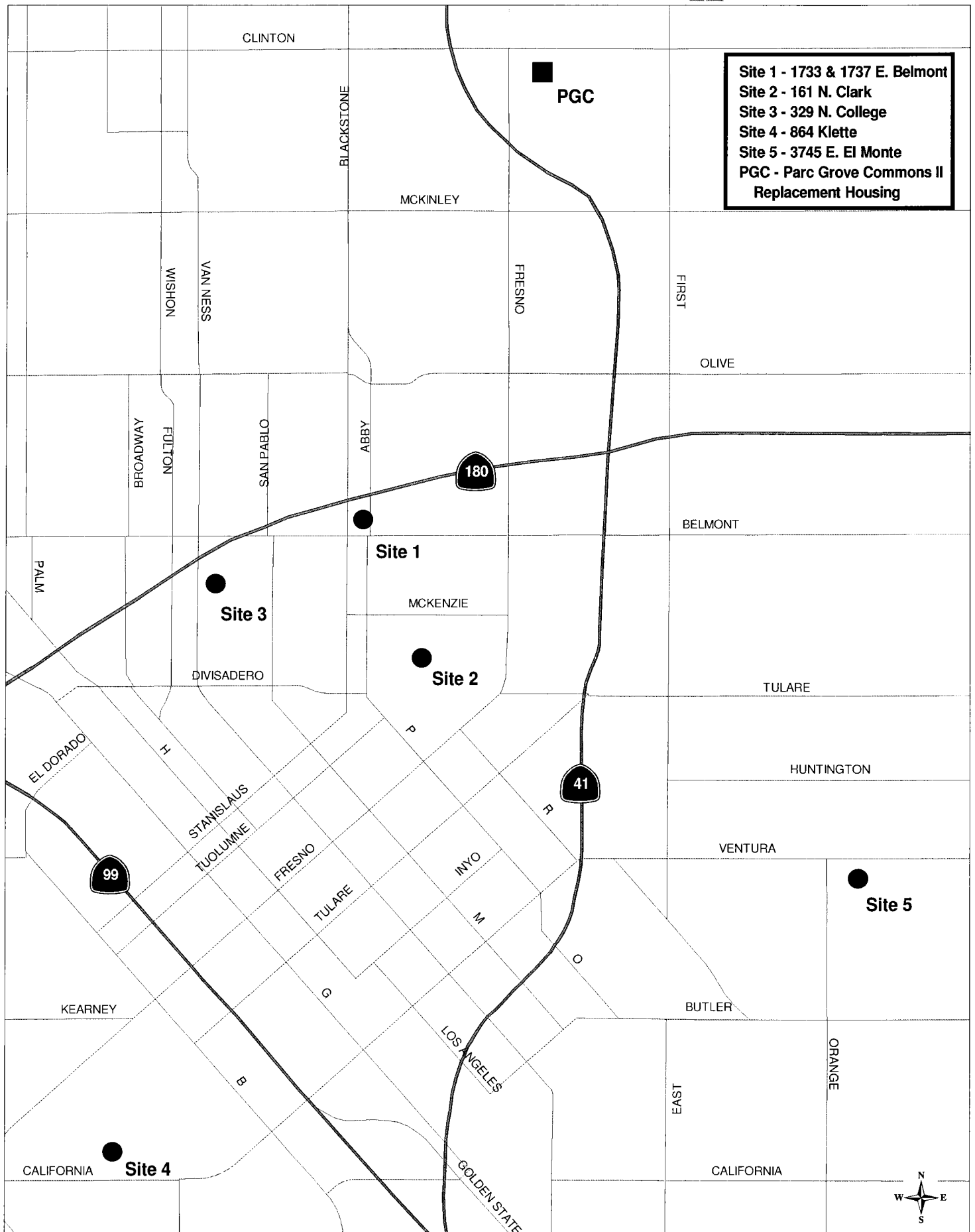
As shown in Tables 1 and 3, the Agency, as required by the CRL, has met the Replacement Housing Obligations in this Replacement Housing Plan, of 14 Total Housing Units (21 Total Bedrooms), consisting of 8 Very Low Income Bedrooms and 13 Low Income Bedrooms with 1 Very Low Income Bedroom and 20 Extremely Low Income Bedrooms from the PARC GROVE Commons II Replacement Housing Resource, within 4 years of removal or destruction.

8. PROVISION FOR PUBLIC REVIEW AND COMMENT

As the Law requires, the Agency made a draft of this Replacement Housing Plan available for public review and comment, including review and comment by other public entities, and the general public. A notice of the public meetings for reviewing the Replacement Housing Plan, and its availability for review, was published in *The Fresno Bee* on January 12, 2012 and a copy is attached.

Attachments: Location Map
Public Notice

Replacement Housing Plan Location Map - Attachment A



PUBLIC NOTICE

NOTICE IS HEREBY GIVEN of the following meetings to consider the approval of a Replacement Housing Plan for five sites (the "Development Sites" or "sites") where four sites include 1733 and 1737 E. Belmont Avenue in the Central City Commercial Revitalization Redevelopment Project Area, 161 N. Clark Street in the Jefferson Redevelopment Project Area, 329 N. College Avenue in the Freeway 99-Golden State Boulevard Revitalization Redevelopment Project Area, 864 Klette Avenue in the Southwest Fresno Redevelopment Project Area, and one site 3745 E. El Monte Way, is located immediately adjacent to the Southeast Fresno Revitalization Redevelopment Project Area. Before entering into or executing certain agreements for redevelopment, the Agency is required to adopt a Replacement Housing Plan by resolution if the proposed redevelopment project will lead to the destruction or removal of dwelling units from the low and moderate income housing market. Where there is an immediate danger to health and safety, the Agency may proceed with destroying or removing such dwelling units, and adopt a replacement housing plan, as soon as practicable. A Replacement Housing Plan has been prepared to identify the location, the financing for, and the number of replacement units. The plan details the measures that the Agency will take to ensure that the appropriate replacement housing is produced within the four year time limit. Listed below are the scheduled meetings regarding this matter:

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

DATE: Wednesday, January 25, 2012
TIME: 5:00 PM
PLACE: Meeting Room "A"
2600 Fresno Street
Fresno City Hall, Second Floor

REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

DATE: Thursday, January 26, 2012
TIME: 10:00 AM
PLACE: City Council Chambers
Fresno City Hall, Second Floor
2600 Fresno Street

At the above meetings, the Commission and the Agency Board will receive public testimony regarding the proposed Replacement Housing Plan that addresses replacement housing for the units that are proposed for removal or replacement involving 14 housing units and 21 bedrooms in the 5 sites described above. All interested parties are invited and encouraged to attend said meeting and express their opinions for or against this item.

Comments may be mailed in advance of the above meetings to Jerry Freeman, Fresno Redevelopment Agency, 2344 Tulare Street, Suite 200, Fresno, CA 93721. A copy of the proposed Replacement Housing Plan is available for public inspection and copying, at the office of the City Clerk at 2600 Fresno Street, 2nd Floor, during City Hall office hours. This information is also available at the Fresno County Library, 2420 Mariposa Street and the Redevelopment Agency Website at www.fresnorda.com. Questions should be directed to Jerry Freeman at (559) 621-7600.

If you challenge the item listed above in court, you may be limited to raising only those issues you or someone else raised at the public meetings described in this notice, or in a written correspondence delivered to the Redevelopment Agency at, or prior to, the public meeting. Furthermore, you must exhaust any administrative remedies prior to commencing a court challenge to the Redevelopment Agency's action.

Dated: January 7, 2012

By: MARLENE MURPHEY
Executive Director

Publish: January 12, 2012