

RESOLUTION NO. RA 04-03

A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT AGENCY
ADOPTING AN UPDATED IMPLEMENTATION PLAN

WHEREAS, Section 33490 of the State Health and Safety Code, requires each redevelopment agency to adopt an Implementation Plan every five years; and

WHEREAS, On December 7, 1999, via Resolution RA 99-09, the Paso Robles Redevelopment Agency adopted an Implementation Plan; and

WHEREAS, at its meeting of December 15, 2004, the Redevelopment Project Area Committee (PAC) reviewed a draft version of the Implementation Plan and unanimously recommended that it be adopted by the Redevelopment Agency, subject to some minor revisions regarding priorities for housing projects; and

WHEREAS, a public hearing at which the Redevelopment Agency would consider the draft Implementation Plan was set for December 21, 2004 and notice of the public hearing on the was given as prescribed by Section 33490 of the State Health and Safety Code and as described in Section 5 of Chapter I of the Implementation Plan; and

WHEREAS, at its meeting of December 21, 2004, the Redevelopment Agency took the following actions:

- a. Considered the facts and analysis, as presented in the Draft Implementation Plan and the staff report;
- b. Considered the recommendations of the Project Area Committee;
- c. Considered public testimony on the Draft Implementation Plan;

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of El Paso De Robles, California, to adopt the Implementation Plan attached as Exhibit "A".

PASSED AND ADOPTED by the Redevelopment Agency of the City of Paso Robles on this 21st day of December 2004 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Gary A. Nemeth, Chairman

James L. App, Secretary

**REDEVELOPMENT IMPLEMENTATION PLAN
FOR THE
CITY OF EL PASO DE ROBLES**

DECEMBER 2004

EXHIBIT "A"

REDEVELOPMENT IMPLEMENTATION PLAN FOR THE CITY OF EL PASO DE ROBLES

DECEMBER 2004

Exhibit A of Resolution RA 04-

REDEVELOPMENT AGENCY/CITY COUNCIL:

Gary Nemeth, *Redevelopment Agency Chair, Councilman*
Fred Strong, *Redevelopment Agency Vice Chair, Councilman*
Duane Picanco, *Redevelopment Agency Member, Councilman*
James Heggarty, *Redevelopment Agency Member, Mayor Pro-Tem*
Frank Mecham, *Redevelopment Agency Member, Mayor*

REDEVELOPMENT PROJECT AREA COMMITTEE:

Matt Masia, *Chair*
Norma Duncan, *Vice Chair*
Robert Burgess, *Committee Member*
Patricia Crawford, *Committee Member*
Lydia Francis, *Committee Member*
Nick Gilman, *Committee Member*
David Hanush, *Committee Member*
Tony Horzen, *Committee Member*
Hermina Sauberman, *Committee Member*
Debra Smith, *Committee Member*
Larry Werner, *Committee Member*

CITY STAFF:

James L. App, *City Manager*
Robert Lata, AICP, *Community Development Director*
Mike Compton, *Administrative Services Director*
Ed Gallagher, *Housing Programs Manager (Project Planner)*

**REDEVELOPMENT IMPLEMENTATION PLAN
FOR THE CITY OF EL PASO DE ROBLES**

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I INTRODUCTION

1. Mandate for Implementation Plan

AB 1290 and SB 732, enacted in 1993 and 1994 respectively, as a comprehensive reform of California Redevelopment Law, established regulations which required each redevelopment agency to adopt an Implementation Plan no later than December 31, 1994, and to update the plan every five years. The Paso Robles Redevelopment Agency adopted its first Implementation Plan on December 6, 1994 via Resolution RA 94-01. The second Implementation Plan was adopted on December 3, 1999 via Resolution RA 99-09 and amended on December 17, 2002 via Resolution RA 02-06. The third Implementation Plan is scheduled for adoption on December 21, 2004.

This Implementation Plan has been drafted to meet the requirements of California Redevelopment Law as set forth in Health and Safety Code Section 33490.

California Redevelopment Law is embodied in Sections 33000 et seq. of the Health and Safety Code. All code sections cited in this Implementation Plan are taken from that source.

2. Purpose and Contents of The Implementation Plan

The purpose of the Implementation Plan is to provide a documented link between the actions of a Redevelopment Agency and the elimination of blight. According to Section 33490(a), an Implementation Plan must contain the following components:

- Specific goals and objectives of the Project Area;
- Specific programs, including potential projects, and estimated expenditures proposed to be made during the next 5 years;
- An explanation of how the goals, objectives, programs and expenditures will eliminate blight within the Project Area;
- An explanation of how the goals, objectives, programs and expenditures will implement the affordable housing requirements of Sections 33334.2, 33334.4, and 33413. (These requirements are discussed in Chapter V of this Implementation Plan.) This part of the Implementation Plan shall contain the following:
 - The amount available in the Low and Moderate Income Housing (LMIH) Fund and the estimated amounts to be deposited in this fund in each of the next five years.
 - A housing program with estimates of the number of new, rehabilitated or price-restricted units to be assisted during each of the 5 years and estimates of the expenditures of moneys from the LMIH Fund, during each of the 5 years.

- An accounting of the inclusionary housing requirements of Section 33413(b)(1) and (2) to include the following:
 - a. Estimates of the number of new, substantially-rehabilitated or price-restricted units to be developed or purchased within the Project Area, both over the life of the Redevelopment Plan and during the next 10 years.
 - b. Estimates of the number of units of very low, low and moderate income households required to be developed within the Project Area to meet the inclusionary requirements of Section 33413(b)(2), both over the life of the Redevelopment Plan and during the next 10 years.
 - c. The number of units of very low, low and moderate income households which have been developed within the Project Area which meet the inclusionary requirements of Section 33413(b)(2).
 - d. Estimates of the number of agency developed residential units which will be developed during the next 5 years, if any, which will be governed by the inclusionary requirements of Section 33413(b)(1).
 - e. Estimates of the number of agency developed units for very low, low and moderate income households which will be developed during the next 5 years to meet the inclusionary requirements of Section 33413(b)(1).
- If the Implementation Plan contains a project that would destroy or remove dwelling units that will have to be replaced pursuant to Section 33413(a), the Implementation Plan shall identify proposed locations suitable for the replacement units.

3. Status of Redevelopment Plan

The City's Redevelopment Plan, which addresses a single Project Area, was adopted by the City Council via Ordinance 540 N.S. on November 30, 1987. A map of the project area can be found in Appendix A.

Section 1000.0 of the City's Redevelopment Plan originally provided that the plan would expire in 45 years, i.e., on November 30, 2032. AB 1290 (1993) revised Section 33336(b) to provide that all redevelopment plans shall expire 40 years after their original approval. SB 1045 (2003) provided that redevelopment plans may be extended by an additional year as compensation for a requirement to make an additional payment in Fiscal Year 2003/2004 to San Luis Obispo County's Educational Revenue Augmentation Fund. In June 2004, the City Council adopted Ordinance 876 N.S. amending the Redevelopment Plan to add a year; the plan will now expire on November 30, 2028.

4. Period of Implementation Plan

As noted above, Section 33490(a) requires that an Implementation Plan address a redevelopment agency's programs and expenditures for the next 5 years. Section 33490 does not specify the beginning and ending dates for the 5 year periods. The City set the beginning date for the first Implementation Plan at January 1, 1995 and the ending date at December 31, 1999. The second Implementation Plan period began on January 1, 2000 and ends on December 31, 2004. The third Implementation Plan period will begin on January 1, 2005 and end on December 31, 2009.

5. Citizen Participation

The input of concerned citizens in the preparation of this Implementation Plan was strongly encouraged via the following:

- The Redevelopment Project Area Committee, comprised of a cross-section of City residents and business people, has reviewed the draft of every version of this Implementation Plan. Most recently, they met on December 15, 2004 and provided recommendations to the Redevelopment Agency.
- Prioritized Housing Programs listed in Chapter V are consistent with the 2004 Housing Element of the City's General Plan, which was adopted on November 16, 1994, following a process involving extensive public participation.
- A public hearing on the 2004 Implementation Plan was conducted by the Redevelopment Agency on December 21, 2004. Public notices were given in accordance with Section 33490(d) as follows:
 - On December 1, 8 and 15, 2004, the City had notices of this public hearing published in *The Tribune*, a newspaper of general circulation in San Luis Obispo County.
 - On December 1, 2004 notices of this public hearing were posted in the following 4 locations within the Project Area:
 - (1) City Library, 1000 Spring Street (1st floor);
 - (2) Ralph's Supermarket, 2121 Spring Street;
 - (3) Chamber of Commerce, 1225 Park Street;
 - (4) Housing Authority Office, 3201 Pine Street;
 - (5) City Web Site: www.prcity.com.

