

Redevelopment Agency of the City of Fresno

**MERGER NO 1
MULTI-PROJECT
FIVE YEAR AB 1290 IMPLEMENTATION
PLAN
2010 - 2015**

May 2010

**MERGER NO 1
MULTI-PROJECT
FIVE YEAR AB 1290
IMPLEMENTATION PLAN**

Table of Contents

1.0	Introduction	1
1.1	Overview.....	1
1.2	Regulatory Requirements.....	1
2.0	Merger 1 Implementation Plan	5
2.1	Introduction	5
2.2	Summary of Blighting Conditions.....	5
2.3	Goals and Objectives.....	6
2.4	Recent Redevelopment Accomplishments	7
2.5	Programs and Projects	14
2.7	How Projects and Programs Eliminate Blight	17
3.0	Affordable Housing Program	23
3.1	Overview.....	23
3.2	Low and Moderate Income Housing Fund.....	23
3.3	Affordable Housing Program Compliance Objectives	25
3.3.1	Replacement Housing	29
3.3.2	Replacement Housing Production (Inclusionary) Requirements	29
3.3.3	Proportionality Requirements	34
3.3.4	Section 33333.10 Focus Requirement for Housing Funds	35
3.3.5	Meeting Housing Responsibilities for Project Areas Within Six Years of the Plan Effectiveness Date	36
APPENDIX A: PROJECT AREA MAPS AND SIGNIFICANT REMAINING BLIGHT TABLES		A-1
APPENDIX B: HISTORICAL TAX INCREMENT REVENUES		B-1
APPENDIX C: HOUSING PRODUCTION (INCLUSIONARY HOUSING) TABLES.....		C-1
APPENDIX D: HOUSING PROPORTIONALITY TABLES.....		D-1

1.0 INTRODUCTION

1.1 OVERVIEW

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

This Implementation Plan update includes nine Redevelopment Project Areas in the Merger No. 1 Project Area which include the Central Business District, Chinatown Expanded, Convention Center, Jefferson, Mariposa, Fulton, South Van Ness, West Fresno I, and West Fresno II, Project Areas (the “Merger 1 Project Area” and “Constituent Project Areas”).

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

The Agency has realized the need to target economic development activities toward job growth, expansion and diversification of the tax base, business attraction and retention, revitalization of commercial and industrial areas, and the provision of affordable housing. Toward these ends, the Constituent Redevelopment Plans (individually “Redevelopment Plan” and collectively the “Constituent Redevelopment Plans”) governing the individual Project Areas contain language pertaining to the achievement of specific economic development goals and objectives.

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

11.2 REGULATORY REQUIREMENTS

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

plan is adopted on or after January 1, 1994.

Thereafter, Section 33490 (b) requires that the redevelopment agency, for each implementation plan prepared pursuant to subdivision c) of Section 33352, for which the redevelopment plan was adopted, to adopt an implementation plan every five years beginning with the fifth year after the redevelopment plan was adopted. A redevelopment agency may adopt implementation plans that include more than one project area. Pursuant to Section 33352, the Agency prepared the initial five-year implementation plans for each of the Project Areas included herein when the Redevelopment Plans were adopted. This Implementation Plan is the fourth five-year implementation plan for 7 Constituent Project Areas (Central Business District, Chinatown Expanded, Convention Center, Jefferson, Mariposa, , West Fresno I, and West Fresno II) and the third implementation plan for the Fulton and South Van Ness Project Areas which were first adopted in 1998.

Pursuant to Section 33490, this Implementation Plan presents: Fulton, South Van Ness

- Agency goals and/or objectives for all Project Areas;
- Agency specific programs, including potential projects with estimated expenditures planned for the next five years for each Project Area;
- An explanation of how these goals, objectives, projects, and expenditures will eliminate blight in the Project Areas;
- An explanation of how these specific goals, objectives, projects, and expenditures will increase and improve the supply of housing affordable to very low, low, and moderate income households, and
- A housing program which identifies:
 - Current funds available in, and projected deposits to, the 20 percent set aside Housing Fund (the "Housing Fund");
 - The number of new, rehabilitated, or price-restricted housing units to be developed or purchased both over the life of the Plan and during the next ten years, and the number of such units of very low, low, and moderate income households required to be developed to comply with Section 33413(b)(2) of the Law;
 - The number of units of very low, low, and moderate income households that have been developed and meet the requirements of Section 33413(b)(2) of the Law;
 - Estimates of the number of Agency-developed units that will be developed during the next five years and will be governed by Section 33413(b)(1) of the Law, and the number of such units for very low, low, and moderate income households;
 - How the Agency will meet its housing responsibilities for the Redevelopment Plans that are within six years of the time limit on the effectiveness of the Redevelopment Plan;

- Status of the Agency's obligations for the provision of replacement housing and obligations for fulfilling housing production (inclusionary) requirements;

Proposed locations for replacement housing the Agency may be required to produce if a redevelopment implementation project will result in destruction or removal of existing affordable housing.

The Project Area Boundaries are shown on the Location Map in Appendix A. Tax increments for all Project Areas in the Agency for the latest reporting period (2009-2010) are shown on Table 1-1. A complete list of revenues for all Project Areas in the Agency for the past five years is contained in Appendix B.

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

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

Central City	1,085,151.46	15,140.56	150,633.06	265,938.49	653,439.35	217,030.29	436,409.06
Corr 99/Gold State	2,445,312.18	41,032.02	345,569.90	726,898.57	1,331,811.69	489,062.44	842,749.25
Total	\$22,052,710.48	\$326,612.86	\$3,089,641.50	\$6,736,202.00	\$11,900,254.12	\$4,410,542.10	\$7,489,712.02

2.0 MERGER No. 1 IMPLEMENTATION PLAN

2.1 INTRODUCTION

The Merger 1 Project Area includes the following Project Areas:

Central Business District
Convention Center
Mariposa

West Fresno I
West Fresno II
Jefferson

South Van Ness Industrial
Fulton
Chinatown

These nine Project Areas represent approximately 1,700 acres bounded generally by Freeway 180, Freeway 99, and Freeway 41. The Central Area refers to the area within the Tri- Freeway system guided by the Central Area Community Plan. The Merger 1 Project Area differs slightly from the Central Area by the exclusion of the Lowell neighborhood (which is included in the Freeway 99/Golden State Boulevard Project Area), and a portion of the Blackstone/Abby Commercial Corridor (which is included in the Central City Commercial Revitalization Project Area) and the inclusion of the South Van Ness Industrial Project Area.

A Table containing the current Time and Financial limits and the Time and Financial limits as proposed for amendment in the Proposed Merger No. 1 Plan Amendments is contained in Appendix C.

2.2 SUMMARY OF BLIGHTING CONDITIONS

While past redevelopment has made achievements in reinvestment and has brought a certain level of reduced blight, the Central Area still suffers from many of the blighting conditions present at the time of original plan adoption. As described in the April 29, 2010 Report to the City Council for the Proposed Amendments to the Nine Redevelopment Plans in the Merger No. 1 Project, prepared by Keyser Marston Associates, Inc., the Project Areas contain large areas that are stagnant, poorly

maintained, visually deteriorating, and which are physically and economically blighted. The remaining blighting conditions in the Merger No. 1 Project Areas are substantial and some are prevalent throughout various portions of the Project Area. There are a number of blighting conditions, both physical and economic, that contribute to significant remaining blight in the Project Area.

- There are a significant number of deteriorated and dilapidated and unsafe properties, numerous vacant lots, and vacant buildings in need of redevelopment. As described in the Preliminary Report for the Merger 1 Project, significant blight remains in the Project Area.
- Thirty-four per cent (34%) of the buildings are either deteriorated or dilapidated. There are 131 unreinforced masonry buildings within the Project Area, 59% of which are deteriorated and dilapidated. Combined these conditions affect 36% of the properties in the Project Area. There are 119 substandard buildings and 53 obsolete buildings in the Project Area, affecting 144 or 5% of the total properties in the Project Area.
- Over the nine-year period from 1997-98 and 2006-07, the Chinatown Expanded, West Fresno II, and South Van Ness industrial areas all experienced stagnant or declining assessed property values. These three areas represent 47% of the total acreage and 34% of the total parcels of the Project Area. Lease rates for Class B office space in the Project Area is 19% below the average for the balance of the City, and the lease rates for industrial property is 28% below the normal for the rest of the City.
- A total of 108 vacant buildings in the Project Area affect 4% of properties in the Project Area. There were 501 vacant lots representing 18% of the parcels in the Project Area. Six % of the vacant lots have been vacant for 15 years or more.
- In the Project Area, 37% of housing units are overcrowded, vs. only 17% for the City as a whole. Annual median sales prices for single-family homes were below median sales prices for the balance of the City, both on a sales price and on a sales price-per-square-foot basis.
- From 1998 through 2006, the Project Area has a violent crime rate that was more than 3.5 times higher than the City as a whole, and a property crime rate that was 1.6 times higher.

