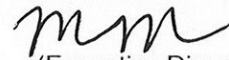


**REPORT TO THE
REDEVELOPMENT AGENCY**

ITEM NO.

MEETING: 07/17/07

APPROVED BY


(Executive Director)

DATE: July 17, 2007

FROM: MARLENE MURPHEY, Executive Director

SUBJECT: Agency Consider Adoption of a Resolution Approving the Proposed Five - Year Implementation Plan for the Roeding Business Park Redevelopment Project Area

RECOMMENDATION

It is recommended that the Agency adopt the attached resolution (Attachment A) approving the proposed updated Five-Year Implementation Plan for the Roeding Business Park Redevelopment Project Area (the "Implementation Plan").

EXECUTIVE SUMMARY

On July 23, 2002, the Redevelopment Agency adopted a Five-Year Implementation Plan for the Roeding Business Park Redevelopment Project Area (the project area referred to hereafter as the "Project Area"). The subject Implementation Plan will expire on July 23, 2007 and the Agency must adopt a new five-year plan in accordance with Redevelopment Law. The Agency's consultant, Land Use Associates, has prepared an updated Five-Year Implementation Plan (see Exhibit "A" to Attachment "A") that covers the Project Area, and is referred to here as the "Implementation Plan". On July 11, 2007, the Fresno Housing and Community Development Commission reviewed the proposed Implementation Plan, and recommended that the Agency approve the proposed Implementation Plan, as recommended by staff.

BACKGROUND

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

1. A description of the Agency's specific goals and objectives for each Project Area, including specific programs, possible projects, and estimated expenditures for the next five years;
2. A description of how certain of these goals, objectives, programs and expenditures will alleviate blight;
3. A description of how certain of these goals, objectives, program and expenditures will eliminate blight in the project area, and implement the Low and Moderate Income Housing Set-Aside and housing production requirements of Redevelopment Law, including an annual housing program. How the Agency has met its replacement housing and housing production (inclusionary) requirements, and how the Agency will meet its replacement housing and housing production requirements over the next five years.

The Implementation Plan serves as a multi-year planning vehicle for projects, and describes the links between the programs undertaken, the alleviation of blight and the provision of affordable housing for the Project Area. The Implementation Plan is a policy document, meant to guide the implementation of the redevelopment plan for the Project Area, but allows sufficient flexibility for the Agency to respond to specific opportunities as they arise.

The following proposed programs and projects are to address blighting conditions in the Project Area during the 2007-2012 planning period. The estimated resources available to finance proposed non-housing redevelopment programs over the next five years is \$3,882,940. The major portion of the resources, \$2,625,000 will be used for debt service payments for the loans from the State and City to fund the major investment in infrastructure projects during the previous five-year Implementation Plan period. This leaves \$1,157,940 for the following programs and projects. A number of the programs are dependent on the response by the private sector to Agency initiatives.

Public Improvement and Facilities Program This program will help eliminate public infrastructure deficiencies identified in the Project Area. This program includes the installation of new streets, expansion of existing roadways, including landscaping, median islands, streetscape improvements, etc., and repair or upgrading of water, sewer and storm drainage systems. Anticipated expenditures over the next five years would be \$527,190. The Agency will use these funds to leverage other funds that may become available to the Agency, such as grants or additional loans. Therefore, over the next five years the Agency's priorities for public infrastructure projects would include: 1) 180 West frontage road connector; 2) G Street extension; 3) Fruit Avenue, Nielsen-Belmont, widening and reconstruction including widening of a bridge and railroad crossing; and 4) Hughes Avenue, Nielsen-Belmont, widening and reconstruction including widening of a railroad crossing.

Land Assembly Program. This program will enable the Agency to eliminate irregular and undersized parcels in the Project Area and facilitate development into viable development sites. Land assembly will likely take place in response to property owner or developer initiated efforts, through negotiated purchase, eminent domain, or otherwise. The Agency may also participate in the acquisition of property when an existing owner wants to sell, or to acquire parcels for infrastructure or public purposes. The Agency will provide relocation assistance and payments, and replacement housing as required by law. Anticipated expenditures over the next five years will be \$351,460. The Agency will use these funds to leverage other funds that may become available to the Agency, such as grants or additional loans, and participation by the private sector.

Business Revitalization and Attraction Program This program will assist existing property owners in the redevelopment, rehabilitation, expansion, and development of business properties. The Agency's goal is to support and retain existing businesses compatible with the overall revitalization efforts and help them expand and improve the image of their properties as necessary.

Anticipated expenditures over the next five years will be \$116,790. The Agency will use these funds to leverage other funds that may become available to the Agency, such as grants or

additional loans, and participation by the private sector.

Low and Moderate Income Housing Program.

This program will ensure the utilization of the required 20 percent housing set-aside funds to construct, rehabilitate and preserve low- and moderate-income housing in the areas surrounding the Project Area. The Agency proposes a housing program that focuses on increasing, improving, and preserving the community's supply of low- and moderate-income housing. The Agency will deposit housing set-aside funds generated in the Project Area into the Agency's Housing Fund. Housing programs may include, but are not limited to, housing rehabilitation, in-fill housing development, and assistance for first time homebuyers in nearby neighborhoods zoned for residential, or within the community.

The Agency anticipates that the Project Area will generate \$1,294,360 in 20 percent Housing Set-Aside funds in the years 2007-2012. It will deposit these funds into the Agency's Housing Fund to use for housing programs in the areas surrounding the Project Area.

PUBLIC REVIEW PROCESS

Included in Attachment "B" is the public notice that the Agency published for three consecutive weeks in The Fresno Bee, and posted at locations within the Project Areas pursuant to Redevelopment Law. The notices identified the July 11, 2007 meeting of the Housing and Community Development Commission, and the July 17, 2007 hearing of the Redevelopment Agency.

Attachment: "A" - Proposed Agency Resolution adopting RBP Five-Year Implementation Plan
Exhibit "A" - Proposed RBP Five-Year Implementation Plan
"B" - Notice of Public Hearing

ATTACHMENT "A"

**AGENCY RESOLUTION
APPROVING AND ADOPTING
THE ROEDING BUSINESS PARK
FIVE-YEAR IMPLEMENTATION PLAN**

AGENCY RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO APPROVING THE FIVE-YEAR
IMPLEMENTATION PLAN FOR THE ROEDING BUSINESS PARK
REDEVELOPMENT PROJECT AREA

WHEREAS, the Council of the City of Fresno, by a 1996 ordinance, adopted a redevelopment plan for the Roeding Business Park Redevelopment Project Area (the "Project Area"); and,

WHEREAS, July 23, 2002, pursuant to California Health & Safety Code (the "Law") Section 33490, the Redevelopment Agency of the City of Fresno (the "Agency") adopted an updated five-year implementation plan (2002-2007) for the Project Area, by Resolution No. 1609, and the 2002-2007 implementation plan will expire on July 23, 2007; and,

WHEREAS, Section 33490 of the Law, requires that the Agency adopt an implementation plan for a project area every five years, after conducting a noticed public hearing; and

WHEREAS, pursuant to Section 33490(d), a public notice was published as to the proposed implementation plan for the Project Area, and was posted at locations within the Project Area; and

WHEREAS, a new five-year implementation plan (2007-2012) has been prepared for the Project Area (the "2007-2012 Plan"), and copies filed with the City Clerk, and the Office of the Redevelopment Agency; and,

WHEREAS, the 2007-2012 Plan describes the Agency's goals and objectives for the Project Area, a summary of the specific programs and expenditures proposed to be made by the Agency during the next five years, and an explanation of how the goals and

objectives, projects, and expenditures will eliminate blight within the Project Area, and implement the affordable housing regulations of the Law; and

WHEREAS, July 11, 2007, at a noticed meeting, the Fresno Housing and Community Development Commission (the "Commission") reviewed the proposed 2007-2012 Plan, and the Commission recommended that the Agency approve the 2007-2012 Plan, as recommended by staff; and

WHEREAS, July 17, 2007, the Agency held a noticed public hearing on the proposed 2007-2012 Plan, in accordance with the Law; and,

WHEREAS, pursuant to Section 33490 of the Law, approval of an implementation plan does not constitute a project for purposes of the California Environmental Quality Act ("CEQA"), and therefore no environmental documentation is required pursuant to CEQA; and

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

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

Section 1. Based upon substantial evidence provided in the record before it, the Agency finds and determines as follows:

Finding 1.1. The 2002-2007 Implementation Plan will expire on July 23, 2007.

Finding 1.2 The 2007-2012 Plan is consistent with the Redevelopment Plan for the Project Area.

Section 2. The Agency accepts the status report for the Project Area, as contained in Exhibit A.

Section 3. The Agency approves and adopts the 2007-2012 Plan, contained in Exhibit A, as the next five-year implementation plan for the Project Area.

Section 4. The 2007-2012 Plan shall be effective July 23, 2007 and shall expire July 23, 2012.