These notices stated that copies of the draft Implementation Plan were available for review at City Hall, at the City Library, and on the City's web site at www.prcity.com.

Additionally, Section 33490(c) requires that a second hearing on the Redevelopment Plan as well the Implementation Plan be conducted by the Redevelopment Agency between 2 and 3 years after adoption of the Implementation Plan.

Should the Redevelopment Agency desire to amend the Implementation Plan, a public hearing noticed in accordance with Section 33490(d) would be required.

6. Information Sources

The following information sources were used in the drafting of the Implementation Plan:

- Redevelopment Plan, as adopted by the Ordinance 540 N.S. on November 30, 1987;
- Housing Element of the City's General Plan, as adopted by the City Council on December 16, 2003;
- City Building Permit Records;
- Assessment Rolls for the County of San Luis Obispo;
- Redevelopment Annual Reports and Budgets;
- Redevelopment Resolutions;
- 2000 U.S. Census Data;

7. Terms Used in This Implementation Plan

The LMIH Fund required by Section 33334.3, into which 20 percent of all tax increment receipts must be deposited, is often also referred to in conversation as the "Housing Set-Aside Fund".

"Agency" refers to the City's Redevelopment Agency.

The State Health and Safety Code provides the following definitions of income groups:

- "Very Low Income" households are persons or families whose annual income does not exceed 50 percent of the County median income (Section 50105).
- "Low Income" households are persons or families whose annual income does not exceed 80 percent of the County median income (Section 50079.5).
- "Moderate Income" households are persons or families whose annual income is between 80 and 120 percent of the County median income (Section 50093).

II HISTORY OF REDEVELOPMENT ACTIVITY: 1987-2004

1. Projects/Programs Assisted with Redevelopment Funds

1.1 List of Projects/Programs

City Park Improvements: \$620,000 was spent between 1990 and 1992 to replace deteriorated asphalt walkways with brick pavers, install a fountain, new planters and lighting. This work included installation of pavers and traffic-calming planter “bulb-outs” in 12th and Park Streets.

12th Street Sidewalk: \$11,300 was spent in Fiscal Year 1991/92 to construct a section of sidewalk along the south side of 12th Street, between Riverside Avenue and Railroad Street. This section provided a safe walkway between the main body of the downtown core and the new commercial development in the restored Granary Building located on the Southwest corner of 12th Street and Riverside Avenue, across the railroad right-of-way.

Facade Improvement: \$96,200 was spent in 1991 and 1992 to provide zero interest, deferred payment loans to restore the facades of 12 buildings located in the downtown core to their original architectural character. A new \$25,000 façade improvement loan was made in 1999.

Oak Park Playground Improvements: \$56,000 was spent in Fiscal Year 90/91, to improve the playground at Oak Park Public Housing, which is located within the Project Area.

Veterans’ Memorial (Niblick) Bridge Expansion: Construction of the expansion of the Veterans’ Memorial Bridge to add two vehicle lanes, bike lanes and a pedestrian path began in 1999. This project is the most critical transportation system improvement presently needed in the Project Area and in the City. The Veterans’ Memorial Bridge forms the primary link between the downtown core and the Woodland Plaza I and II centers. The cost of this project is about \$11.6 million, which is being funded with approximately \$7.6 million in federal and state grant funds, \$2 million from (General Obligation Bond) Measure D98 funds, and \$2 million in Redevelopment Funds via an Owner Participation Agreement (OPA) with the owners and developers of Woodland Plaza II.

Public Improvements Related to Woodland Plaza II: The Woodland Plaza II Center, located within the Project Area, provides for the City’s regional shopping needs. As of the date of this Implementation Plan, Phases 1 and 2A have been constructed. The development of this center requires extensive public improvements, primarily to streets and regional storm drains, but also to bikeways and public open space. As mentioned above, the Agency has entered into an Owner Participation Agreement (OPA) with the property owners and developer of this center. The mechanics of this OPA are explained below in section 1.2.

Graffiti Removal Program: \$15,000 in Redevelopment Funds were spent in 1992 to assist in the implementation of the City's Re-Organized Graffiti Removal Program.

Purchase of Interim City Hall: \$1,582,900 was spent in 1992 to purchase a building at 801 – 4th Street, which was used for nearly 1.5 years as an interim City Hall during construction of the new Library/City Hall. Since completion of the new Library/City Hall, the interim City Hall building has been leased to the County of San Luis Obispo.

Main Street Contract Services: Between 1988 and 1998, a total of \$640,000 in Redevelopment Funds were used for Main Street contract services. Main Street contract services focused on the downtown core; they included activities that assist in attracting and retaining necessary commercial facilities, in preventing vacant commercial buildings, and in rehabilitating commercial buildings to remedy substandard design. (In Fiscal Year 1998/99, funding for Main Street was shifted to the City's General Fund.)

Project Area Tourism Development: Between 1991 and 1995, a total of \$244,500 in Redevelopment Funds were used for contract services provided by the Chamber of Commerce and San Luis Obispo County Visitors and Conference Bureau (VCB). Such services provided integral assistance in attracting and retaining necessary commercial facilities to/in the downtown core and the redevelopment project area as a whole. (In Fiscal Year 1996/97, funding for Chamber of Commerce and VCB services was shifted to the City's General Fund.)

Public Improvements Related to Park Cinemas: Phase One of the Park Cinemas movie theater, located at 1100 Park Street opened in December 1997. Phase One consists of 6 movie screens. Phase Two consists of an additional 3 screens plus between 4,000 and 8,000 square feet of commercial space. Phase Two is scheduled to begin construction in early 2000. Development of Phase One required construction of a regional storm drain beneath the theater. The Agency entered into an Owner Participation Agreement (OPA) with the developer of the theater by which the Agency paid \$184,752 for the cost of the storm drain improvements and street improvements (curb, gutter, sidewalks, pavers).

1.2 Debt Financing

California Redevelopment Law requires agencies to operate in debt in order to receive tax increment funds.

To assist in financing the programs listed above, the Agency has undertaken the following:

Tax Increment Bonds:

- a. In 1991, the Agency sold \$3,500,000 in bonds with a 20 year maturity. From this sale, a net of \$3,040,000 was available to be used for:

- Repayment to City General Fund for loans of approximately \$1.5 million, of which approximately \$800,000 was used for public improvements (including City Park Renovation and Facade Improvement Program) and approximately \$700,000 was used for redevelopment operations and Chamber of Commerce subsidy.
 - Purchase of Interim City Hall.
- b. In 1996, the Agency sold \$3,630,000 in bonds to refinance the 1991 bond issue.
- c. In 2000, the Agency sold \$4,250,000 in bonds for the following purposes:
- (1) To finance the \$2 million contribution to the Veterans' Memorial Bridge that will be paid with tax increment revenue attributable to Woodland Plaza II and
 - (2) To refinance existing debt to the City.

Loan from City's Water Fund: In 1992, the City Council approved a \$4,405,000 loan to the Agency, due in 20 years from the City's Water Fund. As of July 1, 1994, the Agency had only drawn down \$960,000 of which approximately \$800,000 was used for public improvements related to the development of Woodland Plaza II and approximately \$160,000 was used for renovation of the interim City Hall building. The balance has never been drawn down and it is not expected that any further amounts will be drawn down against this note. As new needs arise, individual, project specific notes will be adopted accordingly.

Owner Participation Agreement (OPA) with Woodland Plaza II for Infrastructure Improvements: In 1993, the Agency entered into an OPA with the owners and developer of the Woodland Plaza II center for the funding of capital improvements such as regional storm drains, Veterans' Memorial Bridge expansion and various street improvements, including signals. Under this OPA, the City provided \$1.6 million for public improvements necessary for Phase 1 of the center, and will provide a second set of public improvements, totaling \$3.6 million, including \$2 million for the Veterans' Memorial Bridge expansion. Per a 1999 amendment to the OPA, the Veterans' Memorial Bridge expansion and South River Road improvements will be financed via tax increment revenues attributable to the development. Rather than establish an assessment district as originally contemplated, the Agency will issue tax allocation bonds. In return, the Agency will get to keep all tax increment revenues forevermore in excess of the amount needed to service the debt for the new sale of tax allocation bonds.

Loan from the General Fund: For several years, the City Council approved loans to the Agency to cover shortfalls in the Agency's annual budget. In October 1997, with adoption of the Fiscal Year 1997/98 Redevelopment Budget, the Agency decided to cease deficit funding of Redevelopment Operations and approved a Promissory Note for the principal amount of \$1.1 million to repay the City's General fund by 2010.