In Appendix C is a Table containing a Summary of the Significant Remaining Blighting Conditions

and on the Remaining Blighting Conditions Map.

2.3 GOALS AND OBJECTIVES

The goals and objectives of the Merger 1 Project are:

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

2.5 RECENT REDEVELOPMENT ACCOMPLISHMENTS

In the last five years the Agency has completed many successful projects and programs in the Merger No. 1 Project Areas.

Overall Downtown Activities

Downtown Strategic Implementation Plan

The Agency has worked with City staff since July 2008 to prepare a Downtown Strategic Implementation Plan. In March 2009, information was presented to elected officials and members of the public outlining various issues and strategies. Planned and potential projects in the "downtown triangle" were also presented.

Downtown Fresno Property-Based Improvement District (PBID)

The Agency and Fresno Revitalization Corporation (FRC) supported the development of a downtown Fresno Property Based Improvement District (PBID) with funds and in-kind support. Agency staff assembled and provided extensive information for 680 downtown parcels. In addition to the in-kind staff support from the Agency, the FRC, a 501(c)(3) non-profit agency staffed by the Agency, is acting as fiscal agent during the evaluation and formation phase until such time as the PBID is created. The Agency continues to participate in the pre-planning meetings.

Storefront Improvement Program (formerly Commercial Façade Improvement Program)

The Agency's Storefront Improvement Loan Program offers matching funds to upgrade and renovate the façades of commercial buildings in an effort to raise property values and make businesses more successful. Funding for the loan program is on a first come first serve basis and is available to commercial property owners and tenants in all redevelopment project areas. In fiscal year 2009, the value of storefront improvements to twenty-two businesses totaled \$286,021; \$158,059 from private investment and \$127,962 matched by Agency funds. Through this program, the Agency has provided financial assistance to 126 business owners since 1997.

The Agency has actively marketed the Storefront Improvement Program through a new marketing brochure to serve all project areas, informational workshops and architectural design assistance to property owners and tenants. In addition, the Agency is working with Council District staff, Downtown Association, Chinatown Revitalization Inc., Belmont Merchants Association and other groups to identify opportunities to increase participation in the program.

The Storefront Improvement Program continues to grow and benefit individual property and business owners as well as older commercial districts and corridors.

Public Information and Marketing

To communicate the value and benefit of redevelopment, the Agency sponsored or co-sponsored a variety of events such as: The Billion Dollar Tour in which the Agency had a major role in content preparation for brochure and tour narrative; the 2009 Real Estate Forecast; Lowell Community Meeting and information exhibit; the 1st Annual HyeFest; the CVBI Central Valley Stock Exchange; the EDC Annual Investor Luncheon and Fresno County Economic Profile; Fresno Area Hispanic Chamber of Commerce's 7th Annual Developing Hispanic Leaders Gala; Marjaree Mason Center's Top Ten Professional Women Luncheon; 10th Annual Downtown Art Gala; and the 2009 State of the City. In addition, the Agency strengthened communication and inter-agency coordination through ongoing Cooperation Task Force meetings; provided staff services for 22 Southwest Fresno community meetings and was a presenter at the 2009 Annual Chamber of Commerce Planning Conference.

Merger 1 and Merger 2 Project Area Plan Amendments

The Agency made substantial progress to update and extend the time limits of the nine Redevelopment Plans in the Merger No. 1 Project. The proposed plan amendments are scheduled to be heard in a joint Council and Agency Board public hearing on June 24, 2010. The amendments to Merger 1 extend crucial tools for redevelopment within its nine expiring plans that collectively cover most of the Downtown triangle and an area southeast of State Highway 99 to Jensen Avenue.

The Agency retained Keyser Marston Associates, Inc. (KMA), and Jones & Stokes (JSA) to prepare the major redevelopment plan amendments updates and the related environmental documents.

SB 1045 and SB 1096 Plan Amendments/Educational Revenue Augmentation Fund (ERAF)

Pursuant to the provisions of SB 1045 and SB 1096, the Agency Board approved plan amendments extending certain time limits for twelve redevelopment plans on February 26, 2008, which included the nine Redevelopment Project Areas in Merger No. 1. Under SB 1045, the Agency was permitted

to extend by one year the effectiveness of the redevelopment plan and the time limit to repay indebtedness with tax increment for each project area that made the required payment to the Educational Revenue Augmentation Fund (ERAF) in FY 03/04. SB 1096 allowed redevelopment agencies to amend their redevelopment plans, extend the plan effectiveness date and the time limit to repay indebtedness by up to two additional years as a result of the required ERAF payments for FY 04/05 and FY 05/06 if certain criteria were met.

During FY 08/09, the Agency Board approved ordinances deleting the Debt Incurrence Time Limit for Merger 1 and Merger 2 thus extending the debt incurrence limit to coincide with the plan time limits. The amended dates and time limits are shown in the Plan Time and Financial Information and Limitations report in the Statistical Section of the CAFR.

Central Business District

Broadway-Tuolumne Parking Lot

To serve and attract activity in the Downtown, the Agency is working to create additional parking on underutilized land at the southeast corner of Broadway and Tuolumne Streets. A site plan has been prepared, laying the groundwork for construction plans and specifications.

Berkeley Building Block—Mixed Use Housing

The Agency purchased property at 835 Fulton Mall in September 2008 to continue the Agency's objective for blight removal and redevelopment of the southern Fulton Mall area. In partnership with the Fresno Baseball Club, the nearby Berkeley Building at 887 Fulton Mall received improvements that included new paint on the west stadium facing wall along Homerun Alley and along Kern Street.

Chinatown Expanded

Business Attraction and Retention

In fiscal year 2009, the Agency continued its efforts to provide assistance to promote, attract, retain and expand business in Chinatown.

Chinatown Business Seminars - The Agency initiated and organized a series of workshops on various topics to assist and inform local businesses. Workshops have included presentations by the U.S. Small Business Administration (SBA), local banks, City Historic Preservation, Code Enforcement and the Agency's Storefront Improvement Program staff.

Chinatown Community Cleanup Day - The Agency, through a partnership with Chinatown Revitalization, Inc., the City and AmeriCorps, organized the second "Chinatown Community Day" on October 10, 2008. The parking lot on "F" Street was cleaned of debris and weeds and received landscape improvements.

Chinatown Music and Arts Festival - The Agency, in conjunction with Chinatown Revitalization, Inc. (CRI), the Fresno Fire Department (FFD) and the Fresno Firefighters Association planned, sponsored and supported the annual Chinatown festival. The Chinatown Music and Arts Festival (formerly known as the Chinatown Jazz Festival) was held in September 2008 at the newly renovated FFD Headquarters (Hobbs Parsons Building), with all proceeds from the event this year benefiting CRI.

Fresno Historic Chinatown LLC / Chinatown Mixed-Use Project

The Agency, effective January 26, 2005, entered into an Exclusive Negotiating Agreement with the Historic Chinatown, LLC for a proposed mixed-use housing retail/commercial and public facilities development on approximately 165 acres development that emphasizes participation by existing property owners. The Agency initiated land assembly and plan amendments necessary to implement a mixed-use plan. Subsequent amendments to the ENA have involved a reduction in the area covered by the ENA, and extending the term of the ENA. was extended for an additional year.

The Agency and Developer have met with each Owner Participant Agreement (OPA) candidate in the Chinatown Project Area and continue to work with owners toward plan implementation and development.

Chinatown Lofts Mixed-Use Project - The Agency Board approved a Memorandum of Understanding with the Historic Chinatown LLC for approximately 200 affordable units on 1.5 acres at Mono Street between "F" and "G" Streets. The Agency and Developer co-applied for Proposition 1C funds on in April 2009 to assist the initial 67 unit phase. In June 2009, the project received a notice of award of \$4,038,640 in Prop 1C funds.

Chinatown Plan Amendment

In 2006 Agency staff, with the assistance of redevelopment planning consultants completed the Chinatown Plan Amendments which updated the land use plan to allow the Historic Chinatown LLC Mixed-Use Project to proceed. Key steps in the planning process involved the formation of the Project Area Committee (PAC) for the Project Area, as well as numerous community information meetings that were held to inform the business owners and residents in the Chinatown area about the overall planning process, status of work with the Developer on the ENA and owner participation opportunities. The Chinatown Plan Amendments were adopted by the City Council after substantial public input. However the eminent domain provisions of the Plan Amendment were invalidated due to a lawsuit.

Storefront Improvement Program

A Storefront Improvement Program (SIP) flyer was expressly designed for the Chinatown commercial area and hand distributed door by door to merchants along with an application. Agency staff also mailed the program brochure to property owners of record to promote the program.

