Redevelopment Agency

of the City of Fresno



Recommended FY 06/07 Budget

Redevelopment Agency of the City of Fresno

Recommended Budget

For the Fiscal Year
July 1, 2006 to June 30, 2007

Executive Director
Marlene Murphey

Redevelopment Agency Board
Cynthia Sterling, Chair
Tom Boyajian, Vice-Chair
Brian Calhoun
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Jerry Duncan
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Redevelopment Agency of the City of Fresno

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Redevelopment Agency of the City of Fresno

INTRODUCTION

Mission Statement

To remove blight and encourage growth, vitality, renewal and rehabilitation of deteriorated areas beset by adverse social, physical, environmental and economic conditions.

Purpose of Redevelopment

Redevelopment was created by state law to revitalize communities, encourage new development, create jobs, increase housing stock, provide infrastructure, and generate tax revenues in declining urbanized areas through partnerships developed between local governments and private entities.

Without the initial investment from redevelopment agencies, many important community projects simply would not happen, leaving communities to suffer from deterioration, crime, and poor economic and social conditions.

The Fresno Redevelopment Agency's work program focuses on bringing about major projects and neighborhood improvements that will have a positive effect on the shape and future of Fresno's downtown, inner city neighborhoods and industrial areas.

Redevelopment Agency Budget

The Redevelopment Agency is required by Section 33606 of the California Health and Safety Code to adopt an annual budget.

The Redevelopment Agency Budget is presented in Capital Improvement Program format by redevelopment areas. The format includes: Actual Sources and Uses of Funds for FY 04/05; the FY 05/06 Approved Budget; FY 05/06 Year-to-Date; the estimated amount of sources and uses of funds for FY 05/06; and the FY 06/07 budget request for each of the Agency's project areas. This budget includes: Highlights of FY 05/06 Accomplishments; Debt Service Payments; Administrative and Management Summary; Project Area Budgets proposed for FY 06/07; Housing Program Budget; and a proposed Resolution for adoption of the FY 06/07 Budget.

Revenue Estimates

Incremental property taxes are the single largest revenue source of the Redevelopment Agency. In general, FY 06/07 incremental property tax revenue estimates are projected to be 5% above the FY 05/06 revenues received in February 2006. The Agency's policy and practice is to conservatively estimate tax increment revenues to ensure adequate financing

sources for the budgeted uses.

The Sources section of the project area budgets reflects negative amounts for Pass-Through Payments, County Administration Fees, Housing Set-Aside and Education Augmentation Revenue Funds (ERAF). These amounts are shown as an offset to Sources of Funds since these amounts are mandatory and not available to use at the Agency's discretion. No funds are budgeted for ERAF payments in FY 06/07 as the Agency's mandatory ERAF contribution to the State ended in FY 05/06.

Redevelopment Agency of the City of Fresno

HIGHLIGHTS OF FY 05/06 ACCOMPLISHMENTS

General Administration

Capital Equipment - Management and storage of the Agency's records and documentation dating back to 1965 necessitated an organizational program which would reduce required storage space and improve access to needed archived records and documents. The initial process to implement the program was completed through the purchase of scanning equipment and software. The Document Imaging program has been applied to both old and current project files.

Public Information and Marketing - The Redevelopment Agency in cooperation with the City of Fresno's Economic Development Department jointly promoted Fresno as public sector exhibitors at the Spring International Council of Shopping Centers (ICSC) Conference in Las Vegas. It is the 13th largest retail real estate conference in the United States and this year drew approximately 45,000 attendees.

The Agency produced and distributed a well-received flash drive featuring *"Fresno: Think of the Possibilities."* An updated newsletter, along with other informational items were prepared and distributed. These items will continue to be utilized for public information and marketing purposes.

Telephone system (phones, equipment, labor) - The Agency completed replacement of its outdated phone system and equipment. With installation of the updated system the Agency has realized cost savings due to the new systems ability to merge into the City of Fresno's 621 prefix along with reduced operating and maintenance costs.

RDA FY 04/05 Annual Report - The Council received the Annual Report of the Redevelopment Agency for FY 04/05, in which Macias, Gini & Co., Certified Public Accountants stated in its Independent Auditors Report that the agency's financial statements presented fairly, in all material respects, the financial position of the Agency as of June 30, 2005, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles. The results of their tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants, disclosed no instances of non-compliance or other matters. There were no recommended changes to accounting procedures in FY 04/05. In addition to the required basic financial statements, staff also worked with Macias, Gini & Co. to prepare a Comprehensive Annual Financial Report (CAFR) for FY 04/05, which was submitted in January 2006 to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement in Financial Reporting.

General Redevelopment Plan Implementation

Commercial Storefront Rehabilitation Loan Program - The Agency approved 26 commercial rehabilitation storefront loan applications with nine storefront improvements completed in FY05/06 with 13 underway. The nine completed storefronts were facilitated by the Agency's funding of approximately $23,192 that generated $507,384 in improvements. This program has received increasing responsiveness from small business owners seeking to improve their storefronts, thereby benefiting commercial neighborhoods.

Review of Development Entitlements within Redevelopment Project Areas - Between July 1, 2005, and June 2, 2006, staff reviewed and made recommendations on 68 Site Plan Review Applications, 70 Conditional Use Permit Applications, 5 Alcoholic Beverage Conditional Use Permit Applications, 33 Rezoning Applications, 20 Tentative Parcel Map Reviews, 12 Amendments Reviews, 114 Plan Review and Sign Offs, and 18 Variance Applications. The review of entitlements by staff and the Agency's citizen committees helps guide development to be in accordance with plan goals and design guidelines.

Chinatown

Chinatown Mixed-Use Development - In 2005, the Agency entered into an Exclusive Negotiation Agreement (ENA) with the Historic Chinatown, LLC for a proposed mixed-use housing, retail/commercial and public facilities development on approximately 165 acres.

The 05/06 fiscal year involved extensive community participation in the processing of plan amendments, formation of a project area committee and selection of owner participants. The plan amendment and owner participation process involved 18 public meetings, four mass mailings (each involving about 450 letters) and numerous one-on-one meetings with stakeholders. In addition, Agency staff conducted on-going team meetings to coordinate various technical issues. The plan amendment was adopted on April 4, 2006. The owner participation process resulted in proposals from 35 candidates, the largest response in the history of the Agency. Selection of the owner participant candidates on May 16, 2006 was a milestone enabling the developer, under the terms of the ENA, to proceed with refining the master development plan and preparing a related financial pro forma, market study, environmental reports, project description and conceptual deal points.