2. Programs Assisted with Low and Moderate Income Housing (LMIH) Funds

Housing Rehabilitation Loans: Between 1988 and 1991, the Agency provided \$49,300 in LMIH Funds to supplement 1988 Community Development Block Grant (CDBG) funds for housing rehabilitation. LMIH funds were used to construct street improvements (curbs, gutters and sidewalks) that City Codes required to be installed as a condition of issuance of a building permit for rehabilitation. One low income homeowner and 6 very low income homeowners were assisted with zero percent interest, deferred payment loans, due in 15 years or on transfer of property. 6 of the assisted homes were located in the Redevelopment Project Area; one home was located outside of the Project Area.

Los Robles Terrace: In 1991, the Redevelopment Agency granted \$119,730 of LMIH Funds to assist the development of Los Robles Terrace, a 40 unit apartment complex for low- and very low-income elderly and physically-disabled persons, which was primarily funded by a combination of Section 202 funds from the Federal Department of Housing and Urban Development (HUD) and a CDBG Grant. LMIH funds paid for the complex's share of City development impact fees, which was approximately 7 percent of the total cost of developing the complex. Los Robles Terrace is located within the Project Area on the southeast corner of Spring and 30th Streets.

George Stephan Center: In Fiscal Year 1993/94, \$73,800 in LMIH funds were used to install modular units to comprise an interior recreation/activity center at Oak Park Public Housing, which consists of 148 low and very low income apartment units. Oak Park is located within the Project Area between 28th and 34th Streets, east of Park Street.

Disaster Assistance Loan: In 1995, a loan of \$10,000 in LMIH funds was made to a low income homeowner to supplement federal disaster assistance funds to repair damage to a the owner's home at 915 Olive Street from a mudslide caused by heavy rains.

First-Time Homebuyers Assistance: In 2000, the Agency allocated \$25,000 in LMIH Funds as a match for \$100,000 in federal HOME funds to make low-interest, deferred-payment second trust deed loans for low income first-time homebuyers. From this effort, five loans were made to assist purchase of homes in Paso Robles.

In 2002, the Agency allocated a total of \$15,600 in LMIH Funds to supplement \$500,000 in CalHome funds granted to the City in 2001. CalHome funds were used to provide low interest, deferred-payment second trust deed loans to low income first-time homebuyers. LMIH funds were used to pay for a portion of the cost to administer the loans. (The City contracted with the Housing Authority of the City of San Luis Obispo for loan administration services.) From the 2001 CalHome Grant, six loans were made, and \$3,600 in LMIH funds were used. In September 2004, the City applied for another \$500,000 CalHome Grant.

Habitat for Humanity: In 1998, the Agency approved a grant of \$35,000 in LMIH funds to pay for the City's development impact and building permit fees for three single family homes to be constructed by Habitat for Humanity at 2939, 2947 and 2949 Vine Street.

Construction of the three homes was completed in 2002.

Canyon Creek Apartments: In 2001 the Agency approved a 35 year, low interest loan of \$300,000 in LMIH funds to assist Peoples' Self-Help Housing Corp. develop a 68 unit low income apartment project at 400 Oak Hill Road. Construction on this project was commenced in 2004.

Creekside Gardens Apartments: In 2001 and 2002, the Agency approved two grants totaling \$635,000 to assist Peoples' Self-Help Housing Corp. acquire the land and develop a 29 unit low income senior apartment project at 401 Oak Hill Road. Construction on this project was commenced in 2003 and is expected to be completed in early 2005.

Oak Park Senior Housing: in 2002, the Agency approved two grants totaling \$545,000 to assist the Paso Robles Non-Profit Housing Corp. develop a 40 unit low income senior apartment project at 801 – 28th Street. As of November 2004, the construction plans were being reviewed. It is anticipated that construction will commence in early 2005.

3. Amendments to the Redevelopment Plan

In December 1999/January 2000, the Agency/City Council adopted Amendment No. 1 to the Redevelopment Plan to enable the authorization to use eminent domain in that portion of the Project Area another 12 years (i.e., through 2011).

In May/June 2004, pursuant to SB 211 and SB 1045, the Agency/City Council extended the life of the Redevelopment Plan by one year and extended the period for paying indebtedness and receiving property taxes to 10 years following expiration of the plan. The plan will now be active until November 30, 2028 and the Agency may pay indebtedness and receive property taxes until November 30, 2038.

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III IDENTIFICATION OF KEY BLIGHTING CONDITIONS

The adoption of AB 1290 substantially changed the definition of blight which can be used for project areas adopted on or after January 1, 1994. Although the City's Redevelopment Project Area was adopted prior to this date and qualified under previous definitions, the new definition included in AB 1290 was relied upon to identify blighting conditions existing in the Project Area for purposes of the Implementation Plan.

1. AB 1290 Definition of Blight

AB 1290 revised the definition of blight, revising Sections 33030 and 33031, to read as cited below, and repealing Section 33032.

33030. Existence of blighted area; declaration and description

- (a) It is found and declared that there exist in many communities blighted areas which constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.
- (b) A blighted area is one that contains both of the following:
 - (1) An area that is predominantly urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprises or governmental action, or both without redevelopment.
 - (2) An area that is characterized by either of the following:
 - (A) One or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.
 - (B) The condition described in paragraph (4) of subdivision (a) of Section 33031.
- (c) A blighted area also may be one that contains the conditions described in subdivision (b) and is, in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities.

33031. Physical and economic conditions that cause blight

(a) This subdivision describes physical conditions that cause blight:

- (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- (2) Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- (3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- (4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

(b) This subdivision describes economic conditions that cause blight:

- (1) Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
- (2) Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- (3) A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- (4) Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare.
- (5) A high crime rate that constitutes a serious threat to the public safety and welfare.

2. Physical Conditions of Blight Existing in Project Area

2.1 Unsafe Buildings

The downtown core (referred to as the “Central Business District” in the Redevelopment Plan) contains numerous commercial buildings constructed of unreinforced masonry (URM). The December 2003 San Simeon Quake caused one URM building to collapse (and two lives were consequently lost), several other URM buildings to be damaged to the point of having to be removed, and numerous other URM buildings in need of substantial repairs.

Additionally, numerous commercial buildings do not have adequate fire protection such as sprinkler systems. Further, many of these buildings are not fully accessible to the physically disabled, a situation that could make such buildings dangerous to such users in the event of a fire or earthquake.

Throughout the Project Area there are numerous residential buildings built more than 50 years ago, many of which are in need of rehabilitation to make such repairs as reroofing, new plumbing, new wiring, repair of termite and dry rot damage, replacement of foundations.

2.2 Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots

The factors explained in the subsections below pose constraints to the full utilization of properties in the Project Area, primarily commercial properties located in the downtown core. Such constraints act as disincentives to property maintenance and reinvestment and have contributed to building vacancies and underutilization of both lots and buildings. The result has been a stagnant and unproductive condition of land which is otherwise potentially useful and valuable.

a. Substandard Design, Inadequate Lot Size and Shape

The West Side City grid system consists of 300 foot square blocks, each with twelve 50 foot wide lots (except in the downtown core where lots are 25 feet wide). The 300 foot separation between streets is a detriment to smooth traffic flow along Spring Street, allowing too many points of entry into an arterial. The 50 foot wide, 7,000 square foot lots are too narrow and too small for present-day types of commercial development.

The railroad separates approximately one sixth of the downtown from the main body of the downtown core. The superimposition of the railroad right-of-way over the grid system has created several lots with shallow depths and narrow widths that are difficult to develop or fully-utilize. Additionally, the railroad and Highway 101 generate levels of noise, debris, and air pollutants, which adversely affect neighboring properties, especially residential uses.

Several historic buildings in the downtown core had been fitted with new facades between the 1950's and 1970's. For the most part, these new facades did not respect the historic architectural character of the buildings. The result was a substandard appearance that served as a disincentive for businesses to locate in the downtown. In 1990, 1991 and 1999, the Redevelopment Agency funded zero-interest, deferred payment facade improvement loans to restore 12 buildings to their original character.

b. Lack of Parking and Other Similar Factors

The downtown core was designed and developed before the advent of the automobile. Despite the provision of public parking lots via a parking assessment district in the early 1980's, there is insufficient parking to fully utilize downtown buildings, particularly those with vacant upper floors. Additionally, public parking lots are located on prime property that would be better used for commercial development. The parking lots create breaks in what otherwise would be a critical mass of commercial development needed to revitalize the downtown. Marketing studies have found that pedestrian shoppers do not like to walk past vacant space, including parking lots, and will often turn around, rather than continue beyond a vacant space to more stores. The development of parking structures with retail space on the ground floor, as has been done in San Luis Obispo, would do much to eliminate the vacant spaces and help restore the critical mass.

2.3 Incompatible Uses

Throughout the Project Area there can be found juxtaposition of commercial, industrial and residential uses, without proper planning for mixed uses. The result is residential uses exposed to commercial and industrial noise and traffic, which not only affects the residential user, but applies pressure on commercial and industrial users to operate at lower capacities, which in turn, discourages businesses from expanding or locating in the downtown or even in the City.