Convention Center Area

Business Attraction and Retention

The Agency worked with the owner of Hero's Sports Lounge and Pizza to facilitate the renovation of the former vacant building at 820 Van Ness Avenue to a sports theme bar/restaurant lounge. The restaurant opened on New Year's Eve and a ribbon cutting celebration was held on January 30, 2009 with City and Agency officials and community members.

Old Armenian Town Project and Fifth District Court of Appeal

On November 30, 2004, the Agency Board certified the Final EIR for the Old Armenian Town Project with a "final receiver site" for the relocation of the five historic structures on the south side of Freeway 41 in the adjacent South Van Ness Industrial Project Area. The Council and Agency Board approved a Master DDA with Gunner & Andros for the Old Armenian Town Mixed Use Project-- mid-rise, high-rise mixed-use structures containing residential, office, hotel, retail,

restaurant, service, and parking uses, and an Armenian Community Center in a heavily landscaped plaza/courtyard environment with pedestrian walkway linkages to the nearby Convention Center.

Properties in the Phase 1 area, bounded by “O” Street, Ventura Street, “N” Street and Freeway 41 have been acquired, businesses and tenants relocated, alley vacations and street abandonments have been completed and the area cleared for construction. Five historic structures were relocated at a temporary storage site. The Phase 1 properties for the 5th DCA Courthouse were conveyed to the State, and the remainder of the land has been developed into a temporary parking lot for Convention Center use until it is conveyed to the Developer.

Phase 1A of the Old Armenian Town Project (OAT) was significantly advanced with the construction of the \$24 million, 60,000 square foot, three-story Fifth District Court of Appeals building on Agency- assembled land and Agency-funded infrastructure improvements, enhancing a major entryway into downtown Fresno from Freeway 41.

Pursuant to the terms of the Old Armenian Town Project DDA land assembly proceeded involving the Fresno Fire Department Headquarters, along with prior acquisition of property at 505 and 525 “N” Street met conditions of Phase 1B site assembly. The Agency facilitated the adaptive reuse of the Hobbs-Parsons Building at 911 “H” Street as the new location for the FFD Headquarters. The Agency completed clearance of the .6 acre former FFD site in December 2008.

In May 2009, the Agency Board approved the acquisition 550 “M” Street at the southeast corner of Ventura and “M” Streets. With this acquisition, the entire ten acre Old Armenian Town site is largely assembled with only two parcels remaining to be acquired. To remove blight and facilitate redevelopment at Freeway 41 and “O” Streets, the Agency purchased properties at 2518-2522 Ventura Street at the southeast corner of Ventura and “P” Streets. This major entryway area is significant to Downtown, leading into Old Armenian Town, the 5th District Court of Appeal, Convention Center, the Santa Fe Depot and other major developments.

Old Armenian Town Historic Properties

Five historic homes within the Old Armenian Town project area were identified for preservation and are temporarily stored at Santa Clara and “N” Streets. In accordance with a court ruling in June 2008, the five historic homes will be permanently sited at 450 “M” Street, the former FFD Headquarters site.

South Stadium Project

The six city blocks south of Chukchansi Park was the site identified for the first phase of the proposed South Stadium Project. The project envisioned transforming a long-neglected section of downtown Fresno into a hub of residential, social and commercial activity. On August 28, 2007, the Agency Board approved Amendment No. 3 to the Exclusive Negotiating Agreement (ENA) with Forest City Development extending the ENA to January 2009 to provide sufficient time for completion of the Environmental Impact Report (EIR) and Disposition and Development Agreement (DDA). However in March 2009 in light of the overall economic climate, the difficulties in obtaining major financial assistance from state and federal sources, the Developer concluded that the Project would not be financially feasible.

Real Property Acquisition and Disposition/Blight Removal

The Agency purchased the building at 721 Broadway Avenue in September 2008, continuing its objectives for blight removal and redevelopment of the area south of the Fulton Mall.

Parking Lot Improvements

To enhance visual quality and address parking issues of downtown businesses, the Agency improved the Agency-owned lot at the corner of Van Ness Avenue and Inyo Street for parking. Improvements to the parking lot were completed in September 2008.

Fulton

Uptown Streetscape

The Agency completed \$1.5 million of streetscape beautification and improvements in the Fulton Project Area in September 2004. The street improvements along Van Ness between Calaveras and Tuolumne initiated implementation of the Master Plan for the Uptown Cultural Arts and Entertainment District.

Downtown Housing and Mixed-Use Development

The Agency has directed substantial resources to further the goal of downtown housing development. With the assistance of the Agency, approximately 429 units have been recently completed, are underway or planned:

Vagabond Lofts - The Agency facilitated and financially assisted 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. Site clearance was completed in January 2005, and construction has commenced. The project will include seven commercial units, 29 residential market rate units and 9 affordable housing units.

Broadway Lofts - In May 2009, the Agency Board approved an Owner Participation Agreement (OPA) for adaptive reuse of 1625 Broadway for approximately 22 rental residential units with five covenanted for affordability.

Fulton Village - In December 2008, the Agency Board approved an Owner Participation Agreement (OPA) with Granville/Next Generation LLC for a proposed mixed use project in the Cultural Arts District near Fulton and Amador Streets. The project consists of 63 units of housing; 50 market rate and 13 affordable units, and 4,500 square feet of commercial space.

H Street Lofts - The Agency completed its multi-year funding commitment through an Owner Participation Agreement (OPA) to provide financing assistance of \$300,000 for six affordable covenants in the \$3.5 million 26-unit mixed income H Street Loft project. The project is adjacent to the recently completed 38-unit Vagabond Loft development that included affordability covenants for nine units.

Iron Bird Lofts (formerly Fulton Park Plaza) - Through a Disposition and Development Agreement (DDA), the Agency is providing \$1.2 million in gap financing and will receive affordability covenants for 16 units in this 80-unit \$10 million mixed-use development. The framing ceremony was held in October 2008. Construction is underway and was completed in December 2009. The project helps

revitalize the Divisadero/Fulton entryway into the Uptown area in addition to providing mixed income infill housing.

Jefferson

Community Regional Medical Center Project

The expansion of the Community Regional Medical Center (CRMC) in Downtown Fresno, a 58-acre, \$350 million project, is the largest and longest-term redevelopment project ever undertaken in Fresno County. The facility is the result of a unique, long-lasting partnership, first forged in 1995, involving CRMC, Fresno Redevelopment Agency ("Agency"), City of Fresno, County of Fresno, and the University of San Francisco ("UCSF") Medical Program. In recent years, these efforts have begun to bear fruit with the opening of several remarkable and essential community health care facilities:

- Since completing a 340,000-square-foot, six-story trauma and critical care building in 2007, CRMC has added a 52-bed Neuroscience Center of Excellence dedicated to brain and spine patients, a 50-bed cardiovascular unit with state-of-the-art monitoring equipment and private rooms, and a 65-bed Level III neonatal intensive care unit for the most fragile newborns; in 2009, a new 1,500 car parking garage also was completed.
- In 2008, CRMC broke ground on the new 79,534-square-foot Deran Koligian Ambulatory Care Center, a four-story medical office building, and cleared the site for Terry's House, a \$5 million, 17,000 s.f. residential facility to accommodate families of the most critically injured patients.

CRMC is an academic-affiliated medical center with more than 600 beds. Its 56,000 square-foot emergency department is the second-largest and busiest in California, and is home to the region's only burn and Level 1 Trauma Center between Los Angeles and Sacramento. CRMC is the region's "safety net" hospital serving the indigent in the region through a contractual relationship with Fresno County. CRMC gives back approximately 15% of its operating expenses—historically about \$120 million a year—in charitable and unreimbursed services. Through a contractual relationship with the UCSF-Fresno Medical Education Program, some 200 doctors a year receive specialized advanced training at CRMC. UCSF has trained approximately one-third of the region's physicians.

Award of Merit

A national Award of Merit in Housing and Community Development was received from the National Association of Housing and Redevelopment Officials, Washington, D.C. The project involved the Agency's acquisition of a property in the footprint of the Regional Medical Campus Site. This involved a boarded-up house built in the early 1900's and destined for demolition. The Queen Anne style house was relocated to an infill neighborhood in the Lowell Neighborhood and completely restored through a partnership between the Housing Authority, Redevelopment Agency, City of Fresno and Downtown Community Development Corporation (CDC) of One by One Leadership. Today, a family calls this completely refurbished three bedroom two bath house their home.