Convention Center

South Stadium Project - In FY 05/06, staff continued to work with Forest City pursuant to the Exclusive Negotiation Agreement (ENA) for the South Stadium Project for development of approximately 85 acres of mixed-use entertainment, commercial and housing development located south and southeast of the Stadium. Staff worked with the developer to explore various land use alternatives, potential strategies for land acquisition, development of parking and infrastructure and other issues. On October 4, 2005, the Agency Board approved an amendment to the ENA which extended the negotiation period 15 months to January 2007. Staff has continued to work with Forest City on a number of fronts including work to: refine the plan and address related issues such as traffic studies

for the relocation of the Freeway 41 Broadway on-ramp; monitor the legislation and initiatives to restrict eminent domain; and, explore alternative strategies for implementation of this component of downtown revitalization.

Old Armenian Town - Properties in the Phase 1 area, bounded by "O" Street, Ventura Avenue, "N" Street and Freeway 41 have been acquired, businesses and tenants relocated, historic structures relocated to a temporary storage site, alley and affected street right-of-ways have been vacated, certain utilities lines have been abandoned in place and the entire area has been cleared for construction.

In FY 05/06, the Agency provided scheduled infrastructure plans and improvements for the 5th DCA project. The Agency completed plans to close Santa Clara between "O" and "N" Streets, install underground communication lines, a water main on "O" Street, and the surface parking lot at the southwest corner of Santa Clara and "O" Street. In December 2005, ground breaking ceremonies were held to celebrate the commencement of new construction for the $24 million, 60,000 square foot, three-story 5th District Court of Appeal building. The Agency assembled the site for this project.

The Agency successfully negotiated the acquisition and possession of the last of the five historic structures required to be moved. All five structures are now secured and are awaiting relocation to "L" Street south of Freeway 41.

Jefferson

The Agency participated in the grand opening of the newest regional bank headquarters in the downtown area. In early May 2006, County Bank opened its full service, $8 million, 18,000 square foot, three-story building at the corner of Divisadero and Freeway 41.

The Agency conducted a number of tours of the Jefferson area identifying potential sites for housing and office development.

Regional Medical Center - The Agency completed purchase of a six-plex apartment building within the Regional Medical Center project area under a five-year financing lease agreement. The acquisition was part of a 2001 court ordered settlement.

Mariposa

Federal Courthouse - Agency staff coordinated with project developers for the installation of off-site improvements and other project related requirements. The Agency assembled and contributed the land as inducement for siting the Federal Courthouse downtown. The $130 million Federal Courthouse opened for business shortly after the grand opening held on October 18, 2005.

Downtown Parking Garage - The Agency assisted with and funded parking and environmental studies leading to the construction of the 5-story, 1583 stall parking garage

on the Convention Center lot. The grand opening was held on November 10, 2005, in conjunction with the opening of the Federal Courthouse.

Civic Center Square, Inc. - CCSI completed construction of "2240 Tulare", a 96,000 square foot office/retail/financial building and 470-car, 5-story public parking garage at Tulare and "O" Streets in October 2005. To date, two financial institutions have opened new branches in downtown Fresno at this location. Other tenants include a title company and a specialty coffee house. The Agency assembled the land for this project as part of the development agreement covering the six-block CCSI area.

South Van Ness

Final Receiver Site - The Agency negotiated the voluntary sale of three of the required six parcels for the relocation of five historic structures from the Old Armenian Town project to the south side of Freeway 41 in the South Van Ness Industrial Project Area. Acquisition of these properties represents a milestone in the advancement of the conceptual plan for an attractive mixed-use environment incorporating existing and relocated structures on the receiver site.

Foundry Park - The Agency, through a community facilities district, facilitated Valley Foundry Industrial Development. The project continues to grow with the addition of a 60,000 square foot building permitted this year.

Southwest Fresno

Real Property Acquisition and Blight Removal - A blighted property was purchased in the Kearney Palms Shopping Center Area making way for continuing redevelopment. The property located at 1260 "A" Street attracted loiterers to the area and was considered a significant contributor to blight.

Elm Avenue - Elm Avenue is virtually complete. The Agency funded the project and during the last year worked with PG&E to coordinate and complete undergrounding of utilities. The improvements to Elm Avenue have helped generate over one million square feet of industrial development.

HOPE VI - The Agency supported the $20 million HOPE VI grant fund award through multi-year contributions that include: assembly of approximately 28 acres for a mixed-use project; financial assistance for development of an Aquatic Center and parking facility; and various street improvements.

The Agency completed the Request for Proposals process and the selected developer is preparing plans for the development of a mixed-use element within the HOPE VI project that proposes a government one-stop center for various social services.

During FY 05/06, the Agency assembled approximately 19 parcels for the mixed-use area development. The Agency prepared relocation and replacement housing plans and

assisted residents to relocate to improved housing.

Streetscape and Street Improvements - Designs for landscaped median islands on Tulare from “B” to “E” Streets have been completed.

Airport Area Revitalization

Real Property Acquisition and Disposition/Blight Removal - The Agency completed the acquisition of 2.5 acres at the northeast corner of Chestnut and Shields Avenues adjacent to the Fresno Yosemite International Airport. The property was conveyed to the City to increase the capacity and economic potential of the Airport to facilitate aviation related development. Acquisition of the property for assembly with existing Airport property presented the opportunity to capture an aircraft manufacturer’s service and maintenance center.

Gap Site/Ponding Basin Reimbursement - A key project on the Gap Site was the expansion of Drainage Basin “T” to allow for the expansion of the Gap pursuant its agreement with the City of Fresno. In FY 05/06, the Agency made its final contribution to the project. The expansion of the basin has been completed.

Street and Infrastructure Improvements - Pursuant to the FY 05/06 budget goal, the Agency followed through with circulation improvements to stimulate private infill industrial development in the Maple/McKinley Area. In conjunction with a 12-acre industrial development, the Agency expects to complete reconstruction of portions of Sierra Vista and Carmen Avenues by the end of the fiscal year. The office-warehouse development is improved with 28 lots and approximately 178,214 square feet of new industrial space.

The Agency worked to facilitate approval of a 40 lot office-warehouse development on 20 acres located on the east side of Chestnut Avenue north of Dakota, adjacent to the Palm Lakes Golf Course.

Streetscape - McKinley/Peach to Clovis - In a project to enhance Fresno’s gateway between the Airport and central area, engineering and landscape consultants were retained to design a greenbelt on the south side of McKinley Avenue along Mill Ditch between Peach and Clovis Avenues. The preliminary landscape plans have been completed and final drawings are underway.

Airport Beautification - Engineering and landscape consultants were retained to prepare design plans for the beautification of the north side of McKinley Avenue and the west side of Clovis Avenue adjacent to Fresno Yosemite International Airport (FYI). The beautification project provides for new wrought iron fencing and landscaping consisting of trees, shrubs and ground cover along McKinley and Clovis Avenue frontages. The project will also include a new monument sign for FYI at the corner of Clovis and McKinley and new landscaping in the median island in Clovis Avenue to match the new landscape proposed for the east side of Clovis.