CLERK'S CERTIFICATION

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

I, REBECCA KLISCH, Ex-Officio Clerk of the Redevelopment Agency of the City of Fresno, certify that the foregoing resolution was adopted by the Redevelopment Agency of the City of Fresno, California, at a public hearing held on the ____ day of _____, 2007, and that the same was passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

REBECCA E. KLISCH
Ex-Officio Clerk

By: _____

APPROVED AS TO FORM:
JAMES C. SANCHEZ
Ex-Officio Attorney

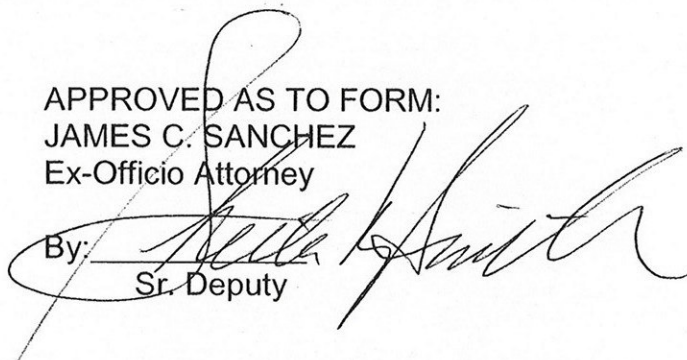
By:  _____
Sr. Deputy

Exhibit "A" - Five-Year Implementation Plan for the Roeding Business Park
Redevelopment Project Area (2007-2012)

REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

Draft

REDEVELOPMENT PLAN
FOR THE ROEDING BUSINESS PARK
REDEVELOPMENT PROJECT

FIVE-YEAR IMPLEMENTATION
PLAN

2007 - 2012

July 2007

REDEVELOPMENT PLAN FOR THE ROEDING BUSINESS PARK REDEVELOPMENT PROJECT

FIVE-YEAR IMPLEMENTATION PLAN

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1.0 INTRODUCTION

This Five-Year Implementation Plan ("Implementation Plan") offers an overview of how the Redevelopment Agency of the City of Fresno (the "Agency") intends to utilize its financial resources over the next five years, and specifically, how the expenditures will help eliminate physical, economic, and social blight in the Roeding Business Park Redevelopment Project Area (the "Project Area"). The Project Area is shown in Figure 1.

Pursuant to Section 33490 of the Community Redevelopment Law (Health & Safety Code Sections 33000 *et. seq.*¹) (the "Law"), an agency shall have adopted an implementation plan for each project area on or before December 31, 1994, and thereafter to update the implementation plan every five years. The Law also provides that an agency shall hold a public hearing to review an adopted implementation plan no earlier than two years, and no later than three years, after it has been approved.

Consistent with the requirements of Section 33490, the Agency adopted an implementation plan for the Project Area when it was established in 1996. Thereafter, the Agency adopted a second five-year implementation plan for the years 2002-2007. This Implementation Plan will establish a work program for the Agency for the next five years (July 2007-July 2012).

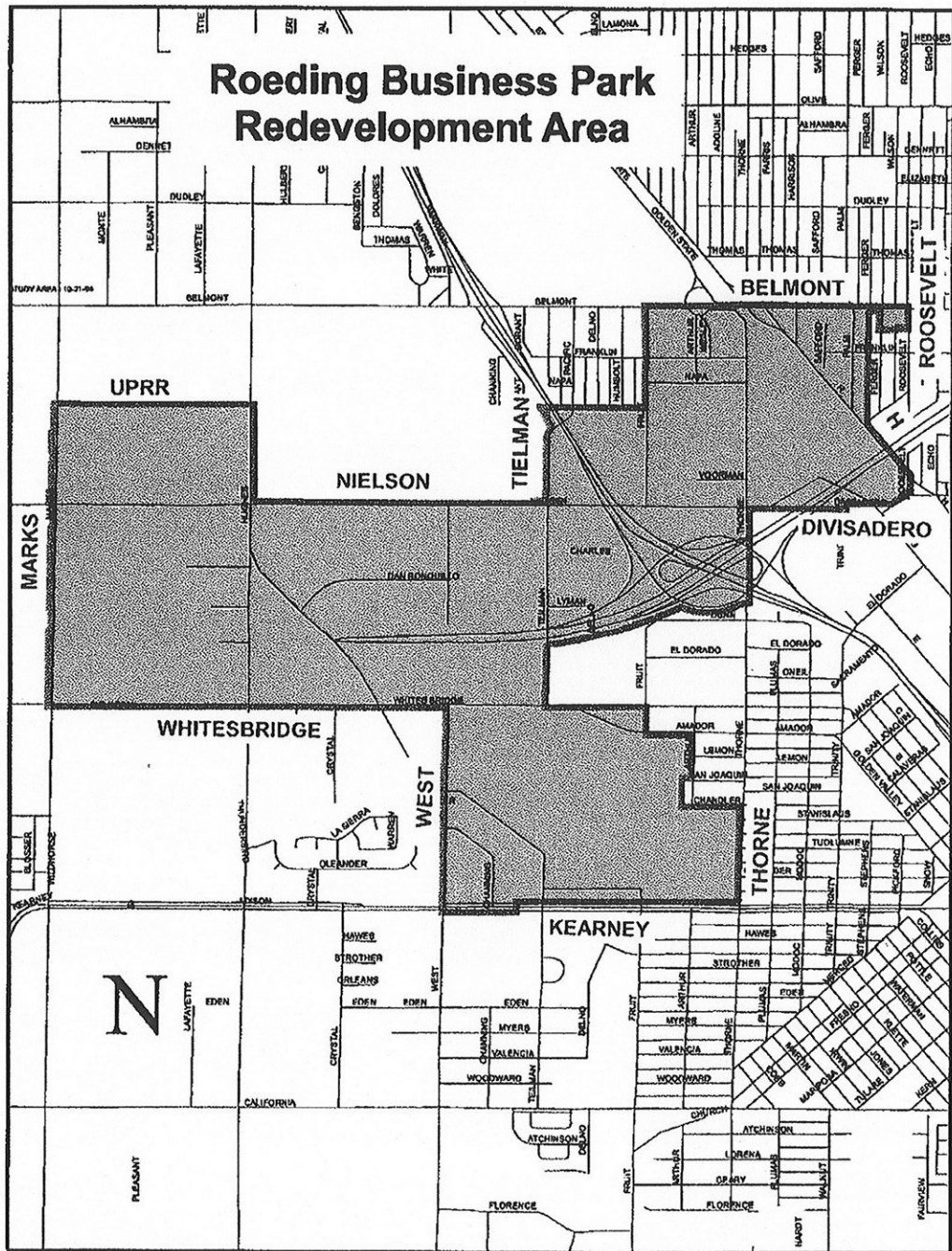
An implementation plan plays an important role in Fresno's overall economic development strategy and provides an opportunity for the Agency to display its past successes, detail its current economic development incentive programs, and look forward in addressing community needs. In recent years, as the City of Fresno's (the "City") economic development efforts have become more refined, the Agency has established a progressive new economic development program designed to retain and attract business. Among the many incentives that the Agency offers to Project Area business prospects are the following:

- Redevelopment financial incentives
- Site selection assistance
- Energy efficiency strategies
- Job training
- Utilities incentives
- Environmental compliance and permit assistance
- Small Business Assistance Program

¹ All "Section" references in this Implementation Plan shall be references to the Health and Safety Code unless otherwise stated.

The Agency's program exemplifies essential elements where business and government can work together toward the attainment of common economic development goals. The Agency's Five-Year Implementation Plan provides another very important part, serving as a blueprint for long-term planning in this critical area.

Roeding Business Park Redevelopment Area



2.0 REGULATORY REQUIREMENTS

This Implementation Plan meets the requirements of Section 33490 of the Law. As set forth in Section 33490, this Implementation Plan contains the following:

- a. Specific goals and objectives for the next five years.
- b. Specific projects and expenditures planned for the next five years.
- c. An explanation of how the goals, objectives, projects and expenditures will eliminate blight.
- d. An explanation of how the goals, objectives, projects and expenditures will implement the low and moderate income housing set-aside and housing production requirements set forth in Sections 33334.2, 33334.4, 33334.6 and 33413 of the Law. This explanation must contain a housing program for each of the five years of the Implementation Plan in enough detail to measure performance.
- e. The number of housing units to be rehabilitated, price restricted, assisted or destroyed.
- f. Plans for using the Housing Set Aside Funds/Low and Moderate Income Housing Fund (the "Housing" Fund).
- g. If a planned project will result in destruction of existing affordable housing, identification of proposed locations for the replacement housing that the Agency will produce pursuant to Section 33413 of the Law.
- h. The project area affordable housing production plan required by Section 33413(b)(4) of the Law.

3.0 IMPLEMENTATION PLAN

3.1 Goals and Objectives

The goals and objectives, outlined in the Redevelopment Plan for the Project Area (the "Redevelopment Plan") are as follows:

- The elimination of blighting influences and the correction of environmental deficiencies in the Project Area including, among others, small and irregular shaped lots in multiple ownership, faulty exterior spacing, obsolete and deteriorated buildings, incompatible and uneconomic land uses, inadequate or deteriorated public improvements, facilities and utilities, and a high crime rate.
- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign, and development of areas which are undeveloped and underdeveloped, stagnant, or improperly utilized.
- The providing of opportunities for participation by owners and tenants in the revitalization of their properties.
- The strengthening of industrial, commercial and aviation-related functions in the Project Area.
- The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements to stimulate new industrial and commercial expansion, employment and economic growth.
- The provision of adequate land for parking and open spaces.
- The establishment of a positive visual image through the implementation of performance criteria through application of the M-I-P zone district development standards to assure high site design standards and environmental quality, compatibility with Chandler Airport operations, conservation of and compatibility with historic structures and monuments, and other design elements which provide unity and integrity to the entire Project.
- The expansion and improvement of the community's supply of low- and moderate-income housing.
- The encouragement of active and continuous participation of Project Area occupants in the formation, refinement, and implementation of the Redevelopment Plan, to ensure that Redevelopment Plan proposals are beneficial to the people who live and work within the Project Area, and the community in general.

3.2 Accomplishments to Date

Public Infrastructure Construction and Beautification

December 2004, the City and Agency achieved a major milestone in the Project Area by completing the third phase of three-phased public infrastructure improvements, including approximately \$12 million in water, sewer, storm drain facilities and landscaping improvements, thus making the area attractive to new industrial and business development. The improvements were funded, in part, with a \$6.03 million public works grant that the U.S. Economic Development Administration (EDA) awarded to the City and Agency in September 1999, and \$3.03 million in local matching funds provided by the Agency and City, and a \$4.5 million California Economic Development Infrastructure Loan (I-Bank Loan).

The Phase I and II infrastructure improvements provided water, sewer, and storm drains improvements, and street improvements on Nielsen and West Avenues. Street improvements included curbs, gutters, street paving, street lights, landscaping and street trees, and traffic signs. A new water well was also constructed with EDA funds.