Mariposa

Federal Courthouse

The Agency staff coordinated with project developers for the installation of off-site improvements and other project related requirements. The Agency in conjunction with the City assembled the land for this site. The approximately 383,000 square foot 9-story building has 13 courtrooms. The

interior of the building is designed to accommodate an additional 5 courtrooms as future population expands within the Federal Court jurisdiction. The \$127 million Federal Court House was completed in June 2005 and occupied in the Fall of 2005.

Downtown Parking Garage

The Agency assisted and helped fund plans and studies leading to the construction of the 5-story, 1583 stall parking garage on the Convention Center Lot, which was completed in 2005 in conjunction with the opening of the Federal Courthouse.

Promenade/Warehouse Row

The Agency provided initial conceptual plans and assisted City Public Works with completion of the design and development plans for the heavily landscaped 750 stall parking area along the BNSF tracks between Tulare and Ventura which opened this fiscal year. The Agency contributed to the quality of the project with the installation of decorative wrought iron fencing.

Civic Center Square, Inc.

Construction was completed by CCSI for a major office building and parking garage at Tulare and "O" Streets in late 2005.

Ice House

For several years, the Agency worked with prospective buyers for reuse of the Ice House Building located at "P" and Mono Streets and successfully facilitated purchase of the property. The Agency is providing assistance in various ways to help the successful adaptive reuse of the building, including tenant referral and working with the developer to plan amenities such as proximate parking. An Owner Participation Agreement (OPA) with the Ice House/Warehouse Row developer has been prepared. The project envisions an integrated business center that includes adaptive reuse of the three multi-story historic buildings, construction of new complementary buildings and parking facilities for the site, totaling about 133,000 square feet.

Fresh & Easy Neighborhood Market

Agency assistance helped influence Tesco Fresh & Easy Neighborhood Market, Inc to construct a \$5 million, 15,200 square foot grocery store, enhanced by a landmark clock tower and installation of public art, at the southeast corner of Tulare and "R" Streets. Construction was completed in January 2009 and the store will open in January 2010 to coincide with completion of a distribution center and other stores. The Fresh & Easy Neighborhood Market at the Old Hofbrau location in Fresno is the first store in which the grocery chain incorporates local, community and neighborhood elements into the design theme. It will also be the first grocery store in downtown Fresno in several decades and employ approximately 20 to 30 people with starting salaries above the California minimum wage. The Agency's participation entailed public improvements to Tulare Street, helping to benefit downtown circulation.

South Van Ness Industrial Area

Business Retention and Attraction - Streetscape/Street Improvements

Florence Avenue Street Improvements - Through a Memorandum of Understanding (MOU), the Agency induced Southern California based Jain Irrigation/Aquarius Brands Inc. to select Fresno over other sites for its planned expansion and consolidation of operations. In March 2009, the

Agency completed the first of its two phase commitment to improve curb, gutter, sidewalks, paving, street lights and storm drains along Florence Avenue from East to Railroad Avenues. Jain Irrigation has increased the number of employees from 39 to over 200, resulting in a major benefit to Fresno and the South Van Ness industrial area.

Valley Foundry Park

The Agency, through a community facilities district, facilitated Valley Foundry Industrial Development. This project continues to grow with the addition of 65,000 square feet of new industrial and commercial projects last year that raised the total in the Park from 194,000 square feet to more than 259,000 square feet.

2.6 PROGRAMS AND PROJECTS

The Agency's role in Central Area revitalization will be key. Agency efforts will be directed towards upgrading the physical environment, encouraging new development, aiding existing businesses, working with other governmental agencies and removing major impediments to development that have long plagued the area's economy and which the private sector has not been able to correct on its own. The Agency's ability to issue debt and collect tax increment revenues is vital to fully or partially funding projects and programs aimed at removing physical and economic blight.

The Agency proposes the following redevelopment program of activities to further the objectives of the Central Area Community Plan and the Redevelopment Plans for each of the Project Areas. These programs apply to the Merger 1 Project Area as a whole and are not centered on individual Project Areas. Specific projects within these programs will be determined as funds become available and priorities are established through Agency planning and budgeting. These programs apply only to the eight existing redevelopment projects. The revitalization program for Fulton and South Van Ness Industrial are discussed separately.

Public Improvements. This Agency program focuses on public projects to upgrade aging public infrastructure systems and to implement streetscape and beautification projects. Streetscape improvements would be consistent with the Fresno Central Area Streetscape Master Plan which targets five areas including Fresno Street, Tulare Street, Ventura Avenue, Divisadero Street, and Chinatown/International Village. Water, sewer, and drainage upgrades will be considered and installed as necessary. Electrical and other utility lines are proposed to be under grounded. This program would also include improvements to traffic circulation, installation of pedestrian walkways, and operation of a shuttle bus system. The Agency proposes to make selected public improvements as follows:

1. Street improvements, including but not limited to curbs, gutters, sidewalks, paving, landscaping and irrigation systems, turning lanes, median islands, parking spaces, street and alley abandonment, and street widening and extensions associated with plan implementation. Within the Jefferson area, street improvements will be focused on Belmont Avenue, McKenzie Avenue, Divisadero Street, Abby Street, and Fresno Street
2. Railroad route and crossing safety improvements, including but not limited to the railroad right-of-way and crossings at White Avenue, Belmont Avenue, Grant Avenue, McKenzie Avenue, Illinois Avenue, Divisadero Street, and properties along the southwest frontage of

Topeka Avenue and northeast frontage of Santa Fe Avenue between Ventura Street and Freeway 41.

3. Sewer improvements, including but not limited to sewer mains, service lines, manholes, and related temporary pavement and pavement restoration work.
4. Water improvements, including but not limited to water wells, fire hydrants, water and service lines, water mains, and bore and jack casings, wet ties, and related pavement restoration work.
5. Storm drain improvements, including but not limited to outfalls and inlets, manholes, pipes, bore pipes, and related temporary pavement and pavement restoration.
6. Traffic signal and safety lighting improvements associated with plan implementation.
7. Utility installation, relocation and /or undergrounding.
8. Implementation of Fresno Central Area Streetscape Master Plan, including but not limited to street tree planting in sidewalk areas and planting strips, new sidewalk paving, bus shelters, pedestrian crosswalks, landscape medians, and landscape planting nodes and gateways on all major and local streets as designated, particularly the "entry treatment" on Belmont Avenue, Divisadero Street, Abby, Fresno Street, Ventura and Van Ness Avenue.
9. Parking lots and structure improvements as necessary to support implementation of the Redevelopment Plan.
1. Open space / Recreation / Park improvements, including but not limited to the adjacent vacant railroad right-of-way, west of the Santa Fe Rail Line between Belmont Avenue and Divisadero Street.
11. Building improvements, including but not limited to Convention Center expansions, and general service and/or administration office building(s) for the United States Government, State of California, County of Fresno, Fresno Metropolitan Flood Control District, Public School Districts, etc. This program includes the planning, design and construction related to the expansion and upgrading of the existing convention center complex and associated facilities including Selland Arena, parking, hotels, specialty uses, pedestrian linkages/lighting/safety improvements, etc. Activities would include site work, building construction, parking improvements, and landscaping.
12. Carry out the goals and objectives of historic preservation as outlined in the Central Area Community Plan. The goal is to "Promote Fresno's heritage through preservation and restoration of historically and architecturally significant structures and districts in the Central Area." Activities may involve establishment of historic districts, such as the "L" Street area, Warehouse Row, and the Fulton Mail. Incentives could be made available for restoration or rehabilitation of historic structures and incorporation of historic structures into new development projects. Attention would be given to enhancing surrounding environments with authentic exterior streetscape and amenities or replicas from the proper era.

Land Assembly. The land assembly program is intended to create sites for modern businesses, including expansion opportunities for existing businesses; opportunities for the consolidation/expansion of governmental facilities; and the inclusion of opportunities for residential mixed-uses. To facilitate the consolidation of two or more separately owned parcels, the Agency may acquire land through negotiated purchase, eminent domain, or otherwise as it deems appropriate for land assembly. Where properties and structures are deemed adequately sized for appropriate land uses, existing structures can be rehabilitated, and when property owners are able to participate in redevelopment efforts, land acquisition is not anticipated. To ensure that uniform, fair and equitable treatment is afforded to displaced businesses as a result of Agency land assembly program, the Agency will provide relocation assistance as required by law. The land assembly program may also include site preparation and demolition. Underutilized streets and alleys may be vacated.

Business Revitalization and Attraction. The Agency would provide incentives to encourage business to remain in the Central Area, to expand from current facilities, or to encourage new businesses establishment within the Central Area. Specific actions may include development fee reductions, installation of support services, marketing, and financial assistance for start-up businesses. A major component of this program is facade improvement and commercial rehabilitation. Through these programs Central Area buildings can be repaired and upgraded to meet code requirements. Architectural features can be improved to integrate the physical environment. This program would likely consist of low interest loans to businesses for the rehabilitation of the exterior facades, correction of building and safety deficiencies, correction of code violations, or interior tenant improvements. As an example, this type of assistance could be available to facilitate the economic re-use of old warehouses in the Mariposa Project Area to rehabilitate and update floor plans of old properties on the Fulton Mall, the re-use and rehabilitation of older buildings in the Chinatown Project Area, as well as similar situations in the other redevelopment project areas.