Along Riverside Drive, between 13th and 24th Streets, is an area of mixed use. Commercial uses at either end and the narrowness of this corridor, between the railroad and Highway 101, with their noise, debris and air pollutants, make residential use less than desirable. The General Plan calls for this area to be used for/transition to commercial service use. Given the grid system lots, each under separate ownership, redevelopment will be needed to facilitate this transition.

3. Economic Conditions of Blight Existing in Project Area

3.1 Depreciated or Stagnant Property Values or Impaired Investments

- a. Commercial: Prior to formation of the Redevelopment Project Area, a major hurdle to investment in the downtown had been its physical obsolescence as a center for general retail commercial use, as evidenced by high vacancy rates experienced for many years. The City decided that revitalization of the downtown hinged upon a transition of land uses from general retail to entertainment (theaters, restaurants) and specialty retail. As

will be described in greater detail in Section 3.2, below, redevelopment funds have been used to assist in the development of a cinema and a restaurant, which in turn have attracted more restaurants and specialty retail.

As of December 2004, in the downtown area bounded by 8th Street, 16th Street, UPRR and Vine Street, the only vacant commercial lots and buildings were those on which buildings had to be demolished or repaired following the 2003 San Simeon Earthquake and the Fox Theater Building at 1436 Spring Street (which has been vacant since formation of the Project Area in 1987). Property owners are proceeding to rebuild and repair their buildings. The City has allocated federal Community Development Block Grant (CDBG) Funds to assist owners of unreinforced masonry buildings prepare structural engineering analyses and retrofit plans.

- b. Residential: According to the 2000 Census, 48 percent of the City's population was in the low income group (no more than 80 percent of the County median income). However, the census block groups comprising most of the Project Area had low income percentages as follows:
- 83 percent in the area north of 24th Street;
 - 65 percent in the area between 17th and 24th Streets;
 - 52 percent in the area between 12th and 17th Streets and south of 12th Street east of Spring Street;
 - 50 percent in the area south of 12th Street and west of Spring Street.

Such a high level of low income persons has resulted in an inability to adequately maintain property. Many of the homes rehabilitated with the 1988 and 1991 Community Development Block Grant (CDBG) funds were located in the Project Area; rehabilitation that would not have otherwise occurred without such assistance. With the completion of the 1991 CDBG Grant, the City has suspended its rehabilitation program. However, the Housing Element indicates that, despite all of the rehabilitation accomplished by the 1988 and 1991 CDBG Grants, there remains a substantial number of units in need of rehabilitation. Since the housing in the Project Area is the oldest in the City, it is primarily here that rehabilitation is most needed.

The state of maintenance of commercial and residential subareas within the Project Area are interdependent. Well-maintained residences encourages well-maintained and viable commercial areas and vice versa. Property values are directly related to the state of property maintenance as well.

3.2 Vacant Commercial Buildings

For many years prior to the adoption of the Redevelopment Plan, high vacancy rates in the downtown has been a problem. In October 1994, 31 of 149 retail and office spaces (21%)

within the Main Street Project Area, which occupies most of the downtown core, were reported by the Main Street Manager as being vacant. Of these 31, 11 were ground floor spaces and 20 were located on 2nd and 3rd floors.

In 1997 and 1998, the downtown began a renaissance led by completion of the Park Cinemas Project and the opening and refurbishing of several restaurants. The Park Cinemas Project was assisted with redevelopment funds (to install a necessary regional storm drain beneath the building). McLintock's Restaurant was assisted with a redevelopment-funded façade improvement loan. A loan of federal Community Development Block Grant (CDBG) funds enabled rehabilitation of the former Bank of Italy/Bank of America Building (1245 Park Street) so that a regional accounting office of the State Department of Corrections could occupy the its second and third floors, bringing employment and a source of economic activity to the downtown. Grants of CDBG funds have been approved to rehabilitate the second and third floors of the Odd Fellows Building (1226-1234 Park Street) and a live performance theater (Classic American Theatre) at 810 – 11th Street.

As of October 2004, the only vacancies in the Main Street Project Area are either in buildings that are being repaired and seismically-retrofitted following the 2003 San Simeon Quake and in the second story of the "Paso Robles Electric" Building on the southeast corner of Pine and 13th Streets. Paso Robles Main Street has reported that all of the buildings being repaired have tenants waiting to move back in. The "Paso Robles Electric" Building is in the process of being renovated, and the second floor is being restored for use after having been vacant for decades.

3.3 Lack of Necessary Commercial Facilities

The City as a whole lacks sufficient number and variety of retail outlets for comparison goods, such as clothing, furniture, electronics, books, home improvement items. This condition has led to sales leakage to other communities, most notably San Luis Obispo and Santa Maria, which are 30 and 60 minutes driving time, respectively, from Paso Robles.

Since adoption of the Redevelopment Plan, the Redevelopment Agency has provided tax increment funds for infrastructure improvements to enable a regional shopping center (Woodland Plaza II) to be located within the Project Area. Development of this center has helped reverse some of the sales leakage. However, this center alone will not meet the comparison shopping needs of the City and additional efforts by the Redevelopment Agency will be needed.

In the downtown, there is potential to develop commercial buildings on vacant and underutilized lots. However, redevelopment will be needed to overcome such handicaps as the lot development pattern characterized by small lots (7,000 square feet) under separate ownership.

3.4 Residential Overcrowding

Overcrowding is defined by the U.S. Census Bureau as more 1.01 persons per room in a dwelling unit. According to the 2000 Census, 11 percent of all units in the City were overcrowded. However, the census block group consisting mostly of that portion of the Project Area located north of 24th Street had an overcrowding rate of 20 percent and the block group consisting mostly of that portion of the Project Area located south of 24th Street and north of 17th Street had an overcrowding rate of 14 percent.

The residential portion of the Project Area located north of 24th Street consists of R-3 and R-4 Zoned properties, which are nearly built-out at densities of 15-30 units per acre. This area has the highest concentration of multiple family residential dwelling units in the City. Residential portions of the Project Area located between 1st and 24th Street consist primarily of R-2 and R-3 Zoned properties, which are developed at densities of 6-20 units per acre.

As a whole, the Project Area has the highest concentration of multiple family residential development, and hence, highest population density, in the City.

The apartment projects located in the area north of 24th Street were built under zoning regulations that did not require a sufficient amount of on-site open space for recreation, primarily for children. Although there is an elementary school (Georgia Brown) and a playground at Oak Park Public Housing, there are no City parks or playgrounds in this area.

3.5 High Crime Rate

The Redevelopment Project Area occupies most of the West Side of the City. (See Map in Appendix A; the Salinas River is the boundary between East and West sides of the City.) Although it is home to only one-third of the city's population, the West Side has long been an area that has experience more crime than the East Side. A review of Police Department records for the period January 1 to September 30, 2004, showed that the West Side Crime Reporting Districts registered 49% of all of the City's calls for service for "Part I" crimes (the 8 major crimes).

4. Inadequate Public Improvements and Utilities

The Project Area contains the original subdivision of the City. That infrastructure which exists (sewer, water, electrical) was designed and installed decades ago for lower intensities of land use and is in need of upgrades such as main upsizing and relocation of overhead wires underground. Storm drain systems are completely inadequate; many parts of the Project Area experience flooding during regular winter rains.

Throughout the Project Area are streets with inadequate street improvements including: lighting; curbs, gutters, and sidewalks; traffic calming features such as bulb-outs and speed humps; improvements to encourage pedestrians such as benches, planters, street trees; and improvements to encourage bicycles such as bikeways, bicycle parking and storage facilities

and rest facilities. Additionally, several alleys in the downtown have potholes and broken pavement, which can damage vehicles' alignment and discourage the use of alleys as access to parking, which in turn could negatively impact the economic vitality of the downtown.

As the heart of the City, the downtown is the most appropriate place to locate those public facilities that serve the governmental, cultural and social needs of the City. At the time that the Project Area was adopted, the existing City Hall, Library and City Park were inadequate to meet the City's needs for either the present day or the 21st Century. City Hall, having been built in the 1950's was too small to house its Administrative, Community Development, and Public Works offices; its Council Chambers were too small for many public hearings. The Library was too small to meet the needs of the present population. Additionally, it was not accessible to the physically disabled. The City Park had aging and dangerous asphalt walkways and inadequate lighting. Additionally, its landscaping, bandstand and playground equipment were in need of renovation.

A new Library/City Hall was completed on the site of the former City Hall in 1995. This building was designed to ultimately serve as a library capable of meeting the City's needs for a population of 35,000. City Hall is to be temporarily housed in the second floor of the Library until a permanent site can be located and the construction financed.