The Phase III infrastructure improvements included reconstruction of North Marks Avenue to a four lane arterial street with landscaped median islands, relocation of two irrigation canals, and construction of three bridges along Marks Avenue, a new water well, and entrance identification improvements to the Project Area.

Redevelopment Plan Amendments

December 3, 2002, the City Council adopted an Ordinance amending the Redevelopment Plan to remove restrictions on the use of eminent domain and assessment districts.

Proposed Master Developer

March 2005, a master developer was recruited and selected to develop 50 acres between Nielsen Avenue and Freeway 180 West and Hughes Avenue. Staff, working with City Economic Development staff, negotiated an Exclusive Negotiated Agreement (ENA) with the master developer for a larger 200 acre project that included the 50 acres originally requested by the proposed master developer for light manufacturing office and commercial uses. The ENA study area is bounded by Nielsen Avenue-West Avenue-Freeway 180-Marks Avenue-Union Pacific Branch Line-Hughes Avenue. The ENA expired in October 2006 and has not been extended at this time due to the impact to development from the delay in construction of the frontage road to serve the area and the uncertain funding and time frame for the construction. The Agency continues to market the Roeding Business Park area for industrial and commercial development.

Whitesbridge Road Reconstruction Project

In FY 2003-04 Housing and Urban Development (HUD) awarded the City a HUD Economic Development Initiative (HUD-EDI) grant of \$447,070 for further infrastructure

improvements in the Project Area. This grant was earmarked for the reconstruction of a portion of Whitesbridge Road within the Project Area. The City Public Works Department has been preparing construction plans for and will undertake the reconstruction of Whitesbridge Road, including the Agency's project from Freeway 99 to the Hughes-West Diagonal.

Extension of Power, Gas and Telecommunication Conduit

The City also received a HUD-EDI a \$497,050 grant to extend conduit for gas, electricity and telecommunications main lines into the core of the 50 acre within the 200 acre area proposed for master development (see above). Due to SBC Communications, Inc., and Pacific Gas & Electric time lines, the City anticipates construction of the improvements between 2007 and 2008.

Freeway 180

The Freeway 180 West extension was completed in mid 2004, and has been a major factor in increasing the attractiveness of the Project Area to new industrial development and the creation of new jobs in the Project Area. The freeway project included the construction of the Hughes-West Diagonal arterial street between Nielsen and Kearney Boulevard. The Agency assisted in assembling land for an alternative alignment of the Ronquillo Drive frontage road. The latter provides more effective access for industrial development in the Project Area and for a more efficient parcelization of properties adjacent to the frontage road.

The California State Department of Transportation, with assistance from the Agency, the County Council of Governments, and the Fresno Area Transportation Committee, completed final plans for Segment 2 of Freeway 180 West. Segment 2 includes a full interchange at Marks Avenue, the westerly boundary of the Project Area. The cost of constructing this segment is estimated at \$77.3 million. The freeway project will help foster new industrial development and the creation of new jobs within the Project Area. Construction began in late 2006, with completion anticipated in late 2008.

Fresno Chandler Executive Airport

The City completed a \$4million FAA grant and airport-funded airfield reconstruction project at Fresno Chandler Executive Airport.

Business Attraction and Retention

The Agency worked with property owners, existing businesses, and development interests to assist in attracting new development to the Project Area and to foster and facilitate retention and expansion of existing businesses through development assistance such as site selection or land assembly for a range of industrial and commercial uses. Other Redevelopment Plan implementation activities included the commercial facade program, marketing, providing public information through the Agency's website and other sources, and reviewing entitlement applications and assisting private sector development through the entitlement process.

New business development, expansion of existing businesses or relocations since the Project Area was established in 1996 through June 2007 include the following:

- Horizon Enterprises constructed two 25,860 square foot office-warehouse buildings at the northwest corner of West Avenue and Dan Ronquillo Drive, and plans additional phases of development.
- Central Sanitary Supply Company constructed a 50,000 square foot building at 1149 Nielsen Avenue.
- Pleasant Mattress, Inc. constructed a 102,000 square foot manufacturing plant consisting of a tilt-up masonry building with extensive landscaping on the east side of West Avenue at Dan Ronquillo Drive.
- Certified Ad Services added 30,000 square feet of warehouse to its existing plant at 909 West Nielsen Avenue.
- The Central California SPCA constructed a 10,676 square foot animal shelter, a 2,400 square foot barn and free standing snack bar on the 11-acre site at 103 South Hughes Avenue.
- MVP Hydratech, at 1331 South West Avenue, added 10,700 square feet of floor area to its existing 34,498 square foot building for assembly operations and storage.
- Lorena Restaurant added a new kitchen and scullery to its restaurant and a 410 square foot patio cover to its outdoor dining area. The restaurant is at 435 West Belmont Avenue.
- Cliff Hangers, Ltd, constructed an approximately \$2 million, 81,300 square foot aircraft hanger that accommodates 66 aircraft at the Fresno-Chandler Downtown Airport.
- Whirlwind Car Wash, at 225 North "H" Street, expanded and remodeled its carwash facilities. It remodeled the exterior of the carwash facilities to match the new mini-mart and pump island canopy, added a canopy for the staging and vacuuming area, and a new office and mini-mart facility.
- Calaveras Materials Inc., at 410 West Thorne Avenue, replaced an existing batch plant with a new 90-foot high batch plant.
- The Sprint Corporation added 3,000 square feet of floor area to its fiber optics transmission center at 233 West Voorman Avenue.
- Producers Dairy at 144 West Belmont added an office building at the southwest of Palm and Belmont. It also added a 925 square foot station for off-loading oranges, a 2,000 square foot off-loading station for milk, a 10,960 square foot bottle warehouse, and a 12,375 square foot cold storage building.
- La Tapatia Tortillera, expanded into an existing building to the west of its existing plant at 102 East Belmont Avenue. The site was expanded with the vacation of Harrison Avenue to consolidate the existing plant and the added building. La Tapatia has also made new facade improvements to integrate the design and enhance the appearance of the buildings.
- A 20,169 square foot office building was constructed for the California State Department of Corrections at 405 East Divisadero.

- American Paper Conversions constructed a 19,960 square foot warehouse at 2290 G just north of Nielsen Avenue.
- U.S. Food Service Distribution Company (formerly Hestbecks), located in the old Rykoff warehouse, added a 37,790 square foot cold storage unit to the existing facilities at 302 North Thorne Avenue. Approximately 50 new jobs were created by this business.
- Mygrant Glass constructed a new warehouse-distribution center at 485 West Nielsen.
- Patton Air Conditioning expanded its facilities at 272 Palm Avenue, adding 2,557 square feet and a parking lot for employees and customers.
- Level (3) Communications, a Fiber Optics Internet Service Provider, renovated a 72,000 square foot building at 310 West Napa to house an unmanned switching station with an estimated cost of improvements and equipment at between \$2 to \$3 million.
- The Agency helped facilitate the relocation of Helados La Tapitia, an ice cream maker, from its 8,800 square foot plant to a four acre site in the Project Area on West Avenue south of Nielsen Avenue. The company will construct a 20,000 square foot facility and employ up to 100 people.
- Right-Now-Couriers constructed a 20,000 square foot building at 188 West Avenue.
- Delta Rubber Products, a wholesale-distributor of rubber products, recently purchased and moved into a 25,860 foot building within the West Commerce Center at the northwest corner of West Avenue and Dan Ronquillo Drive.
- Woodworking Specialties, a cabinet and millwork operation, recently moved into the existing 18,992 square foot building at 411 S. West Avenue adjacent to Freeway 180 West.
- Specialty Branded Products, a premium meat processor, purchased a vacant 6-acre parcel to construct a 100,000 square foot concrete tilt-up building at the southwest corner of Nielsen and Hughes Avenues;

3.3 Specific Programs, Program of Actions and Expenditures

The Agency has four programs intended to eliminate blight and achieve the goals and objectives of the Redevelopment Plan: (a) a Public Improvements and Facilities Program, (b) a Land Assembly Program, (c) an Owner Participation Program, and (d) a Low and Moderate Income Housing Program. Each of these programs is described briefly below.

a. Public Improvement and Facilities Program

This program will help eliminate public infrastructure deficiencies identified in the Project Area. This program includes the installation of new streets, expansion of existing roadways, including landscaping, median islands, streetscape improvements, and repair or upgrading of water, sewer and storm drainage systems.

b. Land Assembly Program

This program is to help eliminate irregular and undersized parcels in the Project Area and facilitate development. Land assembly may occur in response to property owner or developer initiated efforts. The Agency may also acquire property when an existing owner wants to sell, or may acquire parcels for infrastructure or public purposes.

c. Business Revitalization and Attraction Program

This program is to assist property owners in the redevelopment, rehabilitation, expansion, and development of business properties. The Agency's goal is to attract new development and to support and retain existing businesses compatible with the overall revitalization efforts and help businesses expand and improve the appearance of business properties.

d. Low and Moderate Income Housing Program

This program is designed to ensure the utilization of the required 20 percent housing set-aside funds to construct, rehabilitate and preserve low- and moderate-income housing in areas surrounding the Project Area.

Agency Objectives for the Five-Year Implementation Plan

Following are the Agency objectives for this five-year Implementation Plan period:

- Assist new and existing businesses with public improvements and upgrading business properties.
- Extend G Street.
- Improve Fruit Street, including Houghton Bridge.
- Whitesbridge Sewer Trunk.
- Property acquisition for selected developments.
- Develop and expand industrial facilities to help attract new employment opportunities and resultant income and economic activity to the community.

3.4 Alleviation of Blighting Conditions

Historical and Projected Tax Increment. Tax increments from the Project Area the past five years are shown in Table 1. Appendix A shows total Agency tax increment the past

five years. Table 2 shows projected tax increments and housing set-aside funds for this five-year Implementation Plan period.