Freeway 99/Golden State Boulevard Corridor

Real Property Acquisition and Blight Removal - The Agency facilitated purchase of a boarded-up property at Olive and Weber Avenues for redevelopment for a mixed-use/public facility. This project removes blight and sets the stage for development at a major Fresno intersection of Weber and Olive.

Golden State Boulevard Improvements - The Agency awarded the contract for engineering services for the preparation of design plans and specifications for the reconstruction of Golden State between Ashlan and Shaw Avenues. The preparation of plans is underway.

Fresno Air Terminal (FATRA)

Environmental Cleanup - Environmental clean-up activity for the airport area continues to be a priority and the majority of the project area resources are allocated to this purpose.

Roeding Business Park

Infrastructure and Improvements - Marks Avenue improvements and the construction of a new water service well were completed. The improvements were funded by a California Economic Infrastructure Development Bank Loan totaling $4,559,100 ($2,118,000 Agency and $2,441,100 City), a $3,000,000 EDA Grant and $2,700,000 in loans from the City.

Master Developer - In 2005, the Agency Board approved an Exclusive Negotiation Agreement (ENA) between the Agency and the Master Developer for the 200-acre master development area bound by the Southern Pacific Railroad-Nielsen, Freeway 180 West, Marks and West Avenues.

EDA Grant - Infrastructure improvements have helped stimulate and attract business development. Some examples are described below:

Horizon Enterprises, located at the northwest corner of West Avenue and Dan Ronquillo Drive, completed Phase I of the Commerce Center which consisted of two 25,860 square foot buildings of the 9-acre development. Phases II and III will consist of two 25,860 square foot buildings and one 48,000 square foot building, respectively. Delta Rubber Products, a wholesale-distributor of rubber products, recently purchased the corner building.

Pleasant Mattress, Inc. recently completed its new 102,000 square foot manufacturing facility located on the east side of West Avenue and Dan Ronquillo Drive. The development consists of a tilt-up masonry building with extensive landscaping. Over the past several years, the Agency has worked with Pleasant Mattress, Inc. to assist in various issues including their successful application for a low interest state economic development loan.

Woodworking Specialties, a cabinet and millwork operation, recently moved into the existing 18,992 square foot building located at 411 S. West Avenue adjacent to Freeway 180 West.

The Agency approved Certified Ad Services addition of an 18,000 square foot building for storage of paper and other material required for its printing operation.

The Agency assisted Specialty Branded Products (SBP), a premium meat processor, in selecting a vacant 6-acre parcel at the southwest corner of Nielsen and Hughes Avenues for its expansion. SBP has acquired the property for its development and plans to construct a 100,000 square foot tilt-up concrete building.

Prospective Industrial Development - The Agency worked with a number of industries to locate suitable sites for relocation and expansion in an effort to retain businesses in the Fresno area.

Over a number of months, the Agency worked with Calpine to identify an acceptable expansion site and provided detailed site options including property in the RBP. The Agency retained CMQ Associates to provide continuous support to Calpine to help ensure the company remained in the Fresno Area. Ultimately, Calpine relocated to the vacant 340,000 square foot Dole Plant, located at the northwest corner of Malaga and Central Avenues. The plant will contain $40 million in new technology for the manufacture of corrugated containers and employ 97 people. Reuse of the former Dole Plant is an additional benefit to the Fresno community.

South Fresno Industrial Revitalization

Real Property Acquisition and Blight Removal - A major Agency accomplishment was the retention of Scelzi Enterprises by assisting with the acquisition of additional property needed for its expansion. Scelzi Enterprises' immediate plans called for the doubling of its operation, requiring more land than appeared to be immediately available near the existing plant. Although Scelzi searched for property outside of the City of Fresno, it found property with existing buildings to fit its needs adjacent to its existing plant. The property owner, Gregor Boats, was willing to sell to Scelzi, but did not have new facilities to move to or the necessary funding to relocate to temporary facilities. The Agency was able to assist with the purchase of the property and fund Gregor Boats relocation to a temporary plant. The transaction provided several significant benefits. Both businesses remain in the City. Approximately five acres and 57,000 square feet of floor area was added to Scelzi Enterprises inventory. In addition to doubling its operation, Scelzi plans to add a projected 175 new jobs, increasing the total number of its employees to 355. Further, Gregor Boats relocated to facilities within the Freeway 99/Golden State Boulevard Corridor Redevelopment Area.

Orange/99 Improvements - The Agency completed preparation of design plans for the reconstruction of Orange Avenue between North Avenue and Freeway 99. The scope of work includes curbs, gutters, sidewalks, paving, street lights, street trees, extension of

water and sewer mains and a storm line. The cost of the storm drain extension will be funded by East Bay Tire.

The Orange/99 Improvements served to induce East Bay Tire's site selection for its expansion. A storm drain extension needed by East Bay was included in the scope of work for economies of scale and will be reimbursed by the company. The 10-acre site at the northeast corner of North and Orange Avenues satisfied the company's need for frontage on and access to Freeway 99. The first phase of development will be the construction of an 83,174 square foot tilt-up concrete building of which 45,538 square feet will be occupied by East Bay Tire. East Bay will employee approximately 20 employees. A future phase will provide for a 31,000 square foot warehouse. This project will improve an extremely blighted area.

Southeast Fresno

Street and Infrastructure Improvements - In November 2005, the installation of traffic signalization improvements at Butler and Chestnut Avenues was completed.

Completion of the installation of traffic signals and a protected left turn lane at Peach and Jensen Avenues is expected by the end of June 2006.

The Agency awarded the contract for traffic signal modifications providing for protected left hand turns at the Cedar and Jensen Bypass.

Commercial Neighborhood Center Revitalization - The Agency negotiated and entered into an Exclusive Negotiating Agreement (ENA) with Kings Canyon Development LLC in June 2005. During FY 05/06 the Agency completed site assembly for a proposed police substation with the acquisition of four parcels at the southwest corner of Kings Canyon and Backer.

Kings Canyon Street Improvements - In FY 05/06, light conduits for the median island along Ventura/Kings Canyon between First Street and Chestnut Avenue were installed.

In January 2006 the Agency awarded the contract for installation of street lights along Kings Canyon between Maple and Willow and the project is underway. This project eliminates blight through undergrounding overhead power lines and providing for the installation of street lights to replace wooden poles. The Agency's $365,000 contribution to this project leveraged a $2 million investment by PG&E.

Housing

Community Housing Partnership – Major and minor rehabilitation program - During FY 05/06, the Community Housing Partnership Program processed and completed rehabilitation of 112 homes for low income families. An additional 66 applications have been reviewed and approved and are in the process of bid development or construction. As of May 21, 2006, 1,231 homes have been rehabilitated for low-income families since

the inception of the program.