City Park has undergone extensive renovation that was financed via redevelopment funds: the asphalt walkways were replaced with a combination of concrete and brick pavers; new lighting has been installed; and a new planter and fountain have been constructed. With private and other governmental funds, the bandstand has been renovated and playground equipment has been replaced. However, the Carnegie Library Building, a URM building located in the center of City Park, suffered extensive damage from the 2003 San Simeon Earthquake and has had to be closed pending repairs, which could take 3-4 years. This building is listed on the National Register of Historic Places. The City is committed to its restoration and seismic retrofitting.

IV GOALS, OBJECTIVES, PROGRAMS AND EXPENDITURES FOR THE NEXT FIVE YEARS

1. Redevelopment Plan Goal and Objectives

Section 400.00 of the Redevelopment Plan includes a statement that the goal of redevelopment is “to eliminate and mitigate the aspects of existing and anticipated visual, economic, physical, social and environmental blight within the Project Area.” Section 400.10 lists 15 objectives which support this goal. These sections are contained within Appendix B of this Implementation Plan.

2. General Plan Goals

The General Plan, adopted in 2003, contains the following Goals:

GOAL 1: In order to enhance Paso Robles’ unique small town character and high quality of life, the City Council supports the development and maintenance of a balanced community where the great majority of the population can live, work and shop.

GOAL 2: Strengthen the City’s economic base through business retention and recruitment, including provisions for “head-of-household” jobs and increased retail sales, transient occupancy taxes, and property tax revenues.

GOAL 3: Establish Paso Robles as the North County commercial retail center, based on providing neighborhood and service commercial development in proportion to population growth, downtown commercial revitalization, and regional commercial development.

GOAL 4: Strive to ensure that City services and facilities are maintained at current levels and/or in accordance with adopted standards.

3. Implementation Plan Objectives (5 Years)

The following objectives are formulated to implement the 15 Redevelopment Plan Objectives and General Plan Goals for the next 5 years:

1. Improve those transportation systems necessary to enhance the City's position as the North County commercial center, to facilitate the City's efforts to become a tourist destination and to further the City's efforts to attract and retain businesses, realizing that the hub of these systems is located within the Redevelopment Project Area.
2. Revitalize the downtown through a comprehensive effort to include, but not be limited to: improving and developing public facilities; attraction of businesses such as theaters, restaurants, hotel and conference center; and commercial rehabilitation.

3. Provide affordable and safe housing for low and moderate income households.
4. Provide for Project Area-wide beautification and maintenance programs.
5. Improve public infrastructure and utilities throughout the Project Area.

4. Programs

Transportation Systems Improvement: Programs for which use of Redevelopment Funds has been targeted include improvements to South River Road and connecting bikeways (related to the development of Woodland Plaza II).

Possible future programs to be supported with Redevelopment Funds may include: support for 13th Street/Creston Road Corridor improvements, support for the Spring Street Reconstruction program, support for transit facilities (e.g. bus shelters); and other programs.

Downtown Revitalization: Possible future programs to be supported with Redevelopment Funds may include: rehabilitation of the historic Carnegie Library Building (e.g., seismic retrofit, disabled access and other activities to renovate and convert the building to other uses); efforts to attract uses such as theaters, performing arts venues, restaurants, hotel and conference facilities (including parcel assemblage, if necessary); efforts to provide more parking (including, possibly, one or more parking lots and/or structures); further improvements to City Park; support for commercial rehabilitation (which has been approved for funding via federal Community Development Block Grant monies); and other programs.

Affordable and Safe Housing: Future housing programs are discussed in detail in Chapter V. Briefly, such programs may include: first-time home buyer assistance for very low, low, and moderate income households; assistance to development of new rental housing; assistance to efforts to conserve subsidized apartments at risk of conversion to market rate; loan programs for residential rehabilitation; and other programs.

Beautification and Maintenance: Possible future programs to be supported with Redevelopment Funds may include support for Phases 2 and 3 of the Spring Street Reconstruction (landscaping, street furniture and lighting); street tree planting; freeway frontage landscaping; and other programs.

Public Infrastructure and Utilities: Possible future programs to be supported with Redevelopment Funds may include: downtown parking improvements, support for storm drain improvements; water and sewer system upgrades; undergrounding of overhead electrical and/or telephone wires; and other programs

5. Expenditures of Redevelopment Funds in the Next 5 Years

In addition to the two formal tax allocation bond issues, 1996 for \$3,630,000 and the 2000 for \$4,090,000, the only "debt" obligation is the commitment for the Agency to reimburse the City's general fund for the debt service for the construction of the city hall/library facility. All net available resources, the amounts shown in the "annual balance" column below, have been earmarked for this purpose.

The amounts contained in the "net tax increment revenue" column are net all fiscal agreement payments due to other taxing agencies.

Not included in this table are the State takeaways to balance their budget deficit. In fiscal year 2005, the amount is \$111,000. The fiscal year 2006 payment is estimated to be approximately the same amount.

The chart below does not show revenues and expenditures for the Low and Moderate Income Housing (LMIH) Fund. Those will be shown and discussed in Chapter V.

Fiscal Year	Net Tax Increment Revenue	Maintenance & Operations	Debt Service	Annual Balance
2004/2005	1,011,500	75,000	518,000	423,600
2005/2006	1,060,600	75,000	522,900	474,900
2006/2007	1,121,200	75,000	515,700	543,000
2007/2008	1,184,400	75,000	538,200	584,600
2008/2009	1,250,400	75,000	524,700	664,900

NOTE: Maintenance and Operations includes fiscal agreement payments to Paso Robles Public Schools, SLO County Schools, Cuesta College.

Via a Reimbursement Agreement between the Redevelopment Agency and City Council dated November 1, 1993, the Redevelopment Agency is obligated to reimburse the City for the debt service payments arising out of the construction financing for the City Hall/Library located at 1000 Spring Street. More specifically, this agreement requires that all non-LMIH funds not appropriated for operational needs and debt service requirements (net of fiscal agreements) be used to repay the reimbursement obligation.

6. Elimination of Blight

A matrix showing how the objectives and programs will eliminate blight, using the AB 1290 definition of blight, is provided on the next page.

MATRIX SHOWING RELATIONSHIP BETWEEN OBJECTIVES AND PROGRAMS AND ELIMINATION OF BLIGHT

Objective/Program	Physical Conditions				Economic Conditions						Infrastructure
	Unsafe Buildings	Hinder Economic Viability	Incompatible Uses	Irregular Lots	Impaired Improvements	Business Vacancies	Lack of Commercial Facilities	Residential Overcrowding	High Crime Rate	Inadequate Public Improvements	
Transportation Systems Improvements		X			X	X	X			X	
Downtown Revitalization	X	X	X	X	X	X	X			X	
Affordable and Safe Housing	X	X	X	X	X			X	X	X	
Beautification and Maintenance		X			X	X	X		X	X	
Public Infrastructure and Utilities		X			X	X	X		X	X	

V LOW AND MODERATE INCOME HOUSING PLAN

1. Summary of Low and Moderate Income Housing Responsibilities

This chapter will address the requirements of California Redevelopment Law pertaining to the use of the Low and Moderate Income Housing (LMIH) Fund.

As mentioned in Chapter I, Section 33490 requires that the Housing Plan section of the Implementation Plan contain the following components:

- The amount available in the LMIH Fund and the estimated amounts to be deposited in this fund in each of the next five years.
- An accounting of the inclusionary housing requirements of Section 33413(b)(1) and (2).
- A plan to replace any units that would be removed by any Agency-sponsored project proposed in the Implementation Plan.
- A housing program with estimates of the number of new, rehabilitated or price-restricted units to be assisted during each of the next 5 years, and estimates of the expenditures of moneys from the LMIH Fund during each of the next 5 years.

2. Low and Moderate Income Housing (LMIH) Fund

Section 33334.2 requires that 20 percent of all tax increment funds received by the Agency shall be used for the purposes of increasing, improving and preserving the City's supply of low and moderate income housing available at affordable housing cost, as defined by Section 50052.5, to very low, low, and moderate income households. The definitions of these three income groups are found on Page 5 of this Plan. Appendix C contains the 2004 income limits for income groups, based on household size for San Luis Obispo County.

As of July 1, 2004, the LMIH Fund had a balance of about \$345,600. Appendix D is a table showing the estimated balance of the LMIH fund for the remaining life of the Redevelopment Plan. From that table, it can be seen that, absent any programs or projects to increase, improve and/or preserve the City's supply of low and moderate income housing, it is estimated that the balance will grow to \$1,750,325 by June 30, 2009 (which will also be the balance on December 31, 2009 as Fiscal Year 2009/2010 tax increment revenues will not be received until 2010).

Section 33334.12 (g) defines "excess surplus" as any unexpended and unencumbered amount in an agency's LMIH Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited in the fund during the agencies preceding 4 fiscal years. Redevelopment Law provides penalties for failing to use excess surplus funds, which include transferring such funds to a local housing authority.