Table 1: Tax Increments and Housing Set-Aside Funds (2002-2007)

Total Tax Increments						
	2002-03	2003-04	2004-05	2005-06	2006-07 ¹	Total 5-Year
Roeding Project Area	\$332,580	\$378,702	\$358,369	\$515,018	\$724,729	\$2,309,398
Net Tax Increments²						
Roeding Project Area	\$207,489	\$233,347	\$202,133	\$299,085	\$456,277	\$1,398,331
Housing Set Aside						
Roeding Project Area	\$66,516	\$75,740	\$71,674	\$103,004	\$144,946	\$461,880

¹ Projected through the end of the fiscal year

² Net of administration fees, pass-through payments, and housing set-aside

Source: Redevelopment Agency of the City of Fresno

Table 2: Projected Tax Increments and Housing Set-aside Funds (2007-2012)

Total Tax Increments						
	2007-08	2008-09	2009-10	2010-11	2011-12	Total 5-Year
Roeding Project Area	\$869,680	\$1,043,610	\$1,252,330	\$1,502,800	\$1,803,360	\$6,471,780
Net Tax Increments¹						
Roeding Project Area	\$521,810	\$626,170	\$751,400	\$901,680	\$1,082,020	\$3,883,080
Housing Set Aside						
Roeding Project Area	\$173,940	\$208,720	\$250,470	\$300,560	\$360,670	\$1,294,360

¹ Net of administration fees, pass-through payments, and housing set-aside

Source: Land Use Associates

The Agency has expended tax increments from the Project Area primarily to repay a State Infrastructure Bank Loan, proceeds of which were used to construct approximately \$12 million in public infrastructure and street improvements, including local industrial roadways. Because tax increment growth from the Project Area has been slower than the Agency expected, repaying the loan has resulted in a deficit fund balance of an estimated \$551,500 that the Agency will carry over into FY 2007-08. Debt service to the loan and other loans will continue throughout this Implementation Plan period, though the deficit will be eliminated as tax increment increases.

Following is a list of projects which the Agency would like to accomplish over the next five years as funds, such as grants or additional loans, become available to the Agency:

1. 180 West frontage road connector — \$2 to 2.5 million.
2. G Street extension — \$2.5 million.
3. Fruit Avenue, Nielsen-Belmont, widening and reconstruction including widening of a bridge and railroad crossing — \$2 to \$3 million.
4. Hughes Avenue, Nielsen-Belmont, widening and reconstruction including widening of a railroad crossing — \$2 to \$3 million.

Successfully implementing the Redevelopment Plan will address and alleviate the detrimental physical and economic blighting conditions in the Project Area and, consequently, will correct and minimize the blighting influences that define these conditions in the Health and Safety Code.

- Unsafe or unhealthy buildings, defective design or physical construction, faulty or inadequate utilities and conditions preventing or hindering the effective use or capacity of buildings or lots, or lack of parking. The Redevelopment Plan and program proposes renovating and revitalizing the community's key commercial and industrial properties, and rehabilitating and enhancing existing business properties to address and help correct the described conditions.
- The existence of subdivided lots in multiple ownership of irregular form and shape and inadequate size for proper development will be mitigated by Agency site acquisition and land assembly to consolidate inadequate sized parcels. Agency disposition of consolidated parcels as development sites will serve to alleviate irregular parcelization in the Project Area.
- Inadequate income and employment opportunities will be addressed and corrected through the overall economic improvement in the community anticipated as a result of project-related industrial development activities. The creation of a community environment that will attract new industry, with the consequent creation of net new jobs and increased income into the local economy, will benefit the community's commercial areas, enhance the viability of local investments, and result in increased property values.

Financing Methods Available to the Agency. Based on the projections in Table 2, the Agency will have enough income to support planning, Agency administration, and program implementation activities in the next five years. In years 2007-2012, the Agency projects approximately \$3.9 million in net tax increments (after pass-through payments and 20 percent Housing Set-Aside). The Agency will use approximately 65 percent of these funds to pay debt service on the Infrastructure Bank and City loan, and use the remaining 35 percent for administration, program implementation and land assembly in connection with negotiating agreements with property owners and developers, for one or more of the above discussed programs.

The Redevelopment Plan authorizes the Agency to finance redevelopment activities from any or all of the following sources: (1) tax increment funds, (2) Agency bonds, (3) interest income, (4) the City, (5) the State of California, (6) federal government, (7) loans from private financial institutions, (8) lease or sale of Agency-owned property, and (9) any other legally available public or private source.

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

The estimated resources available to finance proposed redevelopment programs are:

Tax Increment (carryover)	(-\$ 551,500)
New Tax Increment	\$3,883,080
Sale, Lease, and Loan Proceeds	<u>\$ 551,360</u>
	\$3,882,940

Anticipated expenditures for non-housing programs over the next five years are:

Administration and Planning	\$ 262,500
Debt Service	\$2,625,000
Project Area Improvements	\$ 527,190
Land Assembly	\$ 351,460
Business Revitalization and Attraction	<u>\$ 116,790</u>
	\$3,882,940

Some programs are dependent on the responses from the private sector to Agency initiatives. Other programs may be dependent on funding sources not under Agency control, subsequent environmental assessment, and other factors. The Agency will allocate its available resources among the above programs depending on conditions at the time of implementation. Table 3 highlights key blighting conditions found within the Roeding Business Park Project Area and how the programs will address these conditions. Blighting conditions are matched to the definitions in appropriate sections of the Law.

Table 3
Roeding Business Park Redevelopment Project Area
Blight Alleviation and Related Programs

Blighting Factor	Administration and Planning	Land Assembly	Debt Service/Project Area Improvements	Business Revitalization and Attraction
Buildings in which it is unsafe to live or work (building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other)	✓		✓	✓
Substantially hindered economically viable use or capacity of buildings or lots (substandard design, inadequate size given present standards or market conditions, lack of parking or other)	✓	✓	✓	✓
Subdivided lots of irregular form and shape and inadequate size of proper usefulness and development that are in multiple ownership.	✓	✓		✓
Incompatible adjacent or nearby uses which prevent economic development.	✓			✓
Depreciated or stagnant property values or impaired investments, including properties containing hazardous wastes that require use of Agency authority.	✓		✓	✓
Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.	✓			✓

3.5 Low and Moderate Income Housing

The Agency proposes a low and moderate income housing program that focuses on increasing, improving, and preserving the City's supply of low and moderate income housing. The Project Area is projected to generate \$1,294,360 in 20 percent Housing Set-Aside funds in the years 2007-2012 (see Table 2). These funds will be deposited into the Agency's Housing Fund to be used for housing programs in the areas surrounding the Project Area. It is estimated that over the next five years, the Agency's Housing Fund will have an additional \$3.5 to \$4 million per year for housing programs. The Project Area will contribute an estimated 6 to 7 percent of this total.

The strategy of the Housing Plan is based on the ability of the Agency to allocate funds in ways that will maximize impact. This not only implies the most efficient use of monies, but that the monies be leveraged. Efficient use of funds includes establishing valid and cost-effective programs to meet established priorities.

Housing Program Goals and Objectives

The 2025 Fresno General Plan Housing Element contains the City's housing goals and objectives and should be referenced for the five-year housing plan. It is the Agency's objective to provide major implementation tools to meet the goals of the five-year housing plan. Programs may include, without limitation, housing rehabilitation and in-fill housing development. The Agency also proposes to aid the construction and rehabilitation of low and moderate income housing on vacant residentially-zoned parcels outside the Project Area.

The Agency has identified the following actions as necessary to accomplish housing goals and objectives:

1. Identify problematic, distressed and deteriorated housing within the City and to the extent feasible, acquire, rehabilitate, and insure quality management is sustained.
2. Aggressively implement the Agency's mandated inclusionary 15 percent housing requirements within the applicable other redevelopment project areas.
3. Preserve existing single-family residential neighborhoods through the provisions of low interest loans or grants.

4. Preserve existing multi-family units through the provision of low interest rehabilitation loans or grants.

Housing Accomplishments Since Redevelopment Plan Adoption

Since 1996 when the Council adopted the Redevelopment Plan for the Project Area, the Agency has accomplished the following major housing objectives and established corresponding housing programs:

1. Housing Partnership Program

During FY 1999-2000, the City administered the Agency's Low and Moderate Income Housing Program through the City's Housing and Neighborhood Revitalization Department, and through the City's Airports Department in regard to the Fresno Air Terminal Project Area's Housing Fund. Housing funds provided for the acquisition and rehabilitation of affordable housing for eligible low and moderate income households.

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 Housing Funds. The CHPP provides for minor, major and in-fill housing in designated target areas within and adjacent to 17 of the Agency's adopted redevelopment project areas, including the Project Area. Since that time, several contract amendments have expanded target areas and increased the funding for aggressive programs to attack blight caused by boarded-up houses and neglected vacant land.

Since July 2000, 1,455 homes have been rehabilitated and approximately 80 homes have been built or reconstructed to provide in-fill housing, and 192 units of major rehabilitation rental housing. Included in Appendix B to this Implementation Plan are two maps that show general locations of completed and proposed housing activities. In FY 07/08, the Agency has budgeted \$2.7 million for the CHPP, including planning and administrative expenses necessary for the production, improvement, or preservation of low- and moderate-income housing. In FY 07/08, it is expected that approximately 150-180 homes will be rehabilitated.

In addition to the CHPP with the Housing Authority, the Agency has a number of other housing projects planned, or underway with various private developers. These projects are as follows:

California Triangle - The Agency, through the CHPP, will continue to assemble the site

along California Avenue between Kern Street and Waterman Avenue to develop 15 single family affordable homes in the Southwest Fresno Project Area. The budget provides for completing land assembly and site clearance.

Casa San Miguel - The Agency amended its contract with the National Farm Workers Service Center to construct three new affordable homes on the remaining vacant parcels to complete this 44-unit single family home development on California Avenue west of "B" Street. Included in the final phase is a sound wall along Ventura Avenue. The Agency will monitor the construction progress. Financing coordinated by the Agency provides that construction funds loaned through the CHPP are to be repaid upon sale of the homes.