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

Financing Methods Available to the Agency

Based on the projections in Table 2-3, the Agency will have sufficient income to support planning, Agency administration, and program implementation in the next five years of the Redevelopment Program. In years 20010-2015, the Agency is projected to have approximately \$22,039,403 in net tax increments (after pass-through payments and 20 percent set-aside funds). The Agency will use approximately 50 percent of these funds to devise long-term plans to reduce blight within the Project Area, to negotiate agreements with property owners and developers, to acquire property, and for relocation administration. The remaining 50 percent will be used for project area improvements and for one or more of the above discussed programs.

The Plan is prepared with the intent of providing the Agency with the necessary legal authority and flexibility to implement the revitalization of the Project. The Plan authorizes the Agency to finance the Project with financial assistance from any or all of the following sources: (1) City of Fresno; (2) State of California; (3) federal government; (4) tax increment funds in accordance with provisions of

the Law; (5) Agency bonds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; and (10) any other legally available public or private sources.

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

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

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

Administration and Planning	\$2,203,940
Land Assembly	4,848,669
Project Area Improvements	10,799,308
Business Revitalization and Attraction	<u>4,187,487</u>
Subtotal for Non-Housing Programs	\$22,039,403
Subtotal for Housing Programs	9,481,000
TOTAL AGENCY PROGRAM EXPENDITURES	\$31,520,403

Funds for the programs are anticipated as follows:

Tax Increment (carryover)	\$1,059,000
New Tax Increment	20,105,403
Sale, Lease, and Loan Proceeds	<u>875,000</u>
Subtotal for Non-Housing Programs	\$17,155,000
Subtotal for Housing Programs	9,481,000
TOTAL AGENCY FUNDS AVAILABLE	\$31,520,403

2.7 HOW THE PROJECTS AND PROGRAMS WILL ELIMINATE REMAINING BLIGHT

Public Improvements - The primary focus of the Agency's efforts to support the rehabilitation of existing and installation of new public improvements will be to help offset the cost or to install

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

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

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

Historic Preservation - The historic preservation program will enable the Agency to encourage the effective reuse of existing buildings and the preservation of the City's historic architectural resources. The program will help alleviate the problem of vacant and/or abandoned buildings, especially those that may become unsafe due to deterioration, structural failure or vandalism.

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

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

housing units in the Project Area.

Table 1: Blighting Conditions and the Projects and Programs to Alleviate Blight

	Agency Programs					
Blighting Condition	Public Improvements	Land Assembly	Business Revitalization and Attraction	Historic Preservation	Discretionary Programs	Housing Programs
Buildings in which it is unsafe or unhealthy for persons to live or work.		X	X	X	X	X
Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots... given the present general plan, zoning, or other development standards.	X	X	X	X	X	X
Depreciated or stagnant property values.	X	X	X	X	X	X
Abnormally low lease rates and an abnormally high number of abandoned buildings.	X	X	X	X	X	
A serious lack of necessary commercial facilities that are normally found in neighborhoods.	X	X	X		X	
Serious residential overcrowding		X		X	X	X

	Agency Programs					
Blighting Condition	Public Improvements	Land Assembly	Business Revitalization and Attraction	Historic Preservation	Discretionary Programs	Housing Programs
An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety or welfare problems.			X		X	
A high crime rate	X		X	X	X	

3.0 **AFFORDABLE HOUSING PROGRAM**

3.1 OVERVIEW - This chapter will address the requirements of California Redevelopment Law (CRL) pertaining to the use of the Low and Moderate Income Housing Fund (the "Housing Fund") for the Merger No. 1 Redevelopment Project Areas. The CRL Section 33490 requires that an Implementation Plan's Affordable Housing Program contain the following components:

- The amount available in the Housing Fund and the estimated amounts to be deposited in this fund in each of the next five years.
- An accounting of the Housing Production ("inclusionary", "inclusionary housing") requirements of CRL Section 33413(b)(1) and (2), and the Agency's compliance with the requirements for expenditure of Housing Funds by Household Types, and senior housing.
- A plan to replace any units that would be removed by any Agency-sponsored project, if any, are proposed in the Implementation Plan.
- A housing program that estimates the number of affordable housing units to be assisted from the Housing Fund during each of the next 5 years, during the next 10 years, and over the life of the Redevelopment Plans, and estimates of the expenditures of moneys from the Housing Fund during each of the next 5 years.
- A description of how the Agency will provide for completion of responsibilities For project areas that are within six years of the time limit on the effectiveness of the redevelopment plan.

- A description of how the Agency will provide for compliance with Section 33333.10 requirements to focus Housing Fund Expenditures subsequent to adoption of the Proposed Merger No. 1 Plan Amendments.

3.2 LOW AND MODERATE INCOME HOUSING FUND FOR MERGER NO. 1

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

Table 3-1: Housing Fund – All Project Areas, 2005 - 2009 thru 2009 - 2010

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

As shown in the following Table 3-2, the nine Project Areas in Merger No. 1 contributed \$1,248,275.83 or 28.3% of the total Housing Fund contribution in FY 2009-2010.

Table 2-2: Tax Increments and Housing Set Asides for all Project Areas (2009-2010)

Project	Total Tax Increment	Admin Fees	Pass Thru Amts	SERAF Payment	Net Incr Received	Housing Set Aside @20 percent	Net Increment After 20 percent HS
CBD	\$911,412.44	\$12,348.56	\$133,806.46	\$310,786.86	\$454,470.56	\$182,282.49	\$272,188.07
Fruit Church	543,525.46	7,445.56	34,216.38	161,758.70	340,104.82	108,705.09	231,399.73
Mariposa	1,195,826.62	17,045.56	88,858.14	449,628.95	640,293.97	239,165.32	401,128.65
Southwest Fresno	3,116,891.36	52,985.56	239,214.72	1,121,261.68	1,703,429.40	623,378.27	1,080,051.13
West Fresno #1	236,435.84	3,365.56	12,370.34	77,898.26	142,801.68	47,287.17	95,514.51
West Fresno #2	980,758.48	13,716.56	19,829.74	343,051.34	604,160.84	196,151.70	408,009.14
Convention Center	1,023,132.90	14,263.56	83,692.26	351,268.31	573,908.77	204,626.58	369,282.19
Jefferson	558,748.02	9,482.56	37,325.18	213,994.25	297,946.03	111,749.60	186,196.43
Chinatown	128,774.42	2,842.56	2,840.68	64,204.97	58,886.21	25,754.88	33,131.33

West Fresno Rehab	71,616.70	35.56	7,674.24	16,463.62	47,443.28	14,323.34	33,119.94
Air Terminal	235,720.74	6,704.02	82,915.42	52,550.06	93,551.24	47,144.15	46,407.09
Roeding Bus Park	895,184.30	15,869.02	169,300.10	278,216.43	431,798.75	179,036.86	252,761.89
South Van Ness	544,402.52	6,527.56	77,637.38	86,885.58	373,352.00	108,880.50	264,471.50
Fulton	590,271.22	6,403.02	105,762.90	165,751.08	312,354.22	118,054.24	194,299.98
Airport Area	2,695,249.06	33,404.02	539,099.02	855,910.12	1,266,835.90	539,049.81	727,786.09
Southeast Fresno	3,024,016.96	43,537.02	604,839.64	768,664.54	1,606,975.76	604,803.39	1,022,172.37
South Fresno Ind	1,770,279.80	24,464.02	354,055.94	425,070.19	966,689.65	354,055.96	612,633.69
Central City	1,085,151.46	15,140.56	150,633.06	265,938.49	653,439.35	217,030.29	436,409.06
Corr 99/Gold State	2,445,312.18	41,032.02	345,569.90	726,898.57	1,331,811.69	489,062.44	842,749.25
Total	\$22,052,710.48	\$326,612.86	\$3,089,641.50	\$6,736,202.00	\$11,900,254.12	\$4,410,542.10	\$7,489,712.02

Following in Table 3-3 are estimates that the Merger No. 1 Project Areas will contribute a total of \$9,481,000 over the next five years to the Housing Fund, an average increase of \$194,145 per year. The increased contribution rate of 30% by the proposed Merger No. 1 Plan Amendments to the seven older Project Areas (CBD, Chinatown Expanded, Convention Center, Jefferson, Mariposa, West Fresno 1, and West Fresno II) would be effective starting in FY 2011-2102, and is shown in the following Table 2-2. Over the five-year Implementation Plan period, the Mariposa Project Area is the single largest contributor from the Merger No. 1 Project Areas to the Housing Fund, accounting for nearly 19.2 percent of the total Set-asides Funds during the next 5 years. The Convention Center Project Area is the second largest contributor, accounting for 16.5 percent of the total Set-aside Funds during the next 5 years.