Housing Authorities – Boarded Up/Lot Purchase Program/Infill Housing - Through the Agency's Community Housing Partnership Program (CHPP) a boarded up home at 3129 E. Townsend was purchased and rehabilitated culminating in a neighborhood celebration on March 17, 2006. The 1931 two-bedroom home was converted to three-bedrooms and purchased by a low-income family that is participating in the home ownership training program. The proceeds from the sale will be used for other infill opportunities in Southeast Fresno. In addition, the CHPP completed purchase of another boarded up home at 1608 Maple for rehabilitation in FY 06/07.

In FY 05/06 CHPP completed purchase of three vacant properties for infill. A vacant lot in the 300 block of North Valeria was purchased for the construction of a four-bedroom, two-bath home, and, another large vacant property at 1500 "B" Street in Southwest Fresno was purchased. Plans are completed and bids underway to re-parcel and construct two homes on the property.

The third vacant lot at 2254 S. Lotus Avenue will be improved with the first "green" home in CHPP's program, celebrated in a ground breaking on June 12, 2006.

California Triangle - The Agency, through its Community Housing Partnership Program with the Housing Authority, began the assembly of land adjacent to property owned by the Agency located along California Avenue between Kern Street and Waterman. Appraisals and the Replacement Housing Plan and Relocation Plan have been completed. This project will provide approximately 15 new affordable single family homes.

Casa San Miguel - The Agency negotiated completion of the Casa San Miguel project and amended its contract with the Farmworker's Service Center for the construction of three new affordable homes on the remaining parcels. The financing providing construction loan funding was coordinated by the Agency. This completed project provides 44 new affordable homes and helps implement the Agency's replacement housing goals.

Downtown Housing and Mixed-Use Development - The Agency completed its financial commitment for the development of the Vagabond Lofts - the first new housing construction in downtown Fresno in over 20 years. The Agency entered into an Owner Participation Agreement with Pyramid Homes and Granville Homes Inc. to construct affordable and market rate housing at the site of the former Vagabond Motel in downtown Fresno. The project, a partnership between the Agency, City and Housing Authority, includes seven commercial units, 29 residential market rate units and nine affordable housing units. Vagabond Lofts is expected to be completed by the end of July, a full three months ahead of schedule. The project has been a catalyst for development of the adjacent property into 26 residential/commercial units using private capital.

Fulton Park Plaza - The Agency has made substantial progress in land assembly for the Fulton Park Plaza having completed appraisals, CEQA requirements, transportation

studies and acquisitions. Through an owner participation agreement, Fulton Park Plaza will offer a residential/commercial mixed-use project of ten row houses, seven affordable rental lofts, 27 market rate rental lofts and nearly 33,000 square feet of commercial space. The Agency coordinated funding commitments from various sources including the Agency, City of Fresno, Better Opportunities Builder, Inc. and developer.

Elm/Southwest Fresno Infill Housing - The Agency completed a Disposition and Development Agreement with Better Opportunities Builder, Inc. to purchase Agency owned land and construct 39 affordable housing units along Elm Avenue and S. Geneva, and the northeast corner of “B” Street and San Benito Avenue for low-income households with incomes at 50% or below the average median income.

Martin Luther King Square Rehabilitation Project - During this year, the Agency completed a Disposition and Development Agreement with A.F. Evans for acquisition and rehabilitation costs of the Martin Luther King Square Apartments, a 92-unit family rental property located at 816 East Florence Avenue in Southwest Fresno. The Agency provided matching funds along with the City to finance a portion of the $8.4 million needed for the project.

Redevelopment Agency of the City of Fresno

DEBT SERVICE PAYMENTS

Funds budgeted for debt service payments from all project areas are shown in this section of the budget. These payments are for bond obligations and land acquisition as well as payments to the City per various repayment agreements.

During FY 06/07, funds have been budgeted for various debt service payments or contributions as follows:

Merger 1

Central Business District Payment to City on $1,500,000 loan for stadium project	$ 141,131
Central Business District Agency contribution to the City's Stadium Bond	$ 200,000
Convention Center Project Area Repayment to the City for Conference Center/Selland Arena Expansion Debt-Certificates of Participation	$ 250,000
Fulton Payment to City on $1,500,000 loan for streetscape project	$ 141,131
Mariposa Project Area 2003 Tax Allocation Bonds, Series A (Civic Center Square/Kern Street Improvements)	$ 424,811

Merger 2

Southwest Fresno $10,000,000 2001 Tax Allocation Bond	$ 884,228

Roeding Business Park

$2,118,000 loan from California Infrastructure & Economic Development Bank	$ 117,076

Redevelopment Agency of the City of Fresno

ADMINISTRATIVE AND MANAGEMENT SUMMARY

The administration and management costs identified in this budget section are allocated across all project areas.

Salary and Benefit Changes - The FY 06/07 Proposed Budget funds anticipated increases to pay rates and related benefits comparable to adopted City MOUs effective July 1, 2006. The Agency has not added any new positions for FY 06/07.

Intern Program - The Agency has an intern program intended to provide a professional training opportunity and experience for students and recent graduates while meeting the Agency's staffing needs for short-term assignments in specialized areas. The intern program is limited to 900 hours per intern per fiscal year. The costs are allocated to specific project capital accounts.

Capital Equipment - The Agency is implementing final phase of the document imaging and storage program in FY 06/07. The Agency budget includes funds for large, specialized document scanning equipment and software. When the program is completed the Agency will have more efficient access to redevelopment records and documents. A cost savings will be realized by reduction of physical storage area.

The FY 06/07 Budget also includes funds for annual upgrading of old and obsolete computer equipment.

Public Information/Exhibits and Travel/Training – Due to the favorable response to the Agency's participation at the 2006 ICSC Conference, the FY 06/07 Budget includes additional funding for marketing, promotion and conference costs for the 2007 ICSC Conference, as well as other targeted marketing opportunities.

Redevelopment Agency of the City of Fresno

MERGER 1—DOWNTOWN FRESNO

Plan Implementation/Merger and Plan Amendment - In order to further proceed with the revitalization of downtown Fresno and consider major development projects such as Old Armenian Town, South Stadium, Historic Chinatown and the Uptown Area, plan limits of the ten redevelopment project areas within Merger 1 need to be updated to address the financial strategies necessary to implement the Agency's work program.

Central Business District

The Agency continues to work with the existing and potential businesses, tenants and private developers to facilitate optimum use and occupancy of office, commercial and residential space including remodeling and new construction in the CBD. In addition, the Agency will continue to pursue options to improve the mall environment in conjunction with existing and major new development.