Downtown In-fill Housing - The Agency has budgeted funds to support the development of mixed-use residential in-fill in the Downtown Merger I area:

Berkeley Block (Real Property Acquisition/Blight Removal) - The Berkeley Block on the Westside of the Fulton Mall between Kern and Inyo is a key crossroad location connecting the Mall, Chukchansi Park, proposed Sports Town, and the South Stadium Project. The Agency owns approximately 60 percent of the half block and proposes to acquire the remaining half block area for a predominately residential mixed use development.

Fulton Park Plaza - The approved agreement of February 2007 with Fulton Park Plaza, LLC provides for land assembly and financial support of the project in the Uptown Arts District near Broadway, Fulton and Divisadero Streets. The budget provides assistance for the development of the residential/commercial mixed use project consisting of 16 town houses, 16 flats and 48 live/work loft units for a total of 80 rental residential units and 16,000 square feet of commercial/professional office space. Sixteen of the 80 housing units will have affordable housing covenants. The project includes private courtyards, open space amenities and on and off site parking.

Fulton Village - The Agency will continue to work with Next Generation Group, LLC for additional mixed-use commercial/residential projects along Broadway under an Exclusive Negotiation Agreement (ENA) to plan, design and develop new residential and commercial uses for the Fulton Redevelopment Cultural Arts District. The budget provides for land assembly.

"H" Street Loft Project - This Project will create 26 live/work lofts adjacent to the new 38-unit \$10 million Vagabond Loft Project. Six of the "H" Street loft units will be designated as affordable to low income families through covenants. The budget provides for a loan of \$300,000 to help finance the \$3.5 million construction of the "H" Street Project.

Elm/Southwest Fresno In-fill Housing - Santa Clara Estates - The Agency, through an Owner Participation Agreement, is funding a ponding basin and public improvements enabling development of a \$2.4 million 11-unit single family home project at Clara Street and North Avenue. The project provides for 45 year affordability covenants on all of the homes.

Sequoia Community Health Center (SCHC) - The Agency has negotiated a draft Disposition and Development Agreement with SCHC in which 7.5 acres of undeveloped land will be returned to the Agency. The Agency plans to issue a Request for Proposals for affordable housing on the site.

San Benito Elm Crossing - The Agency will continue to work with Better Opportunities Builder, Inc., a non-profit public benefit corporation of the Housing Authority ("Builder"), to build the "San Benito Elm Crossing," a project for 39 housing units along Elm Avenue and S. Geneva and the northeast corner of "B" Street and San Benito Street. The project will serve low-income families with an income of 35-60 percent of the area median income. The Builder has applied for tax credit financing and will be notified in June 2007 if whether it was successful. The Builder has developed alternative financing plans for the project should the 9 percent tax credit allocation not materialize.

HOPE VI/California and Walnut - The Agency is completing land assembly and site clearance to facilitate a mixed-use residential/commercial project south of California Avenue between Walnut Avenue and Plumas Street in support of the HOPE VI project. 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 in the second phase.

Replacement Housing Plan

To date, Agency activities have not displaced or removed any low and moderate income housing units. However, it is possible that Agency activities within the Project Area could result in the dislocation or destruction of up to twenty-five housing units for low- and moderate-income families over the life of the Plan. Ten units may be eliminated during this Implementation Plan period. Under the Agency's program guidelines, these relocation activity projects are undertaken with the intent of minimizing any temporary relocation of

occupants. Where temporary relocation is necessary, it is accomplished in compliance with applicable Federal and State Uniform Relocation Assistance Act guidelines.

The City's Housing Element identifies sites which can potentially accommodate additional low and moderate income units. If there is dislocation or permanent relocation of lower income families, replacement housing can be provided on the sites that are outside the Project Area. As described in the preceding proposed Agency housing projects, the Agency has also acquired and is planning to acquire property in the Hope VI Project in the Southwest Fresno Redevelopment Project Area as a resource for meeting any replacement housing obligations that may result from implementing the Project Area during this Implementation Plan. If potential dislocation may occur, the Agency will assess the availability of these sites before dislocation and adopt a Replacement Housing Plan pursuant to requirements of the Law, and in accordance with the following criteria:

- a. The replacement units will replace units which were affordable in the extremely low, very low, low, and moderate income categories, within each of those respective units.
- b. The development of replacement housing shall comply with the provisions of Article 34 of the California Constitution.
- c. An adequate means of financing the replacement units shall be established.
- d. The replacement units shall be developed and available for occupancy within four years of the planned destruction.
- e. Units shall only be destroyed, or low-income families displaced, where a finding can be made that there is a suitable housing unit available and ready for occupancy for such person at affordable rents comparable to those such person was paying at the time of displacement.
- f. The Agency shall adopt, by resolution, a replacement housing plan at least thirty days prior to executing an agreement which would lead to the destruction or removal of low and moderate income housing.

The City also has adopted provisions that allow mixed-use development throughout the community with a Conditional Use Permit where residential uses can be combined with office and/or commercial uses. This is expected to increase the potential for placing residential uses in the mid-rise/high-rise corridor along the Freeway 41 Corridor, in the downtown area and activity centers, and along major streets in portions of the Agency's

redevelopment project areas that, unlike the Project Area, are not planned for exclusive industrial or commercial development.

Housing Production Plan

Each redevelopment agency, pursuant to the Law, must provide a plan for complying with the affordable housing requirements for Agency Housing Funds, for inclusion of affordable housing in the Project Area in proportion to housing developed in the Project Area by private developers, and a replacement housing plan for any housing units destroyed or relocated by Agency activities.

Because the Redevelopment Plan's Land Use Plan is based on redeveloping the area as a major industrial park, the Agency has not developed housing within the Project Area, and will not be developing housing within the Project Area over the life of the Redevelopment Plan. Agency resources for improving housing with the Agency's 20 percent housing set aside funds generated by the Project Area will occur in neighborhoods surrounding the Project Area. The Agency's strategy must meet these needs in conformance with the City's adopted Housing Element.

Project Area Housing Needs

To date, the private sector has not produced any housing units within the Project Area boundaries that would require the Agency to provide that 15 percent of those units to be affordable housing units. Since the Project Area contains approximately twenty-five acres of vacant land, zoned for the construction of new housing, it is expected that over the life of the plan, 250 new dwelling units could be constructed by the private sector in the Project Area. There is also the possibility of 50 substantial rehabilitations of existing housing by the private sector, and 25 units that may be removed.

The majority of any inclusionary housing to meet the requirements of section 33413 et. seq. of the Law will be obtained through new construction and rehabilitation of existing housing stock by the Agency, secured by affordability covenants in locations outside the Project Area.

Housing Production and Program Strategy

The Housing Production Program and Strategy is based on the needs identified in the City's Housing Element. The Housing Element indicates that there is a substantial need for new construction for very low- and low-income families, and conservation of the City's existing

housing areas through minor rehabilitations, code enforcement, and a comprehensive neighborhood improvement strategy.

The Agency's portion of this strategy is to develop in-fill housing and housing replacement associated with Agency relocation activities, improvements to existing housing stock through minor and major rehabilitation within planned residential neighborhoods within or adjacent to Agency redevelopment Project Areas. The housing set aside funds from the Project Area are to be used outside the Project Area as part of the CHPP with the Housing Authority, or on other specific sites negotiated with existing property owners or developers.

To achieve these objectives, the Agency has established the following priorities and programs:

- a. Rehabilitation of owner-occupied minor rehabilitation and major rehabilitation of residential units through voluntary participation by owners in conjunction with the Home Rehabilitation program match. Fifteen units are planned over the five-year Implementation Plan.
- b. Programs to promote home ownership for low- and moderate-income families through its affordable housing program and land acquisition program. A total of one hundred units are planned to be assisted over this five-year Implementation Plan.
- c. Rental Housing and Senior Housing Program (minimum of 80 units) to be constructed.
- d. Programs to promote neighborhood conservation through minor rehabilitation of residential units through paint and fix-up programs, minor capital improvements, replacement of curb and gutter, repair or installation of sidewalks and graffiti removal. A total of twenty-five units are planned to be assisted over the five-year Implementation Plan.

When providing assistance, the Agency will negotiate agreements with developers and homeowners to ensure that housing is preserved as affordable for the longest practicable period for projects directly. These affordability restrictions and covenants will provide for the following:

- a. Affordability covenants running for a minimum of 55 years for rental properties, unless replacement units are provided prior to termination of the affordability covenants.

- b. Affordability covenants running for a minimum of 45 years. These covenants may contain a provision for resale of the units above a price determined to be affordable if the Agency's investment in the units is returned through a legally enforceable equity sharing agreement, second trust deed, or other mechanism that returns the investment to the Housing Fund and enables the Agency to replace the assisted unit.

Replacement Housing Covenants. Agency staff continue to pursue opportunities to establish replacement housing covenants as required by the Law, for example:

- Affordability covenants were placed on the Casa San Miguel housing project constructed in 2001 and 2002 in Southwest Fresno, including 41 two-bedroom and 3-bedroom homes.
- September 2002, the City Council/Agency Board approved an Owner Participation Agreement (OPA) with Westgate Housing Associates, L.P., to finance a portion of the rehabilitation costs of "Westgate Gardens," a 100-unit family rental property. In accordance with the OPA, the Agency provided a 30-year loan of \$250,000 in Housing Funds. In accordance with the OPA, the company recorded a 55-year covenant restricting the units with a total of 205 bedrooms for low to very-income families. The development is a resource for the Agency to meet its replacement housing obligations.
- The Agency contract with the Housing Authority includes construction of new homes on vacant parcels and the rehabilitation of boarded up homes to remove neighborhood blight. Since the beginning of the program, the Housing Authority has acquired 13 vacant parcels and coordinated the construction of 13 new three and four-bedroom homes. Eight of the homes were sold to low income families in FY 2003/04 and seven were sold during FY 04-05. In addition, two boarded homes were acquired from the County Public Guardian and rehabilitated to market ready conditions. The homes were sold to low income families.
- The Agency coordinated with the Housing Authority in the rehabilitation of a 74-unit apartment (218 bedrooms) complex known as Briarwood. Affordability restrictions enforceable for 55-year period were recorded July 1, 2004.