Table 3-3: Projected Tax Increments and Housing Set Aside Fund

NET TAX INCREMENTS¹							
	2010 Estimated	2011	2012	2013	2014	2015	Total 5-yr
Merger 1 Project Area							
CBD	\$272,188.07	\$505,076	\$500,000	\$521,000	\$544,000	\$567,000	\$2,637,076
Mariposa	\$401,128.65	\$815,729	\$759,000	\$787,000	\$812,000	\$838,000	\$4,011,729
West Fresno #1	\$95,514.51	\$157,978	\$154,000	\$158,000	\$162,000	\$166,000	\$ 797,978
West Fresno #2	\$408,009.14	\$668,440	\$658,000	\$675,000	\$693,000	\$712,000	\$3,406,440
Convention Center	\$369,282.19	\$632,750	\$631,000	\$658,000	\$686,000	\$709,000	\$3,316,750
Jefferson	\$186,196.43	\$327,985	\$325,000	\$343,000	\$361,000	\$379,000	\$1,735,985
Chinatown Expanded	\$66,251.27	\$105,408	\$103,000	\$112,000	\$121,000	\$129,000	\$ 70,408
Fulton	\$194,299.98	\$294,908	\$350,000	\$372,000	\$394,000	\$417,000	\$1,827,908
South Van Ness	\$264,471.50	\$274,129	\$327,000	\$363,000	\$399,000	\$438,000	\$1,801,129
Total	\$2,257,341.73	\$3,782,403	\$3,807,000	\$3,989,000	\$4,172,000	\$4,355,000	\$20,105,403
HOUSING SET ASIDE @20 percent & 30 percent*							

Merger 1 Project Area							
CBD	\$192,282.49	\$180,000	\$285,000*	\$301,000*	\$317,000*	\$334,000*	\$1,417,000
Mariposa	\$239,165.32	\$236,000	\$370,000*	\$387,000*	\$404,000*	\$422,000*	\$1,819,000
West Fresno #1	\$47,287.17	\$47,000	\$73,000*	\$76,000*	\$79,000*	\$82,000*	\$ 357,000
West Fresno #2	\$196,151.70	\$195,000	\$304,000*	\$316,000*	\$328,000*	\$341,000*	\$1,484,000
Convention Center	\$204,626.58	\$202,000	\$318,000*	\$333,000*	\$349,000*	\$365,000*	\$1,567,000
Jefferson	\$111,749.60	\$127,000	\$202,000*	\$215,000*	\$227,000*	\$240,000*	\$1,011,000
Chinatown Expanded	\$40,078.22	\$55,000	\$89,000*	\$95,000*	\$102,000*	\$109,000*	\$ 450,000
Fulton	\$194,299.98	\$117,000	\$126,000	\$136,000	\$145,000	\$155,000	\$ 679,000
South Van Ness	\$264,471.50	\$109,000	\$123,000	\$139,000	\$155,000	\$171,000	\$ 697,000
Total	\$1,248,275.83	\$1,268,000	\$1,890,000	\$1,998,000	\$2,106,000	\$2,219,000	\$9,481,000

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

* Housing Set-Aside at 30%

3.3 PROPOSED AFFORDABLE HOUSING PROGRAM

Over the next five years, the Agency plans to implement the following Downtown Housing development projects and Neighborhood Revitalization projects with the Merger No. 1 Housing Fund resources in order to further the goals for revitalization of the Project Areas in Merger No. 1.

DOWNTOWN HOUSING

Since 2005 the Agency has been working with housing developers to provide for a range of affordable housing projects involving the construction of new housing, adaptive reuse of existing buildings, or the substantial rehabilitation of existing housing resources. Many of the housing projects are mixed-use projects, and the investment by the Agency in the production of affordable housing units will leverage investments by a developer in the development of non-restricted housing units, or related commercial and office development. During the Five Year Implementation Plan, the Agency proposes to continue its efforts for downtown housing in the Uptown Area, as well as focusing investments in the Fulton Mall Area, Chinatown, Convention Center, and Mariposa Areas. There are a number of affordable housing projects that have recently been initiated, are underway, or planned with the assistance of the Agency.

Uptown Area - In May 2009 the Agency approved an Owner Participation Agreement (OPA) with Reza Assemi to provide for participation in the Broadway Lofts project at 1625 Broadway Street, a mixed-use project at Broadway and Calaveras Street in the Fulton Project Area in the amount of \$750,000. The project will produce 5 moderate income units. Currently under construction, the project includes reuse of a historic property and conversion into 22 loft residential units.

In December 2008, the Agency Board approved an OPA for a mixed use project in the Cultural Arts District in the Fulton Project Area, near Fulton and Amador Streets. The project consists of 61 units of housing: 48 market rate and 13 affordable units, and 4,500 square feet of commercial space. The Agency's contribution consists of an \$800,000 second trust deed loan

and a \$500,000 grant made at completion. The developer, Granville Homes, broke ground for the project in May 2010.

The Agency approved an OPA with Mayflower Lofts, LLC to facilitate the development of a mixed-income housing development at 1417 Broadway in the Fulton Project Area. The Mayflower Building is a three story brick structure that has long been vacant and the owner had requested assistance to make the project feasible. The project consists of 15 rental units with affordability covenants on eight of the units in consideration for Agency assistance. Under the Agreement's proposed terms a loan in the amount of \$400,000 would be made to the project.

In December 2009, the Agency and the City jointly issued a solicitation inviting qualified developers to design and develop a downtown infill project that will create a downtown entertainment destination in the Uptown Cultural Arts District on parcels acquired by the City from the Met Museum in 2009. The proposal area consists of approximately 2.5 acres of separately parceled and contiguous parcels, representing the entire city block (excluding the parcel upon which the Metropolitan Museum building rests) bounded by Calaveras, Stanislaus, Fulton, and Van Ness, plus the parking lot north of Stanislaus across from the Museum building. This could involve the development of a new 60 unit mixed-use residential project with approximately 24 units of affordable housing.

The Agency continues to advance downtown infill housing at various locations in the Uptown Area that include the former Mayflower Apartments, the former Factory Tire Building, and the L Street Historic Homes Area. These and other projects may be considered for funding assistance dependent upon future Agency funding availability and public benefit as demonstrated by pro-forma feasibility, leverage of public and private investment, affordability for extremely low, very low and low income levels and other appropriate criteria.

Fulton Mall Area - In the last few years, the Agency has been assembling property focused on the southwest portion of the Fulton Mall between Kern and Inyo Streets acquiring property in a concentrated area, identified as the Berkely Block Mixed Use Project. These properties, coupled with the Agency-owned parking lot directly south of these buildings present an outstanding development opportunity for a mixed use development with housing above retail/commercial/office development. The site could be marketed to a potential developer through a RFP process for completion of the land assembly process and a phased development program.

The Agency is continuously working to advance downtown infill housing at various locations in the Fulton Mall Area that include the former Hotel Fresno, and the former J.C. Penney Building. These and other projects may be considered for funding assistance dependent upon future Agency funding availability and public benefit as demonstrated by pro-forma feasibility, leverage of public and private investment, affordability for extremely low, very low and low income levels and other appropriate criteria

Convention Center and Mariposa Areas - The Agency was approached by both the private owner and later the Housing Authority with a proposal for the Droge Building, a currently vacant and severely blighted property. This would involve the renovation and adaptive reuse in a mixed use development at 816 Van Ness Avenue at Inyo Street in the Convention Center

Project Area. This could include 14 apartment units on two floors, plus commercial retail space along Van Ness Avenue. Site parking would be across the street in the City's parking garage. In exchange for Agency assistance, the developer would provide affordable housing covenants on a percentage of the apartment units.

The Agency is continuously working to advance downtown infill housing at various locations in the Convention Center and Mariposa Areas, that may include properties in the Warehouse Row Area, and vacant land at Mariposa and U Streets. Infill housing and substantial rehabilitation of existing housing could be considered in the vicinity of Merced and P Streets, and the area near Mariposa and S Streets. These and other projects may be considered for funding assistance dependent upon future Agency funding availability and public benefit as demonstrated by pro-forma feasibility, leverage of public and private investment, affordability for extremely low, very low and low income levels and other appropriate criteria.