Chinatown

Plan Development/Amendments/Chinatown Mixed-Use - Historic Chinatown LLC, under an Exclusive Negotiation Agreement (ENA) effective January 26, 2005, is preparing development plans and conducting a feasibility study for a major mixed-use project in a 165-acre area bounded by Fresno, UPRR, Freeway 41, California, and Freeway 99. The developer prepared a conceptual plan and is further refining the plan to include 35 owner participation proposals and identify specific project phases. Other elements of the conceptual plan will address traffic, circulation, parking, infrastructure, site planning, architectural and cultural themes and economic and market feasibility. Development by Historic Chinatown LLC and the 35 owner participants will proceed in phases and involve a combination of new construction on infill sites, expansion of existing buildings and rehabilitation of existing buildings that will be compatible with the historic and cultural aspects of the Chinatown area. The feasibility analysis and refined conceptual plan are expected to form the foundation to proceed with negotiation of a Disposition and Development Agreement (DDA).

Work is underway on negotiation of Owner Participation Agreements (OPA) with the 35 candidates selected by the Agency Board in May 2006. In addition, staff and the Developer have been exploring ways in which to address infrastructure needs. Preliminary work has commenced on preparation of City plan amendments to the Central Area Community Plan and General Plan to provide for commercial mixed-use development throughout the Chinatown area. The budget provides for environmental studies, relocation plan preparation work and other project related costs.

Real Property Acquisition and Disposition/Blight Removal - Preparation of preliminary cost estimates have commenced for acquisition, relocation and site clearance for the Ventura Street widening and the assembly of a site for a major, mixed-use office complex on the south side of Ventura between Freeway 99 and the Union Pacific Railroad tracks. This involves properties in the area generally bounded by Ventura, "H" Street, Santa Clara and Freeway 99.

In response to a developer proposal, the Agency is working toward a Disposition and Development Agreement (DDA) for adaptive reuse of the Cherta building at 903 "H" Street to complement the nearby stadium area. Funds have been budgeted to pursue initial steps associated with preparation of a DDA, environmental assessment and other related documents.

Streetscape/Street Improvements - Preliminary conceptual planning and engineering design work will continue for the widening, blight removal and beautification for the Ventura Gateway Project from Freeway 99 to "H" Street.

Convention Center

Central Valley Business Incubator - CVBI chose to locate their new incubator at CSUF. Agency staff and City Attorney's office are working with CVBI and are in the final stages of re-conveying title to the property located at 730 Van Ness site, back to the Agency. Agency staff is exploring new development opportunities that would complement the surrounding businesses downtown. The budget reflects processing costs associated with the re-conveyance of property to the Agency.

Haron Motors - Haron Motors and the Agency for a number of years have been in discussions on Haron's proposed expansion west of "L" Street. Both parties are working towards a formal Disposition and Development Agreement (DDA) in the coming year. The budget provides for preparation of a DDA, environmental studies and potential infrastructure improvements and land assembly. It is expected that Agency land assembly costs would be offset by developer's purchase of the property.

Old Armenian Town – Ventura/41 - Street Improvements - The Agency will continue its role in the coordination and development of the approximately 10-acre Old Armenian Town Development Project which contains the 2.85 acre site for the new State 5th DCA Courthouse and parking lot.

The 5th DCA Courthouse is currently under construction and anticipated to be completed in March 2007. Agency's obligations for FY 06/07 include installing: the surface parking lot on south side of Santa Clara between "O" & "N" Streets; an underground communication line; a water main along "O" Street south of Ventura Avenue; and a possible storm drain from the courthouse to a common drain.

Agency is proceeding with preacquisition and preconstruction processing of properties in Phase 2 of the Old Armenian Town Project. Agency is required under the Master

Development Agreement (MDA) to identify available funds to cover various costs including land acquisition.

"O/P" Street Diagonal - Office Building/Lodging Facility Project - Staff has continued to work with Chamlian and other developers on their preliminary conceptual plan to incorporate an office building and lodging facility with shared parking in the area south of Ventura and east of "O" Street. The budget includes funding for Disposition and Development Agreement (DDA) preparation and environmental, traffic and related studies. It is anticipated that Agency land assembly costs would be offset by developer's purchase of the property.

South Stadium Project - An Exclusive Negotiation Agreement (ENA) with Forest City effective September 28, 2004 provides for a feasibility analysis for a major mixed-use project located south and southeast of the Stadium, involving an 85-acre area bounded by Tulare, Van Ness, Highway 41 and the Union Pacific Railroad. On October 4, 2005 the Agency Board approved an amendment to the ENA which extended the negotiation period 15 months to January 2007. Staff continues to work with Forest City on a number of items including refinement of the plan, acquisition strategies, and traffic and circulation issues, particularly the need for removal and relocation of the Freeway 41/Broadway on ramp considered obsolete and an impediment to area redevelopment. The budget provides for environmental, traffic and other studies related to ramp relocation and project activities.

Jefferson

Regional Medical Center - Nottoli - Pursuant to a settlement agreement, the Agency entered into a financing lease with Nottoli C.M.C. to purchase an office complex located at 2021-2045 Divisadero and a 6-unit apartment complex located at 161 N. Clark as part of land assembly for the Regional Medical Center project. The Agency makes monthly lease payments to Nottoli C.M.C. and receives offsetting income. This year revenue is expected to cover the lease payments.

Mariposa

The Agency continues to work with existing and potential businesses to facilitate office/commercial leasing and development in the area. In addition, the Agency continues to monitor projects in the area for compliance with existing development agreements.

South Van Ness

Historic Structures Final Receiver Site - The Agency is proceeding with the assembly and site preparation of the final receiver site for the five historic homes from the Old Armenian Town project to be located on "L" Street between San Benito and Monterey Streets. The budget includes land acquisition costs for the remaining parcels; moving, relocation, and reestablishment costs of the historic structures; and street improvements. The project envisions the future sale of the historic structures with proceeds contributing to offset land assembly and reestablishment costs.

Redevelopment Agency of the City of Fresno

MERGER 2—SOUTHWEST FRESNO/FRUIT CHURCH

Real Property Acquisition and Disposition/Blight Removal - The budget provides funds for potential property acquisition consistent with Agency goals to remove blight, improve the neighborhood adjacent to the Kearney Palms Shopping Center and leverage existing investment. This budget category also includes general blight removal, clean up and weed abatement on Agency owned properties. In addition, the budget estimate includes demolition and clearance costs of the former Joe's Market at 1260 "A" Street for redevelopment compatible with the area.

California and "C" Streets Area Improvements - The Agency contracted through the City of Fresno Construction Management for needed off-site improvements at California and "C" Streets, in coordination with the construction scheduled for the Fresno County Economic Opportunities Commission Neighborhood Youth Center.