Housing Production Requirements

The provisions of Section 33413 (b)(4) require all redevelopment agencies to adopt and periodically update a plan to ensure the compliance of each project area regarding the preservation of affordable new or substantially rehabilitated housing units for persons or families of low- to moderate-income.

Section 33413(b)(1) requires that at least 30 percent of all new or rehabilitated units developed within the Project Area by the Agency itself are available at affordable costs to households of very low (up to 50 percent of area median income), low (51 to 80 percent of area median income), or moderate (81 to 120 percent of area median income). Of this 30 percent, not less than 50 percent (i.e., 50% of 30%= 15%), are required to be available at affordable costs to very low income households.

Further, Section 33413(b)(2) requires that at least 15 percent of all new units developed within a project area by entities other than the Agency be affordable to low or moderate income households. Of this 15 percent, not less than 40 percent of the units are required to be at affordable costs to very low income households (i.e., 40% of 15%=6%). These requirements are applicable to housing units as aggregated and not on a case-by-case basis to each dwelling unit created or rehabilitated unless so required by an agency.

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

Affordable Housing Needs

Estimates for the total number of dwelling units to be developed within the Project Area during both the term of the Redevelopment Plan and the next ten years were provided by Agency staff and are based on existing land uses as well as recent growth trends within the Project Area. The total number of units estimated to be developed which are applicable to Section 33413(b) over the life of the Redevelopment Plan is listed in each relevant section of this Plan.

The Housing Plan assumes that no units will be substantially rehabilitated by other entities with Agency assistance during the life of the Redevelopment Plan or over the next ten years, since the Redevelopment Plan Land Use Plan is to provide for the development of the Project Area as a high quality industrial business park.

Because the Housing Plan focuses on providing affordable housing for low to moderate income, and in particular low and very low income households in neighborhoods surrounding the Project Area, it is clearly consistent with both the HUD-approved Consolidated Plan and the General Plan's Housing Element goal to provide housing for all economic groups within the City.

The Housing Plan emphasizes the need to provide incentives to for-profit and non-profit developers to increase the supply of affordable housing units in the surrounding neighborhoods outside the Project Area and City-wide. Incentives and concessions the Agency may provide to developers to offset increased costs associated with an affordable housing program include, but are not limited, to:

- **Fund Development Fees.** The Agency may pay some or all fees related to the development of housing, including plan check, utility hook-up, park and recreation, school, fire, and any other development related fees.
- **Write-Down Land Costs.** The Agency may purchase property and then resell it to a developer at a price less than market value. The write-down assists in lowering sales prices or rental rates so as to be affordable to low income groups.
- **Lease of Agency Owned Property.** The Agency may lease Agency owned properties to developers or other individuals interested in creating single or multifamily housing. Lease rates would be low in order to allow affordable purchase prices or rental rates.
- **Pre-Development Loans/Grants.** Funding for planning, engineering and environmental services is often necessary to develop affordable housing.
- **Provide Off-Site Improvements.** The Agency may subsidize a private developer for part or all costs associated with street, utility system, and drainage improvements. For this measure to be utilized, there must be a direct connection between the public improvements and the provision of affordable deed restricted housing.
- **Subsidize Interest Rates.** The Agency may assist in providing loans at less than market interest rates through partnerships with community lenders willing to offer lower mortgage interest rates through Agency financial subsidy of the interest differential between market and affordable rates. The Agency may additionally issue tax exempt mortgage bonds for first time buyers at lower than market interest rates.
- **Bond Financing.** Where appropriate, the Agency supports bond financing of projects where: (a) the financing is "conduit financing" with no payment obligation or guarantee by the Agency or the City; (b) the developer obtains credit support; (c) an investment-quality rating is obtained for the bonds or the bonds are otherwise determined by the Agency's financial advisors to be of a high quality (d) a cost-saving for the project is effected; and (c) the project would substantially further the achievement of the goals of this Housing Plan, and particularly would provide additional affordable units.

- **Tax Credits.** Where appropriate, the Agency supports the use of Tax Credits. This technique, as well as tax-exempt bond financing, can create a financial incentive for long-term developer compliance with housing affordability restrictions.

Housing Fund Status

The administration of nearly all of the 20 percent housing set-aside funds and housing production is under contract by the Agency to the Housing Authority. The Agency uses the remaining funds for other housing projects that are evaluated on a project by project basis.

The Agency is required to spend, encumber or transfer any portion of the Housing Fund which is "excess surplus" to the county or other housing authority within five years of the time the funds become excess surplus. The amount subject to this requirement is the greater of \$1 million, or the total of the funds required to be deposited in the Housing Fund during the preceding four years. These excess surplus funds must be transferred within one year or spent or encumbered within two years.

Due to the levels of housing development and rehabilitation efforts undertaken by the Agency in the past few years, including the contract with the Housing Authority for housing programs, the Agency does not contemplate being in an "excess surplus" situation during the five years of this Implementation Plan. The Agency's housing program will spend housing fund monies at an estimated rate of \$3 to \$4 million per year over the planning period, approximately equal to the rate of housing set aside revenue generation. Therefore, the Agency is not projected to have an Excess Surplus during this five-year Implementation Plan. Cumulative deposits to the Housing Fund are also sufficient to meet the requirements.

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APPENDIX A
HISTORICAL TAX INCREMENT REVENUES

Redevelopment Agency													
2002-2003 Incremental Revenue and 20% Housing Set Aside													
Project	1st Install Gross	2nd Install Gross	Total Tax Increment	Admin Fees	Less: Pass Thru Amts	ERAF Payment	Net Incr Received	FY03 Budget Tax Increment	Gross TI	Net TI	Budgeted Housing Set-Aside	Housing Set-Aside @ 20%	Net Increment Received After 20% HS
					1st Install	2nd Install		Gross					
Central Business District	10,455.41	10,214.27	20,669.68	332.00	93.50	93.50	20,150.68	18,869	1,800.68	1,790.68		4,133.94	16,016.74
Fruit/Church	174,899.00	174,899.00	349,798.00	8,630.00	2,549.00	2,549.00	326,362.93	269,087	80,711.00	68,469.93	52,000.00	89,959.60	256,403.33
Mariposa	337,149.81	336,937.53	674,087.34	16,634.00	4,823.00	4,823.00	624,777.05	666,988	7,099.34	(15,063.95)	125,000.00	134,817.47	489,959.58
Southwest Fresno	980,229.65	979,340.71	1,959,570.36	48,309.00	13,670.00	13,670.00	1,817,243.63	1,944,985	14,585.36	(48,580.37)	365,000.00	391,914.07	1,425,329.56
West Fresno #1	93,985.00	93,985.00	187,970.00	4,638.00	1,308.50	1,308.50	174,486.66	179,356	8,614.00	3,004.66	34,200.00	37,594.00	136,892.66
West Fresno #2 (rec'd)	339,387.84	339,280.88	678,668.72	16,745.00	0.00	0.00	637,191.46	644,528	34,140.72	10,065.46	136,000.00	135,733.74	501,457.72
West Fresno #3		0.00		0.00					0.00	0.00		0.00	0.00
Convention Center	181,430.43	181,264.50	362,694.93	8,951.00	0.00	0.00	340,722.10	369,811	(7,116.07)	(17,994.90)	70,000.00	72,538.99	268,183.11
Jefferson	66,671.73	66,824.56	133,496.29	3,297.00	1,376.00	1,376.00	119,109.07	244,939	(111,242.71)	(115,886.93)	44,000.00	26,739.26	92,368.81
Chinatown	127,819.00	127,819.00	255,638.00	6,307.00	2,150.50	2,150.50	234,300.86	282,135	(26,497.00)	(35,928.14)	60,000.00	51,127.60	183,173.26
West Fresno Rehab	7,017.97	7,001.53	14,019.50	346.00	92.00	92.00	13,007.81	344,629	14,019.50	13,007.81		2,803.90	10,203.91
Air Terminal	235,525.58	236,502.52	472,028.10	11,671.00	77,722.00	77,722.00	297,435.71	220,838	128,399.10	76,597.71	46,000.00	94,605.62	202,830.09
Reedling Business Park	166,290.00	166,290.00	332,580.00	8,205.00	21,335.50	21,335.50	274,005.48	246,402	86,178.00	65,524.48	44,000.00	66,516.00	207,489.48
South Van Ness		0.00	0.00	0.00				43,234	(43,234.00)	(30,646.85)	25,000.00	0.00	(4,579.85)
Fulton	92,913.00	92,913.00	185,826.00	4,585.00	11,855.50	11,855.50	154,819.88	148,545	37,281.00	29,165.88	14,000.00	37,165.20	117,654.68
Airport Area Revitalization	729,574.00	729,574.00	1,459,148.00	36,000.00	138,445.70	138,445.70	1,119,332.82	1,063,907	395,241.00	290,442.82	148,000.00	291,829.60	827,503.22
Southeast Fresno	572,898.50	545,988.25	1,118,886.75	28,269.00	139,324.97	143,274.50	808,018.28	37,344	1,081,542.75	779,151.28	26,000.00	223,777.35	584,240.93
2000-2001	79,682.50	79,682.50	159,365.00				159,365.00		159,365.00	159,365.00		31,873.00	127,492.00
2001-2002	102,863.00	102,863.00	205,726.00				205,726.00		205,726.00	205,726.00		41,145.20	164,580.80
South Fresno Industrial	164,352.94	123,248.50	287,601.44	8,118.00	52,313.88	51,863.68	175,305.88	50,000	237,601.44	136,655.88	30,000.00	57,520.29	117,785.59
2000-2001	35,335.50	35,335.50	70,671.00				70,667.00		70,667.00	70,667.00		14,133.40	56,533.60
2001-2002	75,931.00	75,931.00	151,862.00				151,862.00		151,862.00	151,862.00		30,372.40	121,489.60
Central City	21,883.50	21,883.50	43,767.00	1,259.00	4,664.77	4,664.65	33,178.58	30,243	13,524.00	9,801.58	8,000.00	8,753.40	24,425.18
	4,597,493.36	4,527,776.75	9,125,270.11	212,296.00	471,524.82	475,024.26	7,752,488.03	6,585,002	2,540,268.11	1,807,197.03	1,227,200.00	1,825,054.02	5,927,434.01
20% Housing Set Aside			1,825,054.02								597,854.02	Difference	
Merger One Totals	1,257,030.19	1,256,240.27	2,513,270.46	61,835.00	21,499.00	21,499.23	2,313,984.72	2,598,405	(85,134.54)	(158,486.28)	508,200.00	502,654.09	1,811,330.63