Chinatown Area

In 2009, the Agency Board approved a Memorandum of Understanding for the development of the Chinatown Lofts Mixed-Use Project, with Historic Chinatown LLC. The proposed development would involve a three-phase, mixed-use low-income housing and commercial development at "F" and Mono Streets, on property that the Agency obtained from the City. The project is to accommodate 200 apartment units, with 67 affordable units in the first phase, and associated commercial uses. The preparation of an EIR for the mixed-use development project is underway. The project received \$4,000,000 in Proposition 1C Urban Infill funding from the State in June 2009, and also applied for a 9% Low Income Housing Tax Credit allocation for the first phase of 68 units.

Development by Fresno Historic Chinatown, LLC and owner participants envision a combination of new construction on infill sites and expansion and/or rehabilitation of existing buildings compatible with the historic and cultural aspects of the Chinatown area. This includes potential sites for new housing construction, adaptive reuse of existing buildings, and other opportunities for housing in mixed use development projects.

Neighborhood Revitalization

In July 2000, the Agency entered into a multi-year Community Housing Partnership Program (CHPP) agreement with the Housing Authorities of the City and County of Fresno to administer a portion of the Agency's 20% Housing Set-Aside funds. The CHPP provides for minor, major and infill housing in designated target areas of the City, which include locations within neighborhoods located within and adjacent to the Merger No. 1 Project Areas. The CHPP has three significant elements: the Major/Minor Rehabilitation Program, the Board Up/Infill Program, and the Multi-Family Rehabilitation Program. During the next five years it will be the priority of the Agency to focus the Merger No. 1 Housing Funds on the neighborhoods within the Merger No. 1 neighborhoods.

Following is a Table providing estimated Housing Expenditures and estimated Housing Development Units for the Agency's Proposed Affordable Housing Program for each of the five

years of the Proposed Implementation Plan.

MERGER NO 1 FIVE-YEAR AFFORDABLE HOUSING PROGRAM FUNDS AND ESTIMATED HOUSING DEVELOPMENT						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	TOTAL
HOUSING PROGRAM						
Housing Expenditures						
*New Construction, *Adaptive Reuse, *Substantial Rehab.						
Minor Rehabilitation	\$1,268,000	\$1,386,000	\$1,494,000	\$1,602,000	\$1,715,000	\$6,961,000
Estimated Housing Units	40 - 57 units	60 - 82 units	60 - 86 units	70 - 91 units	75 - 86 units	305 - 361 units
HOUSING FUND DEPOSITS	\$1,268,000	\$1,890,000	\$1,998,000	\$2,106,000	\$2,219,000	\$9,481,000
*45 Year Covenants for Owner-Occupied Housing and 55 Year Covenants for Rental Housing						

3.4 AFFORDABLE HOUSING PROGRAM COMPLIANCE OBJECTIVES

3.3.1 REPLACEMENT HOUSING REQUIREMENTS

In addition to the requirement that redevelopment agencies spend a portion of tax increments to increase, improve, and preserve the supply of housing for low and moderate income persons and families, the Law also contains requirements that respond to concerns that redevelopment projects were destroying residential units that housed low and moderate income families without providing for their replacement. The State Legislature enacted statutes that require agencies to construct or cause the construction of housing to replace each unit destroyed or removed from the low and moderate income housing market. All project areas adopted after 1975, and since 1986, all project areas adopted prior to 1975, must meet the replacement housing requirements.

During the June 7, 2005 thru June 7, 2010 reporting period for the Merger No 1 Implementation Plan the Agency has not destroyed or removed any units from the low and moderate income housing market. Therefore, there are no Replacement Housing Obligations to report.

3.3.2 HOUSING PRODUCTION (INCLUSIONARY) REQUIREMENTS

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

Section 33413(b)(1), is applicable only to post 1976 projects and areas amended into projects after 1976, where the requirement is that at least 30 percent of all new or rehabilitated units developed within the project area by the Agency itself are available at affordable costs to households of very low (up to 50 percent of area median income), low (51 percent-80 percent of area median income), or moderate (81 percent-120 percent of area median income). Of this 30 percent, not less than 50 percent are required to be available at affordable costs to very low-income households.

Further, in regard to the post 1976 project areas and areas added after 1976, Section 33413(b)(2) requires that at least 15 percent of all new or substantially rehabilitated units developed within each project area by persons or entities other than an agency be made available at affordable costs to low or moderate income households. Of this 15 percent, not less than 40 percent of the units are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated and not on a case-by-case basis to each dwelling unit created or rehabilitated unless so required by an agency. The requirements include:

a. Requirements For Housing Not Developed by the Agency:

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

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

b. Requirements For Housing Developed Directly by the Agency:

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

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

This requirement for Agency-developed housing does not apply to units developed by housing developers pursuant to agreements with an agency. Therefore, this requirement is seldom

applied, as most redevelopment agencies do not act as a housing developer.

c. Substantially Rehabilitated Dwelling Units

Since January 1, 2002, “substantially rehabilitated dwelling units” means all units substantially rehabilitated with Agency assistance.

d. Agency Alternatives for Meeting Housing Production Plan Obligations

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

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

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

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

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

Application of Housing Production Requirements

In regard to the Project Areas within the Proposed Implementation Plan, the Housing Production requirements are currently applicable only to the post 1977 Redevelopment Plans, which include: Chinatown Expanded, Convention Center Area, Fulton, Jefferson, and South Van Ness Industrial Project Areas within the Merger 1 Project Area,

Upon the adoption of the proposed Merger 1 Plan Amendments, pursuant to CRL Section 33333.10, the Housing Production Requirements will be then be applied to the Central Business District, Mariposa, West Fresno I and West Fresno II Project Areas. Since the West Fresno I and

West Fresno II Project Areas are planned as commercial and industrial areas, the Housing Production Requirements will have no effect. In the following projections in this Implementation Plan involving Housing Production requirements, it is assumed that the Merger No 1 Plan Amendments will be adopted as proposed in July 2010. Therefore, when the plan amendment ordinances for the Central Business District, Mariposa, West Fresno I and West Fresno II Project Areas are effective, a 10 year time period for meeting the Housing Production requirements will start.

Current and Projected Agency Housing Production Obligations

Chinatown Expanded, Convention Center, and Jefferson Project Areas

The initial Implementation Plan for these three Project Areas were adopted in 1994, and the last Implementation Plan update was adopted on June 17, 2004. In the following information the 10 Year Housing Production Period for each Project Area will end with the end of the Proposed Five-Year Implementation Plan on June 2015. The following information also includes projections to the respective Plan Durations for each of the three Project Areas as they are proposed for extension in the Proposed Merger No. 1 Plan Amendments. Following is a Summary of the Housing Production Obligations in the Chinatown Expanded, Convention Center, and Jefferson Project Areas (see Housing Production Tables in Appendix C).

10 Year Housing Production Period

Chinatown Expanded - During the 10 year Housing Production Period for the Chinatown Expanded Project there will be a net surplus of 27 units of Very Low Income Housing and 26 units of Low and Moderate Income Housing, which can be applied to Agency Housing Production Obligations over the next 10 Year Period or to the obligations of another Redevelopment Project Area.

Convention Center - During the 10 year Housing Production Period for the Convention Center Project Area there will be a net surplus of 6 units of Very Low Income Housing and 6 units of Low and Moderate Income Housing, which can be applied to Agency Housing Production Obligations over the next 10 Year Period or to the obligations of another Redevelopment Project Area.

Jefferson - During the 10 year Housing Production Period for the Jefferson Project Area there will be a need for 5 units of Very Low Income Housing and a net surplus of 8 units of Low and Moderate Income Housing. The projected Very Low Income Housing Production Obligation can be provided from either another Project Area or from a source outside of a Redevelopment Project Area. The projected surplus of Low Income Housing Production Obligations can be applied to Agency Housing Production Obligations over the next 10 Year Period or to the obligations of another Redevelopment Project Area.

Housing Production Projections to Plan Duration

Chinatown Expanded – For the 23 years from May 2015 to Jan 28, 2038, it is estimated there will be a need for 10 units of Very Low Income Housing and 16 units of Low and Moderate Income Housing.

Convention Center – For the 20 years from May 2015 to January 28, 2035, it is estimated there will be a need for 5 units of Very Low Income Housing and 7 units of Low and Moderate Income Housing.

Jefferson – For the 22 years from May 2015 to December 18, 2037, it is estimated there will be a need for 10 units of Very Low Income Housing and 15 units of Low and Moderate Income Housing.

Fulton and South Van Ness Project Areas

Both of these Project Areas were adopted in 1998, and the following information represents the initial 10 Year Housing Production Period for each Project Area from August 6, 2008 thru August 6, 2008, and then information including actuals and projections for the second 10 Year Housing Production Period from August 6, 2008 thru August 6, 2018. Information is also included showing projections to the July 6, 2029 Plan Durations for both Project Areas. The Agency has identified the following Housing Production Obligations in the Fulton and South Van Ness Project Areas (see Tables in Appendix C).