California Avenue Improvements and Land Acquisition - Development of California Triangle Housing and the HOPE VI mixed-use projects will require improvements of California Avenue from Martin Luther King Boulevard to West Avenue and a new Walnut Avenue alignment. Improvements will require land acquisition, installation of median islands with planters and streetscape in keeping with an overall design theme for California Avenue.

Elm/North/Jensen/Annadale Ave Improvements - Work on Elm Avenue reconstruction is expected to be completed by the end of summer 2006. Full improvements include reconstruction to a 4-lane divided arterial street with landscape median islands, curbs, gutters, paving, street lights, street trees and storm drain lines.

HOPE VI Project - The Agency is assisting in efforts to revitalize the HOPE VI project area from California Avenue to Church Avenue and West Avenue to Walnut Avenue in conjunction with the Master Revitalization Plan funded by a $20 million HOPE VI Federal Grant.

The Agency will assist the development of the mixed-use area generally between California to Church and Plumas to Walnut through contribution of Agency owned land and assembly of additional land necessary for the total project of approximately 28 acres. The Agency issued a request for qualifications from developers for the mixed-use project and is working with the selected developer to proceed with the development of this residential/commercial project.

Streetscape/Street Improvements - To implement a recommendation of the approved West Fresno Community Vision Plan, the Agency will install landscaped median islands on Tulare Street from “B” to “E” Streets. Design plans for the median islands have been completed. Construction is scheduled to be completed in FY 06/07.

Improvements are planned for Kearney Boulevard to enhance this major West Fresno gateway, serve the surrounding neighborhood and new area development, and welcome visitors to the upcoming Professional Golf Association Tour.

Park Development/Improvements - The Agency will provide land, street improvements and assistance with development of an Aquatic Center as part of the Agency’s multi-year commitment to the HOPE VI project.

Professional Office Center - The Agency and City of Fresno continue to assist the West Fresno Health Care Coalition in establishing a Health Services Center in Southwest Fresno. The center, long proposed for development near the Kearney Palms Shopping center, will include healthcare, education, retail, office and commercial uses. The facility will be privately developed. In September 2005, the West Fresno Health Care Coalition was awarded $173,888.89 of CDBG funds for pre-development costs associated with a Service Center Project.

Shopping Center Neighborhood Improvements - In conjunction with the Health Services Center, and per the Council and Board approved Vision Plan, the area surrounding the shopping center has been designated as mixed-use to include retail, commercial, residential and public space. Needed improvements to streets and infrastructure are planned for this area.

Whitesbridge Road Planning and Development - The Agency is in partnership with the City of Fresno Public Works Department to significantly improve this key roadway in southwest Fresno in proximity to the Roeding Business Park. The project consists of installation of curbs, gutters, sidewalks, ADA ramps, streetlights and cold recycling pavement on Whitesbridge, Amador, “A”, “B”, Stanislaus and Tuolumne Streets between Teilman and Highway 99 in the Southwest GNRA and west of Teilman in the Roeding Business Park Project Area.

Redevelopment Agency of the City of Fresno

AIRPORT AREA REVITALIZATION

Plan Implementation/Merger and Plan Amendment - Work continues on the Agency Board directed plan amendments to merge multiple project areas for optimal use of Agency resources.

Real Property Acquisition and Disposition/Blight Removal - The Agency has budgeted funds in FY 06/07 for the potential acquisition of land and street right-of-ways for blight removal and to encourage economic development.

Industrial/Business Park Development - The Agency expects to continue its planning for industrial development opportunities at suitable sites within the project area.

Street and Infrastructure Improvements - Railroad grade crossing improvements are proposed at Cedar, Chestnut, Maple and Shields Avenues to address safety issues and aid the flow of traffic. The improvements will also enhance the visual quality of the project area.

Plans are also proposed for the improvement of the intersection of Clovis and Shields Avenues to improve traffic circulation, safety and the visual quality of the area.

Streetscape - Engineering and landscape plans are in the process of being prepared for airport beautification and streetscape improvements along McKinley and Clovis Avenues. Airport beautification will consist of a monument sign at the northwest corner of McKinley and Clovis Avenues and wrought iron fencing -- replacing an existing chain link fencing -- and landscaping, consisting of trees and shrubs and ground cover. The wrought iron fencing will be an extension of the existing wrought iron fencing along the Air National Guard fronting on McKinley west of Clovis Avenue. The landscaping and fencing will extend approximately 600 feet from the point of the existing wrought iron fence along McKinley and along Clovis Avenue, north of McKinley approximately 1350 feet. Landscaping will also be provided in the median island along Clovis Avenue frontage.

McKinley Avenue Streetscape plan is in the final drawing stage at this time. The streetscape includes the addition of street trees along the south side of McKinley, next to the Mill Ditch, between Peach and Clovis Avenues. The result of this project will be to enhance the visual quality of this major gateway between the central area and the Fresno Yosemite International Airport.

Redevelopment Agency of the City of Fresno

CENTRAL CITY COMMERCIAL REVITALIZATION

Plan Implementation - The Manchester Center property owner has approached the Agency regarding possible assistance in redeveloping their property, adding a new parking garage and building improvements. Funds have been budgeted to pursue initial steps for this potential project.

Real Property Acquisition and Disposition/Blight Removal - The Agency has budgeted funds in FY 06/07 for the potential acquisition of land and street right-of-ways for blight removal and to encourage economic development.

The Agency is working with the private sector to attract redevelopment activity along Blackstone Avenue. The budget provides for a mixed-use Blackstone Avenue conceptual plan and land assembly related activities for potential development.

Street and Infrastructure Improvements - The Central City Commercial Revitalization area contains major routes that are blighted and in need of improvement. The Agency will continue to pursue opportunities for improvements and clean-up to major corridors such as Tulare, Blackstone and Belmont Avenues.

The FY 06/07 budget provides for an upgraded street light design and additional lights along a portion of Belmont Avenue. This multi-year project responds to the expressed needs of Belmont businesses and facilitates the ultimate planned undergrounding of utilities.

Streetscape - Funds have been budgeted for potential streetscape activities to enhance the visual quality of the project area and attract business and development. In follow up to FY 05/06 planning activities for Belmont Avenue, the budget provides for landscape improvements to median islands in a multi-year project. The budget also provides for streetscape planning and design along portions of Blackstone Avenue.

Redevelopment Agency of the City of Fresno

FREEWAY 99 / GOLDEN STATE BOULEVARD CORRIDOR

Real Property Acquisition and Disposition/Blight Removal - The Agency facilitated purchase of a boarded-up property at Olive and Weber Avenues for mixed-use. The Agency is working with the City to assemble an expanded site for development of a parks maintenance facility at this location. The budget provides for Agency participation in land assembly and related costs.