Redevelopment Agency											
2003-2004 Incremental Revenue and 20% Housing Set Aside											
Project	1st Install Gross	2nd Install Gross	Total Tax Increment	Admin Fees	Less:		ERAF Payment	Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS	
					Pass Thru Amt	2nd Install					
Central Business District	251,392.51	251,228.95	502,621.46	11,651.00	3,449.50	3,449.50	1,059.34	483,012.12	100,524.29	382,487.83	
Fruit/Church	173,618.33	173,565.00	347,183.33	8,161.00	2,528.00	2,528.00	15,109.70	318,856.63	69,436.67	249,419.96	
Mariposa	374,513.05	378,504.38	753,017.43	17,777.00	5,193.00	5,193.00	37,191.35	687,663.08	150,603.49	537,059.59	
Southwest Fresno	1,026,850.01	1,028,666.07	2,055,516.08	47,692.00	14,131.00	14,131.00	108,934.93	1,870,627.15	411,103.22	1,459,523.93	
West Fresno #1	103,658.86	104,733.00	208,391.86	4,925.00	1,458.00	1,458.00	10,007.58	190,543.28	41,678.37	148,864.91	
West Fresno #2 (rec'd)	266,068.21	268,214.69	534,282.90	12,607.00			36,048.81	485,627.09	106,856.58	378,770.51	
West Fresno #3		0.00						0.00	0.00	0.00	
Convention Center	220,509.92	204,896.36	425,406.28	9,626.00			21,636.33	394,143.95	85,081.26	309,062.69	
Jefferson	69,545.84	74,262.35	143,808.19	3,462.00	1,491.50	1,491.50	13,470.18	123,893.01	28,761.64	95,131.37	
Chinatown	111,997.09	112,077.34	224,074.43	5,270.00	1,957.54	1,957.54	15,238.34	199,651.01	44,814.89	154,836.12	
West Fresno Rehab	10,264.57	10,895.21	21,159.78	512.00	146.00	146.00	558.28	19,797.50	4,231.96	15,565.54	
Air Terminal	221,550.80	221,030.35	442,581.15	10,391.00	73,070.50	73,070.50	13,275.33	272,773.82	88,516.23	184,257.59	
Roeding Business Park	198,009.68	180,692.00	378,701.68	8,496.00	23,146.50	23,146.50	14,824.78	309,087.90	75,740.34	233,347.56	
South Van Ness	51,684.73	56,165.00	107,849.73	2,641.00	7,550.50	7,550.50	2,170.60	87,937.13	21,569.95	66,367.18	
Fulton	93,670.16	94,546.00	188,216.16	4,446.00	12,064.00	12,064.00	8,289.19	151,352.97	37,643.23	113,709.74	
Airport Area Revitalization	1,159,364.83	1,159,364.83	2,318,729.66	54,515.00	195,055.27	195,055.27	59,728.09	1,814,376.03	463,745.93	1,350,630.10	
Southeast Fresno	823,914.71	846,516.87	1,670,431.58	38,667.00	151,971.25	151,971.25	2,097.52	1,325,724.56	334,086.32	991,638.24	
South Fresno Industrial	204,594.73	226,484.37	431,079.10	9,792.00	39,191.15	39,191.15	41.80	342,863.00	86,215.82	256,647.18	
Central City	144,728.37	144,728.37	289,456.74	6,976.00	18,692.02	18,692.02	1,697.85	243,398.85	57,891.35	185,507.50	
	5,505,936.40	5,536,571.14	11,042,507.54	257,607.00	551,095.73	551,095.73	361,380.00	9,321,329.08	2,208,501.51	7,112,827.57	
20% Housing Set Aside			2,208,501.51								

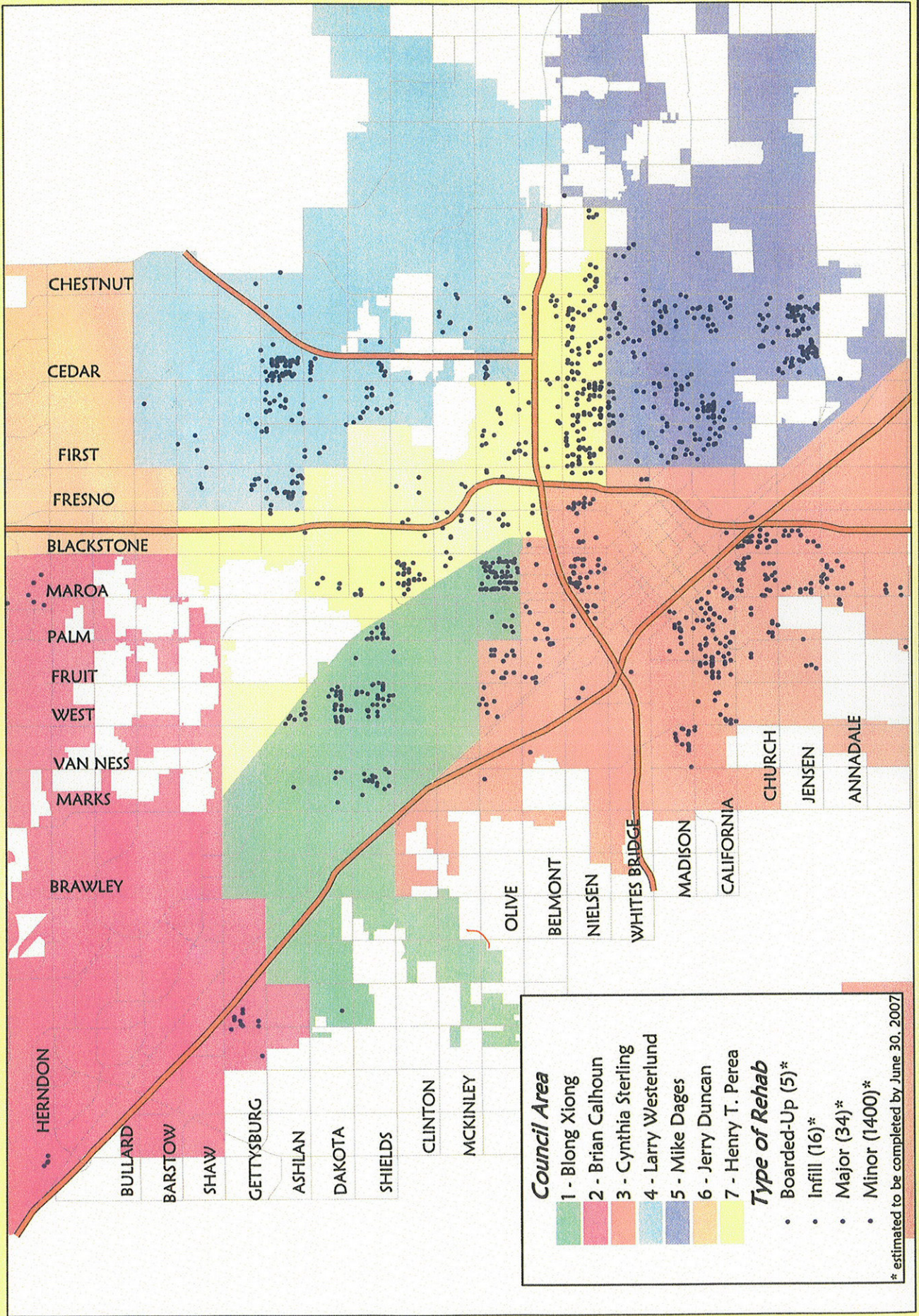
Redevelopment Agency																
2004-2005 Incremental Revenue and 20% Housing Set Aside																
Project	1st Install Gross	2nd Install Gross	Total Tax Increment	Admin Fees	Less:			ERAF Payment	Net Incr Received	Housing Set-Aside @ 20%	Net Increment Received After 20% HS	FY05 Budget		Budgeted Housing Set-Aside	Difference Budget to Actual	
					Pass Thru Amts	1st Install	2nd Install					Gross	Net		Gross TI	Net TI
Central Business District	299,305.67	299,182.90	598,488.57	11,680.00	4,117.50	4,117.50	1,954.29	576,619.28	119,697.71	456,921.57	662,842	463,070	132,568.40	(64,353.43)	(6,148.43)	
Fruit/Church	190,635.50	190,635.50	381,271.00	7,537.00	2,766.50	2,766.50	33,072.99	335,128.01	76,254.20	258,873.81	354,181	242,366	70,836.20	27,090.00	16,507.81	
Mariposa	379,069.48	378,883.40	757,952.88	14,983.00	5,202.00	5,202.00	63,734.17	668,831.71	151,590.58	517,241.13	764,007	523,498	152,801.40	(6,054.12)	(6,256.87)	
Southwest Fresno	1,137,605.09	1,136,466.09	2,274,071.18	44,513.00	15,441.07	15,441.07	185,275.10	2,013,400.94	454,814.24	1,558,586.70	2,094,774	1,435,339	418,954.80	179,297.18	123,247.70	
West Fresno #1	101,877.00	101,877.00	203,754.00	4,044.00	1,418.50	1,418.50	17,772.34	179,100.66	40,750.80	138,349.86	211,464	144,218	42,292.80	(7,710.00)	(5,868.14)	
West Fresno #2	460,445.91	460,353.49	920,799.40	18,204.00	0.00	0.00	64,167.34	838,428.06	184,159.88	654,268.18	542,779	379,348	108,555.80	378,020.40	274,920.18	
West Fresno #3	386,329.99	386,180.16	772,510.15	15,266.00	0.00	0.00	34,292.38	722,951.77	154,502.03	568,449.74	699,840	487,019	139,968.00	72,670.15	81,430.74	
Jefferson	173,491.24	173,409.73	346,900.97	6,810.00	2,871.50	2,871.50	12,640.83	321,707.14	69,380.19	252,326.95	141,874	97,226	28,374.80	205,026.97	155,100.95	
Chinatown	66,358.50	66,358.50	132,717.00	2,624.00	1,347.52	1,347.52	24,170.28	103,227.68	26,543.40	76,684.28	249,414	170,524	49,882.80	(116,697.00)	(93,839.72)	
West Fresno Rehab	12,402.38	12,388.23	24,790.61	474.00	167.00	167.00	1,325.53	22,657.08	4,958.12	17,698.96	451,964	165,735	90,392.80	24,790.61	17,698.96	
Air Terminal	373,038.98	373,017.94	746,056.92	14,747.00	121,311.00	121,311.00	44,724.26	443,963.66	149,211.38	294,752.28	403,940	231,054	80,788.00	294,092.92	129,017.28	
Roeding Business Park	179,184.50	179,184.50	358,369.00	7,084.00	23,016.50	23,016.50	31,445.05	273,806.95	71,673.80	202,133.15	105,437	52,603	21,087.40	(45,571.00)	(28,920.85)	
South Van Ness	56,712.00	56,712.00	113,424.00	2,242.00	7,615.50	7,615.50	0.00	95,951.00	22,684.80	73,266.20	191,087	109,264	38,217.40	28,305.00	20,663.20	
Fulton	109,696.00	109,696.00	219,392.00	4,337.00	13,996.50	13,996.50	17,569.63	169,492.37	43,878.40	125,613.97	2,365,105	1,193,906	473,021.00	(303,249.00)	(111,970.33)	
Airport Area Revitalization	1,030,928.00	1,030,928.00	2,061,856.00	40,760.00	194,414.19	194,414.19	137,960.75	1,494,306.87	412,371.20	1,081,935.67	1,680,787	838,210	336,157.40	(222,312.00)	(103,321.73)	
Southeast Fresno	729,237.50	729,237.50	1,458,475.00	23,533.00	134,025.18	134,025.18	140,308.37	1,026,583.27	291,695.00	734,888.27	417,374	208,228	83,474.80	526,397.00	302,704.55	
South Fresno Industrial	471,885.50	471,885.50	943,771.00	18,657.00	88,597.50	88,597.50	48,232.25	699,686.75	188,754.20	510,932.55	295,245	147,297	59,049.00	15,177.00	50,850.12	
Central City	155,211.00	155,211.00	310,422.00	5,975.00	20,038.68	20,038.68	4,138.12	260,231.52	62,084.40	198,147.12	275,000	157,575	55,000.00	155,184.00	121,883.52	
Corridor 99/Golden State	215,092.00	215,092.00	430,184.00	8,468.00	28,110.34	28,110.34	0.00	365,495.32	86,036.80	279,458.52						
	6,528,506.24	6,526,699.44	13,055,205.68	251,938.00	664,456.98	664,456.98	862,783.68	10,611,570.04	2,611,041.14	8,000,528.90	11,907,114	7,046,480	2,381,422.80	1,148,091.68	954,048.90	
Percent of gross tax increment				1.93%			6.61%									
20% Housing Set Aside			2,611,041.14				10.18%							229,618.34	Difference	
Merger One Totals	2,045,688.17	2,045,041.41	4,090,729.58	80,664.00	36,736.02	36,736.02	237,626.79	3,698,966.75	818,145.92	2,880,820.83	3,568,744	2,426,770	713,748.80	521,985.58	454,050.83	
Notes: Fresno Bee refund adjustment paid back FY00-FY04. Amount received from the County for West Fresno #2 is the full amount beginning in FY05.																