Given the projected LMIH Fund balance of \$1,750,325 by mid-2009, it will be necessary to spend at least \$750,326 in LMIH funds to avoid accumulation of an excess surplus. Potential LMIH-funded projects and programs will be discussed in Section 5, below.

3. Inclusionary Requirements

Section 33413(b) establishes requirements that certain percentages of new and substantially-rehabilitated units within a redevelopment project area be made affordable to very low, low, and/or moderate income households. The percentages differ between housing that is “agency-developed” and that which is “non-agency-developed”.

Section 33413(b) defines “substantially rehabilitated dwelling units” as “rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value”, and specifies that “substantially rehabilitated dwelling units” applies to:

- Multi-family rented dwelling units with three or more units, or
- Single-family dwelling units with one or two units that are substantially rehabilitated, with agency assistance.

Section 33413(c) requires that the aggregate number of units developed to meet the inclusionary requirements remain available at affordable housing cost to the target income groups “for the longest feasible time, as determined by the agency, but *for not less than 55 years for rental units and 45 years for homeownership units*. This code provides for an exception to allow homeowners and the Redevelopment Agency to share the equity in homes purchased with LMIH funded assistance in a manner that increases the homeowners’ share with the length of time they occupy their homes. During the time periods specified, the rents and sales prices of dwelling units assisted with LMIH funds must be price-restricted via an instrument such as a deed restriction or other binding contract or agreement.

3.1 Inclusionary Requirements for Agency-Developed Housing

Section 33413(b)(1) requires that 30 percent of all new and substantially-rehabilitated units *developed by an agency* shall be affordable to low or moderate income households and that not less than 50 percent of these units shall be affordable to very low income households.

As noted in Chapter II, the Agency provided assistance, in the form of grants and loans of LMIH funds, for the development of the following affordable housing projects:

- Los Robles Terrace (40 unit apartment project for seniors and the physically-disabled);
- Habitat for Humanity (3 single family homes for low income households);

- Creekside Gardens (29 apartments for low and very low income seniors);
- Canyon Creek (68 apartments for low and very low income family households);
- Oak Park Senior Housing (40 unit apartment project for seniors).

For the above projects, the amount of LMIH assistance was not significant enough to qualify the projects as having been *developed* by the Agency.

Also noted in Chapter II, the Agency provided loans and grants of LMIH funds to assist the rehabilitation of 7 single family units. City staff reviewed the building permit records and assessment rolls and found that none of the 7 units rehabilitated with agency funds had after-rehabilitation values as high as 25 percent of the combined land and improvement values.

This implementation plan does call for the Agency to spend LMIH funds to assist in the development of housing affordable to very low, low, and moderate income households *but not to act as developer* any new such affordable housing in the next 5 years.

3.2 Inclusionary Requirements for Non-Agency-Developed Housing

Section 33413(b)(2) requires that 15 percent of all new and substantially-rehabilitated units *developed by private or public entities other than a redevelopment agency* shall be affordable to low or moderate income households, and that not less than 40 percent of these units shall be affordable to very low income households.

The inclusionary requirements apply only to that development and rehabilitation activity that occurs during the life of the Redevelopment Plan.

The following table shows the history of development of new dwelling units and of substantial rehabilitation within the Redevelopment Project Area since adoption of the Redevelopment Plan in 1987. The source of information is the City's building permit records.

Period	# of years	# of new units	# of substantially-rehabilitated units
12/01/87 to 12/31/94	7.08	61	0
01/01/95 to 12/31/99	5.00	4	3
01/01/00 to 09/30/04	4.75	15	2
Total # of units	16.83	80	5

Appendix E is an inventory of vacant multi-family-designated land in the Redevelopment Project Area. It shows that there is a potential to build 53 units on 17 vacant lots in the Redevelopment Project Area. In addition to vacant lots, there are 220 multi-family

properties in the Redevelopment Project Area that are not developed to their full potential (e.g. an R-3-zoned lot that is developed with a single family home, rather than with 3 dwelling units). On these 220 properties, there exist 260 dwelling units. On the same properties, the General Plan would allow an additional 334 units to be built. Therefore, build-out of the Redevelopment Project Area could accommodate an additional 387 dwelling units (53 + 334 = 387).

The 17 year period between December 1, 1987 and September 30, 2004 included periods of both rapid growth (1987-1989 and 1997-2004) and slow growth (1990-1994). Given the historically cyclical nature of the economy, it would seem to be reasonable and conservative to assume that a similar rate of development and substantial rehabilitation will occur in the Redevelopment Project Area over the next 10 years.

The rate of 80 new units built in 17 years translates to a rate of about 5 units per year or 25 units every 5 years. A rate of substantial rehabilitation at 5 units per 10 years, which was experienced since January 1995 is assumed for the remainder of the life of the Redevelopment Plan. The table below shows that these rates would result in a total of 258 dwelling units during the life of the Redevelopment Plan.

Period	# of years	# of new units	# of substantially-rehabilitated units
12/01/87 to 12/31/94	7.08	61	0
01/01/95 to 12/31/99	5.00	4	3
01/01/00 to 09/30/04	4.75	15	2
10/01/04 to 12/31/04	0.25	1	0
01/01/05 to 12/31/09	5.00	25	3
01/01/10 to 12/31/14	5.00	25	2
01/01/15 to 12/31/19	5.00	25	3
01/01/20 to 12/31/24	5.00	25	2
01/01/25 to 11/30/28	3.92	20	2
Total # of units	41	201	17

Compliance with the inclusionary requirements would dictate that, over the life of the Redevelopment Plan, 33 (or 15 percent) of the 218 units (201 new units + 17 substantially-rehabilitated units) must be price-restricted for occupancy by very low, low and moderate income households, of which 13 (or 40 percent) must be price-restricted for occupancy by very low income households.

The Agency has already met its inclusionary requirement via its grant of LMIH funds to assist the development of Los Robles Terrace, a 40 unit HUD Section 202 senior/disabled apartment project. At Los Robles Terrace, occupancy is restricted to very low income

persons or households (i.e. those earning 50 percent or less of the County's median income) via a contract with HUD, which includes income group occupancy restrictions that will remain in effect for 40 years, or until the year 2031, which is beyond the expiration of the Redevelopment Plan in 2028.

Notwithstanding the foregoing analysis and conclusion, the 2003 General Plan created Mixed Use and Senior Housing Overlay land use categories, which allow both residentially- and non-residentially-designated land to be developed with housing at densities up to 20 units per acre. Within the Redevelopment Project Area, there are 46 vacant parcels totaling 18.5 acres within these two overlay land use categories. (Please see Appendix F for a list of these parcels.) Therefore, up to an additional 320 dwelling units could be built, which would increase the required number of inclusionary units from 33 to 80. With the development of the 40 unit Oak Park Senior Housing project, the number of dwelling units subsidized for low and very low income persons will, together with the units in Los Robles Terrace, be 80, which will meet this requirement.

4. Replacement Housing

Section 33413(a) requires that dwelling units housing persons of families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project shall be replaced within 4 years.

Section 33490(a)(3) requires that implementation plans identify proposed locations for replacement housing, if they contain a project that would destroy or remove such housing from the market.

Since the adoption of the Redevelopment Plan, no housing occupied by low and very low income households has been destroyed or removed from the market affordable to low and very low income households as a result of a redevelopment project.

The programs proposed by this implementation plan do not involve the removal or conversion of any such affordable units. Therefore, at this time, there is no need to provide, or identify proposed locations, for replacement housing.

5. Progress Made During 1999 – 2004 Implementation Plan Period

During the Period beginning in December 1999 and ending in December 2004, the following was accomplished with LMIH Funds.

- a. Habitat for Humanity: Three single family homes, which were purchased by, and restricted to, low income persons were built at 2939, 2947, and 2949 Vine Street. \$30,000 in LMIH funds were used to offset the cost of City building and development impact fees for these three units. (\$35,000 in LMIH Funds had been

approved in 1998, during the prior [1994-1999] Implementation Plan period, but only \$30,000 was needed to complete the pledged assistance).

- b. Creekside Gardens Apartments: Construction of 29 apartment units for low and very low income seniors was commenced and, in December 2004, is near completion. Completion of construction is anticipated in early 2005. To date, about \$630,000 of the \$635,000 in LMIH funds allocated to this project have been used to help acquire the property and to offset building and development impact fees for the project.
- c. Canyon Creek Apartments: Construction of 68 apartment units for low income households was commenced in June 2004. A loan of \$300,000 in LMIH funds has been made to help construct this project. Completion of construction is anticipated in late 2005.
- d. Oak Park Senior Housing: \$25,000 of a total of \$545,000 in LMIH funds allocated to assist the development of a 40 unit apartment project for very low income seniors was spent for environmental studies and architectural plans. An application for a building permit has been filed for this project and issuance of the permit is anticipated to occur in early 2005 at which time the balance of \$520,000 will be used to offset City building permit and development impact fees.
- e. First Time Homebuyer Assistance (HOME Program): The Agency contributed \$25,000 in LMIH funds as a match for federal HOME funds to assist low income households purchase a home in Paso Robles. To date, 5 households have purchased homes in the City under this program.
- f. First Time Homebuyer Assistance (CalHome Program): The Agency allocated \$15,600 in LMIH Funds to offset the costs of administering CalHome Loans to enable low income households purchase a home in Paso Robles. 6 households have purchased homes in the City under this program using only \$3,600 of the LMIH funds. In 2004, the City applied for a new CalHome grant, which would continue to use the balance of LMIH funds.