Infrastructure/Bankside Trail - The Agency, in conjunction with the Fresno City Department of Public Works, will work to facilitate the creation of a bankside trail to remove blight and enhance the environment. The City is working to address title issues in order to establish the trail alignment. The Agency has budgeted funds for a trail head rest stop near West and Ashlan Avenues in cooperation with area businesses.

Golden State Boulevard Improvements - The reconstruction of Golden State Boulevard between Ashlan and Shaw Avenues was established in the FY05/06 Budget. The project is intended to further the plan goals for the elimination of blight and economic stagnation in the project area and create an attractive environment for potential business expansions and new businesses. An engineering services contract was awarded to prepare the engineering plans and specification for the project. It is anticipated that the plans will be completed in early December 2006 for this multi-year project. Plans for the area between Shaw and Herndon Avenues will be prepared as funds become available.

Redevelopment Agency of the City of Fresno

FRESNO AIR TERMINAL (FATRA)

Environmental Cleanup Project - Ongoing environmental clean up continues in the Fresno Air Terminal Redevelopment Project Area. Based on an agreement between the City of Fresno and the Agency, the Airport Department is responsible for the administration of the environmental program. Reimbursements for eligible environmental cleanup expenses are provided by the Agency from available funds.

Redevelopment Agency of the City of Fresno

ROEDING BUSINESS PARK

Real Property Acquisition and Disposition/Blight Removal - The Agency has budgeted funds in FY 06/07 for the potential acquisition of land and street right-of-ways for blight removal and to encourage economic development.

Infrastructure and Improvements - The reconstruction of Whitesbridge Road between Teilman Avenue and Roeding Drive will be constructed from an approved HUD EDI Grant. Engineering plans for the project have been completed. Public Works will administer the EDI Grant in conjunction with the overall funding of the project. The project is scheduled to be completed in late summer.

An additional EDI Grant was earmarked for the installation of conduit for the extension of telephone and power lines along Dan Ronquillo Drive to serve the Core Area and enhance marketability. HUD granted the release of funds for the project during the past fiscal year. Agency staff is working with an engineering consultant to prepare the design plans in consultation with SBC and PG&E

In 2005, the Agency Board approved an Exclusive Negotiation Agreement (ENA) between the Agency and the Master Developer for the 200-acre industrial development area bound by the Southern Pacific Railroad-Nielsen Avenue, Freeway 180 West, Marks and West Avenues. In FY 06/07, the Agency will continue to provide ongoing support services to the Master Developer and marketing to prospective industrial developments within the Core Area as well as the Roeding Business Park at large.

Redevelopment Agency of the City of Fresno

SOUTH FRESNO INDUSTRIAL REVITALIZATION

Real Property Acquisition and Disposition/Blight Removal - The proposed budget for FY 06/07 includes acquisition and assembly of land to provide market ready sites for new industrial development. This activity addresses goals for business attraction of new industry and retention of expanding industry seeking immediate availability of sites.

Elm Avenue Infrastructure Improvements - The Agency continues to encourage new and existing development along the Elm Avenue Business Corridor. Work on the reconstruction and beautification of Elm Avenue is expected to be completed by the end of summer 2006. The project was assisted by a HUD/EDI grant of $72,168 approved in 2005 for improvements in the South Fresno Industrial Park Area. Based on eligibility requirements, the funds were earmarked for Elm Avenue.

Orange/99 Improvements - In FY 05/06, design plans were completed for the reconstruction of Orange Avenue, between Freeway 99 and North Avenue. Project construction for FY 06/07 will include curbs, gutters, paving and the extension of water, sewer and storm drain lines.

Redevelopment Agency of the City of Fresno

SOUTHEAST FRESNO COMMERCIAL AND INDUSTRIAL REVITALIZATION

Real Property Acquisition and Disposition/Blight Removal - The FY 06/07 budget provides funds for potential acquisition of land for blight removal and to support business development and activity centers such as the fairground area.

Street and Infrastructure Improvements - A variety of street and signalization improvements have been identified in conjunction with the City Public Works Department. The projects include installation of traffic signals, sidewalks and other improvements at various locations. The budget provides funds to complete the signalization at the intersection of Jensen and Cedar Avenues. Street and sidewalk improvements are planned in conjunction with the construction of a medical office building at the northwest corner of Kings Canyon and Adler. Funds are also allocated for potential improvements for California/Chestnut railroad crossing to remove blight and facilitate redevelopment. Traffic signalization is proposed for the Jensen/Willow intersection to improve safety and reduce obstacles to redevelopment.

Commercial Neighborhood Center Revitalization - The Agency's FY 06/07 budget provides funds to initiate plans for a multi-cultural farmer's market/food courtyard concept along Ventura Avenue near 7th Street. In addition, as part of the Exclusive Negotiation Agreement (ENA) with Kings Canyon LLC, the budget provides for continued work towards a mixed-use development including a proposed police facility on the south side of Kings Canyon between Maple and Backer.

Redevelopment Agency of the City of Fresno

HOUSING SET-ASIDE FUNDS

Background

Redevelopment Law requires that at least 20% of the annual tax increments from a project area be "set-aside" into a Low and Moderate Income Housing Fund, for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing. These funds may only be used outside of a Project Area if the City Council and Redevelopment Agency Board have made the necessary findings that to do so would benefit the project area.

The Fresno RDA has 19 project areas. For 16 of the project areas, the agency has adopted findings that:

Allow the use of set-aside outside the project area;
Restrict set-aside to certain CDBG areas;
Place a priority on the use of set-aside from certain project areas to be used either within or adjacent to the central area or certain project areas.

The 16 project areas are combined in the "general" housing budget category that consists of their respective 20% Housing Set-Aside deposits:

Airport Area Revitalization, Central Business District, Central City Commercial, Chinatown, Convention Center, Freeway 99/Golden State Boulevard Corridor, Fruit/Church, Fulton, Mariposa, Roeding Business Park, South Fresno Industrial, South Van Ness Industrial, Southeast Fresno, West Fresno I, West Fresno II and West Fresno III.

The Housing Set-Aside generated by Southwest Fresno (GNRA) and Jefferson must be utilized in their respective areas. The FATRA Housing Set-Aside funds have been applied to the FATRA - adjacent area. Hence, the budget shows a separate category for Southwest Fresno (GNRA), Jefferson and FATRA respectively.

Seven Year Housing Set-Aside Budget

The attached budget covers the period from FY 00/01 through FY 06/07 and provides an overall multi-year snapshot of completed and proposed Agency housing expenditures per Agency Board direction. In the first year, FY 00/01, wherein the administration of the Housing Set-Aside Funds was transferred from the City to Agency, there was a carryover of $4.1 million of unspent housing funds. The $4.1 million carryover combined with future projected Housing Set-Aside Revenue provided for a comprehensive multi-year contract with the Housing Authority. Therefore, 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 the majority of the Agency's 20% Housing Set-Aside funds.