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

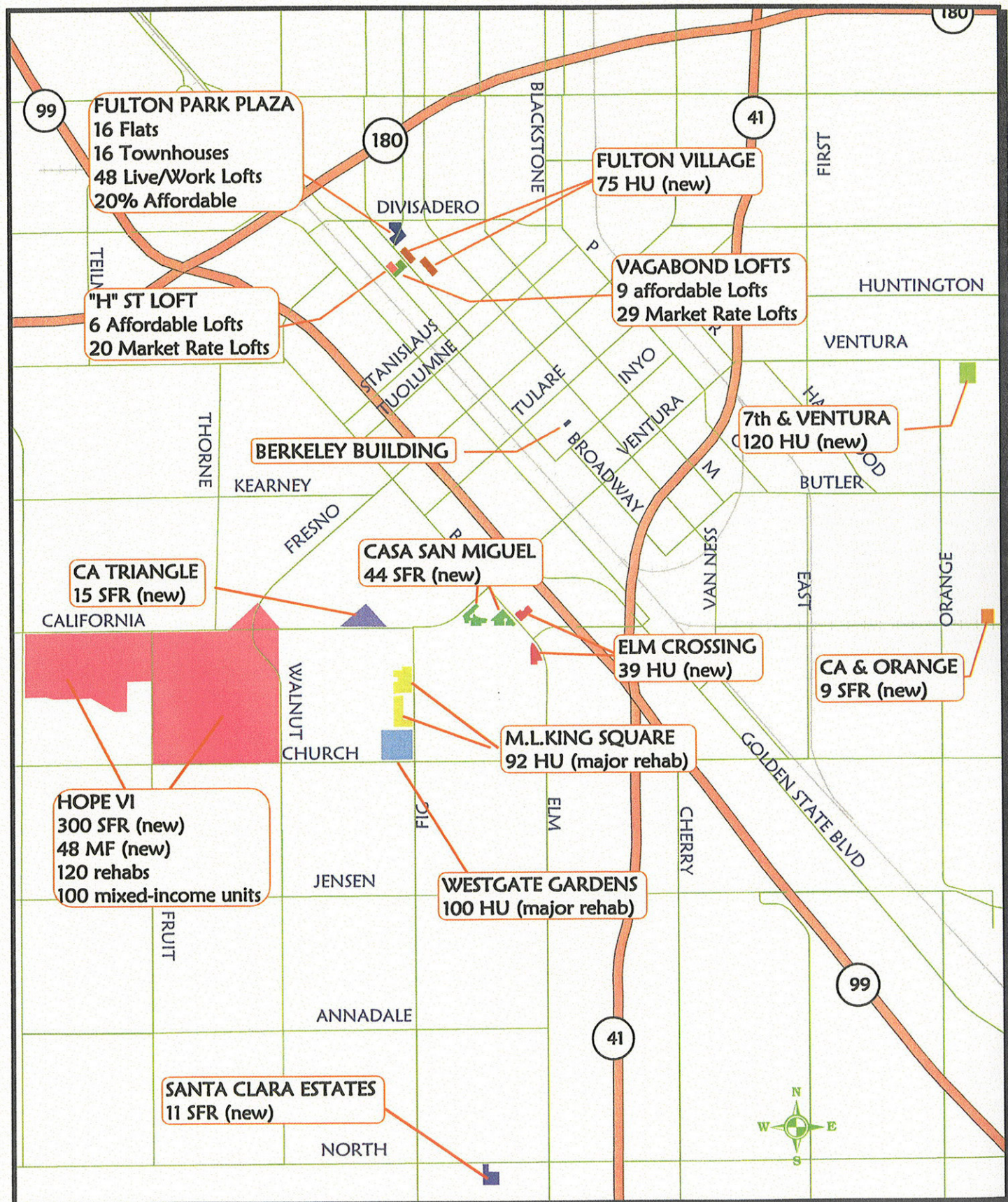
Redevelopment Agency																
2006-2007 Incremental Revenue and 20% Housing Set Aside																

**APPENDIX B
REDEVELOPMENT AGENCY
LOW & MODERATE INCOME HOUSING PROJECTS
LOCATION MAPS**

RDA / Housing Authority - Community Housing Partnership Program



Redevelopment Agency Low & Moderate Income Housing Projects



NOTICE OF PUBLIC HEARING

As required by state law, the Redevelopment Agency of the City of Fresno ("Agency") is proposing an updated Five-Year Redevelopment Implementation Plan for the Roeding Business Park Redevelopment Project adopted in 1996. The Agency is holding a public meeting and a public hearing to review and evaluate the proposed updated implementation plan, and to receive testimony from interested parties.

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

The adoption of the Implementation Plan does not constitute a project for the purposes of the California Environmental Quality Act (CEQA) under Section 33490.

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

Housing and Community Development Commission Meeting

City Hall - 2600 Fresno Street
Second Floor, Council Chambers
Wednesday, July 11, 2007, at 5:00 P.M.

Redevelopment Agency Hearing

City Hall - 2600 Fresno Street
Second Floor, Council Chambers
Tuesday, July 17, 2007, at 10:30 A.M.

The proposed Five-Year Implementation Plan will be available for review by July 2, 2007, during regular business hours, in the City Clerk's Office at City Hall, 2600 Fresno Street, Fresno, California 93721; and in the offices of the Redevelopment Agency at 2344 Tulare Street, Suite 200, Fresno, California 93721.

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

If you have questions, please call Art Wahlenmaier at (559) 621-7631.

Publish:
Fresno Bee

June 23, 2007
June 30, 2007
July 7, 2007

**Roeding Business Park
Redevelopment Area**

The map displays a grid of streets in San Francisco. A large area, including the UPRR (Union Pacific Railroad) and the San Francisco Bay Bridge, is shaded in gray, indicating the redevelopment zone. The map also shows the San Francisco Bay Bridge and the San Francisco Bay. A north arrow is located in the bottom left corner.

Streets shown include: Alhambra, Dudley, Belmont, Tielman, Nielson, Whitesbridge, West, Kearney, Thorne, and others. The map also shows the UPRR (Union Pacific Railroad) and the San Francisco Bay Bridge.