Initial 10 Year Housing Production Period (August 6, 1998 thru August 6, 2008)

Fulton – At the end of the initial 10 year Housing Production Period (August 6, 1998 thru August 6, 2008) the Agency needed to provide four units of Very Low Income Housing and 6 units of Low and Moderate Income Housing in the Fulton Project Area. Compliance with the Very Low Income Housing requirement (see Appendix C) has been met through the use of 8 units of Major Rehabilitation resources located outside of the Fulton Project Area (the obligation was doubled from 4 units to 8 units for the use of units from outside the Fulton Project Area). The obligation of 6 units of Low and Moderate Income Housing Units was met from the Agency Assisted New Construction Units in the Fulton Project Area, leaving a surplus of 8 Low and Moderate Income Housing Units to be carried over to the next 10 Year Time Period of August 6, 2008 thru August 6, 2018, or applied to the obligations of another Redevelopment Project Area.

South Van Ness - At the end of the initial 10 year Housing Production Period (August 6, 1998 thru August 6, 2008) the Agency needed to provide 1 unit of Very Low Income Housing and 1 unit of Low and Moderate Income Housing in the South Van Ness Project Area. Compliance with the Very Low Income Housing requirement (see Appendix C) is met through the use of 2 units of Major Rehabilitation resources located outside of the South Van Ness Project Area (the obligation was doubled from 1 unit to 2 units for the use of units from outside the South Van Ness Project Area). The obligation of 1 unit of Low and Moderate Income Housing was met from the 1 Agency Assisted New Construction Unit built in the South Van Ness Project Area.

Second 10 Year Housing Production Period (Aug 6, 2008 - August 6, 2018)

Fulton - The Agency estimates that during the second 10 year Housing Production Period for the Fulton Project there will be a need for 33 units of Very Low Income Housing and a net of 114 units of Low and Moderate Income Housing which can be applied to Agency Housing Production Obligations for the Fulton Project Area in the next 10 Year Period or applied to the Housing Production Obligations for another Project Area.

South Van Ness - The Agency estimates that during the second 10 year Housing Production Period for the South Van Ness Project there will be a need for 1 unit of Very Low Income Housing and 1 unit of Low and Moderate Income Housing.

Housing Production Projections to Plan Duration

Fulton - For the 11 years from August 6, 2018 to July 6, 2029, it is estimated there will be a need for 37 units of Very Low Income Housing 55 units of Low and Moderate Income Housing.

South Van Ness – For the 11 years from August 6, 2018 to July 6, 2029, it is estimated there will be a need for 1 unit of Very Low Income Housing and 1 unit of Low and Moderate Income Housing.

Central Business District, Mariposa, West Fresno I and West Fresno Two Project Areas

Upon the adoption of the Proposed Merger No. 1 Plan Amendments, the Central Business District and the Mariposa Project Areas will be subject, pursuant to CRL 33333.10 requirements to the Housing Production requirements for the first time. The West Fresno I and West Fresno II Project Areas are planned as commercial and industrial areas, where new housing development is not allowed, and therefore would not be subject to the Housing Production requirements. The following information represents estimates for the initial 10 Year Housing Production Period for each Project Area from August 2010 thru August 2020. Information is also included showing projections to the Jan 2022 Plan Durations for both Project Areas. The Agency has identified the following Housing Production Obligations in the Central Business District and Mariposa Project Areas (see Tables in Appendix C).

Initial 10 Year Housing Production Period (August 2010 thru August 2020)

Central Business District - The Agency estimates that 16 units of Very Low Income Housing will need to be provided. A net of 74 units of Low and Moderate Income Housing would be available to be applied to Agency Housing Production Obligations for the Central Business District Project Area in the next 10 Year Period or applied to the Housing Production Obligations for another Project Area.

Mariposa - The Agency estimates that 7 units of Very Low Income Housing will need to be provided. A net of 18 units of Low and Moderate Income Housing would be available to be applied to Agency Housing Production Obligations for the Mariposa Project Area in the next 10 Year Period or applied to the Housing Production Obligations for another Project Area.

Housing Production Projections to Plan Duration

Central Business Project - For the 2 years from August 2020 to August 2022, it is estimated there will be a need for 3 units of Very Low Income Housing and 5 units of Low and Moderate Income Housing.

Mariposa – For the 2 years from August 2020 to August 2022, it is estimated there will be a need for 1 unit of Very Low Income Housing and 2 units of Low and Moderate Income Housing.

3.3.3 Compliance with Housing Fund Expenditures Proportionality Requirements

Effective January 2002, expenditure of housing set-aside revenues is subject to certain legal requirements. Pursuant to Section 33334.4, at a minimum, the Agency's low and moderate income housing set-aside revenue is to be expended in proportion to the community's need for very low and low income housing, over a 10-year time period. The Agency has the option to implement the Section 33334.4 obligations for Project Areas in existence prior to December 31, 1993 (CBD, Chinatown Expanded, Convention Center, Jefferson, Mariposa, West Fresno I, and West Fresno II), over a longer period of time. The proportionality requirements for these 7 Project Areas would be implemented on or before December 31, 2014, and each 10 years thereafter.

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

As shown in the following Table the Agency's Housing Fund expenditures for all of the Agency's Project Areas, including the nine Project Areas in Merger No. 1 have not exceeded the minimum RHNA percentages for the very low and low income categories, for the initial 10-year compliance period (FY 2001-02 thru FY 2009-10).

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

Senior Affordable Housing

Pursuant to CRL Section 33334.4 the Agency must expend the Housing Funds to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income

households of the community as reported in the most recent Census of the United States Census Bureau. Therefore, Housing Fund expenditures for non-senior housing would be in proportion to the number of non-senior households in the community.

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

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

Since the 2002 Requirement regarding senior housing became effective, the Agency has not utilized Housing Fund moneys to assist any housing project within the Project Area, other Project Areas, or outside the Project Area that contained units dedicated to senior housing. Therefore, whether the 2002 Requirement or the 2006 Requirement is used, the Agency has complied, during the 10-year period of the Implementation Plan, with the CRL requirements to not spend LMIH Fund moneys in excess of the Senior Housing limitation. During the next 10-year period for the Implementation Plan, the Agency may not expend more than 24.1% Housing Fund moneys on housing for households age 65 or older.

3.3.4 Compliance with Section 33333.10 Requirements to Focus Housing Fund Expenditures

Pursuant to Section 33333.10(2), in the first fiscal year following the adoption of the Proposed Merger No 1 Plan Amendments regarding the Central Business District, Chinatown Expanded (including the Original Chinatown Area), Convention Center, Jefferson, Mariposa, West Fresno I, and West Fresno II Project Areas, the Agency may continue to expend moneys from the Housing Fund for Moderate Income Housing, but with certain limitations. In a Five Year Period (estimated to start in FY 2011-2012 upon adoption of the Proposed Merger No 1 Plan Amendments in FY 2010-11), the amount that would be expended on Moderate Income Housing shall not exceed 15% of the amount of Housing Funds deposited from the above listed Project Areas, and shall only be used to assist housing projects in which no less than 49% of the units are affordable to and occupied by Extremely Low, Very Low, or Low Income families or persons. Or, the Agency may spend the subject Housing Funds on Moderate Income Housing, but the amount shall not exceed the lesser of: the amount of Housing Funds spent on Extremely Low Income Housing, or 5% of the Housing

Fund deposits during the Five Year Period.

The Five Year Period for compliance with the Section 33333.10(2) requirements regarding the expenditure of Housing Funds for Moderate Income Housing, would extend beyond the Five Year Period of the Proposed Merger No 1 Implementation Plan (FY 2010-11 through FY 2014-15). Therefore the Agency's compliance with this requirement would be reported in the next Five Year Implementation Plan.

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

In this Implementation Plan, there are five Project Areas in the Merger No. 1 Area, that will reach their respective Plan Effectiveness Dates in 2012, unless they are extended as proposed in the Merger No. Plan Amendments. The five Project Areas include the Central Business District, West Fresno Rehabilitation District (original area within Chinatown Expanded), Mariposa, West Fresno I, and West Fresno II.

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

It should be noted that none of the above 5 Project Areas will reach its time limit for Debt Repayment within the five year period of the Proposed Implementation Plan.

**APPENDIX A
PROJECT AREA MAPS
AND SIGNIFICANT REMAINING BLIGHT TABLES**

APPENDIX B
HISTORICAL TAX INCREMENT REVENUES

APPENDIX C
HOUSING PRODUCTION (INCLUSIONARY HOUSING) TABLES

APPENDIX D
HOUSING PROPORTIONALITY TABLES

**APPENDIX E
PUBLIC NOTICE**