6. 5 Year Housing Program

6.1 Provisions for Use of LMIH Funds

- a. Section 33334.2(g) provides that LMIH funds may be used outside of the project area if both the Agency and the City Council have adopted resolutions that such use will be of benefit to the redevelopment project. In November 1987, the Agency adopted Resolution RA 87-07 and the City Council adopted Resolution 87-85 finding that the expenditure of LMIH funds throughout the City would be of benefit to the redevelopment project.

- b. Section 33334.4(a) requires that LMIH funds be spent to assist housing for low and very low income persons in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low, and very low income within the community.

The City's share of the Regional Housing need for moderate, low, and very low income households, expressed in numbers of dwelling units, is reported in Table H-22 of the 2003 Housing Element and is shown in the following table.

Income Group	Need (# of dwelling units)
Very Low (50% or less of median income)	627
Low (51-80% of median income)	467
Moderate (81-120% of median income)	520
Total	1,614

Compliance with Section 33334.4(a) would indicate that 68 percent of LMIH funds should be used to meet the needs of low and very low income households by dividing the sum of the unmet needs for low and very low income households by the sum of the total need for moderate, low, and very low income households as follows:

$$\frac{1,094}{1,614} = 68 \text{ percent.}$$

To date, all of the \$1,808,430 in LMIH funds that the Agency has spent or committed for the projects listed on Pages 8 and 9 of this plan have benefited low and very low income households. There is some room, therefore, to spend more than 32 percent of LMIH funds accumulated in the next 5 years for programs that benefit moderate income households, if the Agency so desires.

- c. In 2002, the State Legislature adopted AB 687, which added subsection (b) to Section 33334.4 to require 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 years bears to the total population of the community as reported in the most recent census of the United States Census Bureau.

According to the 2000 U.S. Census, persons 65 years or older occupy 13.4% of the population. In 2001, prior to AB 687, the Redevelopment Agency committed to assisting two senior projects: Creekside Gardens and Oak Park Senior Housing by appropriating a total of \$460,00 to both projects. In 2002, after AB 687 became effective, the developers of both projects requested additional funds to keep these critically needed projects financially feasible. In 2002 the Agency committed an

additional \$720,000 to assist both senior housing projects (\$200,000 for Creekside Gardens and \$520,000 for Oak Park Senior Housing).

The \$720,000 committed in 2002 represents the senior housing share (13.4%) of \$5.4 million. Beginning with the amount of available LMIH funds in 2002 and adding actual and projected revenues to that fund (from Appendix D), it does not appear that a total of \$5.4 million will have been received until 2012 at the earliest. Therefore, to comply with Section 33334.4(b), the City cannot commit additional funds for senior housing projects until the \$5.4 million threshold has been reached.

- d. Section 33334.3(f) requires that any dwelling units assisted with Housing Set-Aside funds must have price controls in place “for the longest feasible time, but not less than...55 years for rental units...(and) 45 years for owner-occupied units.”

Section 33334.(f) provides for an exception to allow homeowners and the Redevelopment Agency to share the equity in homes purchased with LMIH funded assistance in a manner that increases the homeowners’ share with the length of time they occupy their homes. During the time periods specified, the rents and sales prices of dwelling units assisted with LMIH funds must be price-restricted via an instrument such as a deed restriction or other binding contract or agreement.

6.2 Priorities for Use of LMIH Funds

The need for affordable housing is well-documented in the Housing Element (2003) and in the Economic Strategy (1999). The Housing Element identifies the following activities as having a high priority for meeting these needs, particularly with the use of LMIH funds.

- Encouraging provision of a range of housing types, densities, and affordability levels to meet the City’s diverse needs; this would include providing financial assistance for both rental and ownership housing for low and moderate income households;
- Dispersing housing affordable to low and moderate income households throughout the City so as to avoid a concentration of one income group in any area;
- Encouraging development of housing affordable to low and moderate income households in the vicinity of Cuesta College;
- Providing first-time homebuyers assistance for low and moderate income households;
- Assisting the preservation of subsidized rental housing that is at risk of conversion to market rate housing;
- Assisting the rehabilitation of existing housing, particularly for low and moderate income households.

The Economic Strategy contains the same basic strategy as the Housing Element. It does, however, add the following dimensions to the activities listed above.

- Provide incentives to create sufficient rental housing production to meet the anticipated demand of growth in the agriculture industry, manufacturing, tourism, and Cuesta College;
- Promote revitalization of the North Spring Street Corridor.

Attached as Appendices G and H are charts showing income ranges as they relate to single family home purchase prices and rents. In late 2004, the state of purchase and rent prices for housing is such that:

- Moderate income households cannot, without assistance, afford to purchase a median-priced home;
- Low income households cannot, without assistance, afford to purchase any home, regardless of price;
- Market rate rents are increasing such that low income households are finding it increasingly difficult to find rental housing; financial assistance is needed to develop sufficient numbers of housing units to meet the need for low income persons.
- Market rate rents are not affordable to very low income households. Financial assistance is necessary to develop rental housing that is affordable to very low income households.

The following activities represent the Implementation Plan's priorities for using LMIH funds to accomplish the Housing Element's and Economic Strategy's priorities during this plan period (2005-2009). Priority is given to assisting low- and very-low income households. It should be noted that the following activities are listed in the order of importance for implementation, with Activity #1 having the highest priority.

1. New Multi-Family Housing: Promote the development of rental units throughout the City, but particularly in the Redevelopment Project Area, the mixed use and senior housing overlays, the Chandler Ranch, Olsen and Beechwood Annexation areas, and in areas with easy access (e.g. via public transportation) to Cuesta College. Towards this effort, the Agency may enter into participation agreements with housing developers to provide LMIH funds as grants or loans for such expenses as land acquisition, payment of City fees, construction of off-site improvements, and/or housing construction costs.
2. First-Time Home Buyers Assistance:
 - a. Provide deferred payment, below market rate interest, second trust deed loans to low and moderate income buyers. Loan proceeds could be used to close the affordability gap, for a down payment, and/or for closing costs. Resale price restrictions and equity sharing provisions would be incorporated into such loans.

- b. Use LMIH funds to supplement other sources of first-time homebuyers loan funds, such as CalHome funds, to offset the costs of loan administration.
3. Preservation of Subsidized Housing: Should one or more of the five existing subsidized apartment complexes in the City become eligible for conversion to market rate, their subsidy contracts require the owners to first offer the complex for purchase by a non-profit housing corporation. Non-profits may need assistance for the costs of purchasing and rehabilitating the units.
4. Housing Rehabilitation Assistance: Provide grants or loans of LMIH funds to low income owners of housing to enable them to make necessary repairs to maintain their homes in viable condition and prevent the possible loss of existing affordable housing. LMIH funds would also need to be used to hire contracted assistance in administering such a program.

It should be noted that there are numerous other eligible uses of LMIH funds for assisting affordable housing projects. It is possible that an opportunity to assist a project that conforms to Housing Element priorities, yet is not described in the above Implementation Plan priorities, may be presented to the City and Agency within the period of this Plan. In such a case, the Agency may, after obtaining a review and recommendation from the Project Area Committee, chose to allocate LMIH funds to such a proposal without amending this Implementation Plan.

6.3 Estimates of Numbers of Units to be Assisted with LMIH Funds

The average amount of assistance per dwelling unit for the 6 projects/programs listed in Section 5 (for the previous Implementation Plan Period) came to \$10,225. Assuming a 3.5% inflation factor (which is used in Appendix D to project future growth of the LMIH Fund), by 2009, this average amount would be estimated at \$12,144 per unit.

Appendix D projects a balance of \$1,750,325 at the end of Fiscal Year 2008/2009. Deducting the \$520,000 allocated to Oak Park Senior Housing and \$3,000 for loan administration costs for an assumed new CalHome Grant would leave \$1,227,325 to be spent on the priorities listed in Section 6.2. At \$12,144 per unit, it is estimated that 98 affordable units may be assisted in the 2004-2009 Implementation Plan period.

7. Elimination of Blight

A matrix showing how the housing programs will eliminate blight, using the AB 1290 definition of blight, is provided on page 22.