The Community Housing Partnership Program (CHPP) provides for minor, major and infill 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.

The Agency has budgeted $3.6 million for the Community Housing Partnership Program (CHPP). This represents no increase in FY 05/06 funding. Since July 2000 over 1,228 homes have been rehabilitated and approximately 19 homes have been built or reconstructed to provide infill housing. In FY 06/07, it is expected that approximately 200 - 225 homes will be rehabilitated.

The Agency budget format identifies sources and uses of funds for the seven-year period coincident with the Housing Authority agreement. In addition to the Housing Authority contract work, the Agency has a number of other housing projects that are planned, underway or have been completed. These projects are individually identified in the budget and described below:

Boarded-Up Home Rehabilitation/Lot Purchase Program - Funds have been budgeted for the acquisition of boarded-up homes and vacant lots that are the cause of blight in neighborhoods. Homes are completely rehabilitated and sold to low income families. As opportunities present themselves, the program enables the Agency to facilitate the removal of significant blight.

Affordable Residential Mixed-Use – The Agency has set aside funds for the acquisition of a blighted parcel at the southwest corner of Ventura and 7th Avenues for a residential mixed-use project in partnership with the City. The City is purchasing the adjacent parcel from Fresno Unified School District. The assembled site will provide for a major mixed-use residential development.

California Triangle - Funds have been set aside for the acquisition, development and construction of 15 single family homes for low income families. This property is located on California Avenue between Kern Street and Waterman. Following the adoption of the Replacement Housing Plan and Relocation Plan, the Agency through the CHPP will continue to assemble the land adjacent to property owned by the Agency for the development of additional affordable homes.

Casa San Miguel - Nine new housing units for low income families were completed in this 41-unit new housing development on California Avenue west of "B" Street. Three new homes are to be built on the remaining vacant parcels to complete this development with a total of 44 homes. The Agency will monitor the progress of the construction of the new homes. Construction will commence following the necessary lot line adjustment. Included in the final phase of this project will be the completion of the sound wall along Ventura

Avenue.

Downtown Infill Housing - The Agency has budgeted funds to support the development of mixed-use commercial and residential housing projects in the Fulton Redevelopment Area - Cultural Arts District including the following:

Fulton Park Plaza - The proposed project is located in the Uptown Arts District near Broadway, Fulton and Divisadero Streets. The Agency funds will be used to complete the acquisition of the property necessary for the project and other development requirements. The development will consist of approximately ten row houses, seven affordable rental lofts, 27 market rate rental lofts and nearly 33,000 square feet of commercial rental space. The project will include private courtyards and open space.

Fulton Village - The Agency will continue to work with next generation developers for additional mixed-use commercial/residential projects along Broadway Avenue. Included will be the preparation of an Exclusive Negotiation Agreement (ENA) with developers to plan, design and develop new residential and commercial uses for the Fulton Redevelopment Cultural Arts District.

Elm/Southwest Fresno Infill Housing - The Agency will continue to work with Better Opportunities Builder, Inc. a non-profit public benefit corporation to build the "San Benito Elm Crossing" a project comprised of 39 housing units along Elm Avenue and S. Geneva and the northeast corner of "B" Street and San Benito Avenue. The project will serve low-income families with an income of 35-60% of the area median income. The developer will seek tax-credit financing for the project.

HOPE VI/California and Walnut - In support of the HOPE VI project, the Agency will work to assemble land to facilitate a mixed-use residential/commercial project south of California Avenue between Walnut and Plumas Avenues. The Agency's contribution helped secured the HOPE VI $20 million federal grant and will facilitate a master planned community. The Agency will continue to work with the selected developer to plan and design the commercial and residential project on the property at California and Walnut Avenues. The first phase of this project is the proposed County of Fresno One-Stop Service Center and affordable housing units. The Agency will continue land acquisition activities for the next phase which includes the planned aquatic center and additional residential units.

Housing Tax-Credit Matching Funds Program - Matching funds have been budgeted to help finance low-income housing projects through the use of housing tax-credit allocations. This program will help builders secure federal tax-credits available for qualified housing development.

Martin Luther King Square Rehabilitation Project - The Agency is providing matching funds in conjunction with the City to finance a portion of the $8.4 million acquisition and rehabilitation costs of the Martin Luther King Square Apartments, a 92-unit family rental property located at 816 East Florence Avenue in Southwest Fresno. The Disposition and Development Agreement (DDA) has been completed and construction is underway.

Vagabond Lofts - The Agency entered into an Owner Participation Agreement (OPA) for construct of affordable and market rate housing at the site of the former Vagabond Motel in downtown Fresno. The project includes the construction of 38 residential units, of which nine will be affordable rental housing units. Project is scheduled to be completed by the end of July 2006 a full three months ahead of schedule.

Westgate Gardens - This is a 100-unit family rental subdivision that received $3 million in major rehabilitation funds. The Agency provided a $250,000 30-year loan from Housing Set-Aside funds as part of this project. The Agency continues to receive and review reports from the developer to monitor the project required affordability requirements.

RESOLUTION No. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO APPROPRIATING THE FY 06/07 BUDGET, TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO IN THE AMOUNTS SET FORTH HEREIN FOR APPROVED PROJECTS, ACTIVITIES, AND OTHER SUCH PURPOSES AND EXPENDITURES AS MAY BE BUDGETED BY THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

Part I. General Provisions

Section 1. APPROPRIATIONS FOR FY 06/07. In accordance with approved budgets as adopted, there are appropriated for FY 06/07 certain redevelopment projects of the Redevelopment Agency of the City of Fresno the amounts set forth in Exhibit "A" for such other purposes and expenditures as may be budgeted by the Redevelopment Agency of the City of Fresno.

Section 2. CONTRADICTORY PROVISIONS OF PREVIOUS RESOLUTIONS. Any other Resolution or provision thereof, of the Redevelopment Agency of the City of Fresno respecting the appropriation and administration of redevelopment projects contained in the Resolution which is in contradiction with this Resolution is hereby superseded.

Part II. Administration

The Executive Director or designee, shall maintain and administer all changes to this Resolution and shall cause to be filed with the Ex-Officio Clerk a copy of, and subsequent amendments to, this Resolution following adoption of the Redevelopment Agency of the City of Fresno. The Executive Director may establish guidelines for the proper accounting and expenditure of these appropriations.

Part III. Appropriations

THAT the sums listed in Exhibit "A" are appropriated as separate appropriations for approved redevelopment projects and such other purposes and expenditures as may be budgeted by the Redevelopment Agency of the City of Fresno.

CLERK'S CERTIFICATION

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

I, REBECCA E. KLISCH, Clerk Ex-Officio 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 regular meeting thereof, held on the _____ day of _____, 2006.

AYES:
NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
Clerk Ex-Officio

_____