APPENDIX B
REDEVELOPMENT PLAN OBJECTIVES



SECTION 400.00 REDEVELOPMENT OBJECTIVES

Section 400.10 General Project Objectives

The Agency proposes to use the process of redevelopment to eliminate and mitigate the aspects of existing and anticipated visual, economic, physical, social, and environmental blight within the Project Area.

Within the broad goals, and as an indicator in the evaluation and determination of project priorities, the following specific redevelopment objectives are established by the Agency:

1. The elimination of existing blighted conditions, be they properties or structures, and the prevention of recurring blight in and about the Project Area.
2. The development and redevelopment of property within a coordinated land use pattern of commercial, industrial, residential, and public facilities in the Project Area consistent with the goals, policies, objectives, standards, guidelines, and requirements as set forth in the City's adopted General Plan.
3. The development of public services and facilities including, but not limited to, police and fire, city administration, cultural recreational, maintenance, and operational services and facilities as are necessary and required for the redevelopment of the Project Area.
4. The elimination of environmental deficiencies including inadequate street and freeway improvements, inadequate utility systems, and inadequate public services; and mitigation of the potential social, physical, and environmental characteristics of blight.
5. The development of a more efficient and effective circulation corridor system free from hazardous vehicular, pedestrian, and bicycle interfaces and designed to their ultimate circulation flow.
6. The implementation of techniques to mitigate blight characteristics resulting from exposure to freeway, railroad and public right-of-way corridor activity and affecting adjacent properties within the Project Area.
7. Beautification activities to eliminate all forms of blight including, but not limited to, visual blight, in order to encourage community identity.

8. The encouragement, promotion, and assistance in the development and expansion of local commerce and needed commercial and industrial facilities, increasing local employment prosperity, and improving the economic climate within the Project Area, and the various other isolated vacant and/or underdeveloped properties within the Project Area.
9. The acquisition, assemblage, and/or disposition of sites of usable and marketable sizes and shapes for commercial, and public facility development within the Project Area.
10. The creation of a more cohesive and unified community by strengthening the physical, social, and economic ties between residential, commercial, industrial, and recreational land uses within and adjacent to the Project Area.
11. To provide for very low-, low- and moderate-income housing availability as required by County, Region, or State law and requirements, as necessary and desirable, consistent with the goals and objectives of the community.
12. To encourage the coordination, cooperation, and assistance of other local agencies, as may be deemed necessary, to ensure that projects undertaken by this Agency are implemented to their fullest and practical extent.
13. The achievement of a physical environment reflecting a high level of concern for architectural and urban design principles deemed important by the community and property owners.
14. To encourage community and property owner involvement and citizen participation in the adoption of policies, programs, and projects so as to ensure that the Redevelopment Plan is implemented in accordance with the objectives and goals of the General Plan.
15. To provide a procedural and financial mechanism by which the Agency can assist, complement, and coordinate public and private development, redevelopment, revitalization, and enhancement of the community.

Section 400.20 Project Alternatives

It is anticipated that the Agency may undertake a variety of physical, social, economic and environmental projects to ensure that the goals of this Redevelopment Plan are fulfilled. It is, therefore, the intent of this Section to set forth possible and/or anticipated projects which shall be considered in the development of the Project Area. They are neither all encompassing nor limiting. The Project Matrix (Appendix III, Exhibit A) is not all inclusive, but rather sets forth the general projects and programs and the parameters by which the redevelopment will occur within the Project Area.

APPENDIX C

2004 INCOME LIMITS (San Luis Obispo County)

	HOUSEHOLD SIZE (# of persons) and INCOME (\$)							
Income Group (% of Median Income)	1	2	3	4	5	6	7	8
Very Low (50%)	21,600	24,700	27,750	30,850	33,300	35,800	38,250	40,700
Low (80%)	34,550	39,500	44,400	49,350	53,300	57,250	61,200	65,150
Median (100%)	43,200	49,350	55,550	61,700	66,650	71,550	76,500	81,450
Moderate (120%)	51,850	59,250	66,650	74,050	79,950	85,900	91,800	97,750

Source: California Department of Housing and Community Development & US Department of Housing and Urban Development

APPENDIX D
LOW AND MODERATE INCOME HOUSING FUND BALANCE PROJECTION

Fiscal Year	Estimated Deposits into LMIH Fund	Estimated Interest Earnings	Estimated Administrative Expense	Estimated LMIH Fund Balance
2004				345,600
2005	379,450	15,000	150,000	590,050
2006	397,471	27,600	176,300	838,822
2007	420,932	36,700	182,500	1,113,954
2008	445,364	46,800	188,900	1,417,218
2009	470,807	57,800	195,500	1,750,325
2010	497,302	70,000	202,300	2,115,327
2011	524,891	83,200	209,400	2,514,019
2012	553,619	97,700	216,700	2,948,638
2013	583,532	113,400	224,300	3,421,270
2014	614,678	130,500	232,200	3,934,248
2015	647,106	149,000	240,300	4,490,054
2016	680,868	169,100	248,700	5,091,322
2017	716,019	190,700	257,400	5,740,641
2018	752,614	214,100	266,400	6,440,956
2019	790,712	239,300	275,700	7,195,267
2020	830,373	266,400	285,300	8,006,740
2021	871,660	295,500	295,300	8,878,600
2022	914,639	326,800	305,600	9,814,439
2023	959,378	360,300	316,300	10,817,816
2024	1,005,948	396,200	327,400	11,892,565
2025	1,054,423	434,700	338,900	13,042,788
2026	1,104,879	475,800	350,800	14,272,667
2027	1,157,397	519,800	363,100	15,586,764
2028	1,212,059	566,700	375,800	16,989,723
2029	1,268,951	616,800	389,000	18,486,473
2030	1,328,163	670,300	402,600	20,082,336
2031	1,389,788	727,200	416,700	21,782,624
2032	1,453,924	787,800	431,300	23,593,048
2033	1,520,671	852,400	446,400	25,519,719
2034	1,590,133	921,000	462,000	27,568,852
2035	1,662,421	994,000	478,200	29,747,073
2036	1,737,647	1,071,600	494,900	32,061,421
2037	1,815,930	1,153,900	512,200	34,519,051
2038	1,897,392	1,241,400	530,100	37,127,742

NOTES

1. The date for all fiscal years is June 30 for the year listed.
2. Interest is estimated at 3.5% each year.
3. Administration amounts are based on the Budget for FY 2005, which is \$212,600 for Housing Programs. Of that amount, \$78,000 will be paid for with CDBG funds and \$134,600 with LMIH funds. For FY 2006, the projected budget is \$241,600, of which \$91,700 will be paid for with CDBG funds and \$149,900 from LMIH funds. Beyond FY 2006, it is assumed that \$74,000 in CDBG funds will be available and that administrative expenses increase by 3.5% each year.

APPENDIX E INVENTORY OF VACANT RESIDENTIAL LAND IN THE PROJECT AREA

(October 2004)

MULTI-FAMILY SITES 1-2 ACRES IN AREA

APN	Sub Area	Base LUD	OL LUD1	OL LUD2	OL LUD3	Zoning	Acres	Land Use	# of Dwelling Units	
									Existing	Potential
008-041-026	1	RMF-12	RD	SE	OPK	R-4,PD	1.10	vacant lot	0	13

MULTI-FAMILY VACANT INFILL LOTS

APN	Sub Area	Base LUD	OL LUD1	OL LUD2	OL LUD3	Zoning	Acres	Land Use	# of Dwelling Units	
									Existing	Potential
008-222-004	2	RMF-8	RD	HP		R-2	0.16	vacant lot	0	2
008-231-003	2	RMF-8	RD	HP		R-2	0.08	vacant lot	0	1
008-232-013	2	RMF-8	RD	HP		R-2	0.13	vacant lot	0	1
008-232-014	2	RMF-8	RD	HP		R-2	0.06	vacant lot	0	1
008-234-015	2	RMF-8	RD	HP		R-2	0.16	vacant lot	0	2
008-281-010	2	RMF-8	RD	HP		R-2	0.16	vacant lot	0	2
008-011-027	1	RMF-12	RD			R-3	0.12	vacant lot	0	1
008-011-068	1	RMF-12	RD			R-3	0.08	vacant lot	0	1
008-031-016	1	RMF-12	RD	SE		R-4,PD	0.28	vacant lot	0	3
008-031-029	1	RMF-12	RD	SE		R-4,PD	0.20	vacant lot	0	3
008-031-030	1	RMF-12	RD	SE		R-4,PD	0.20	vacant lot	0	3
008-081-003	1	RMF-12	RD	SE		R-4,PD	0.13	vacant lot	0	2
008-165-009	2	RMF-12	RD	MU		R-3	0.29	vacant lot	0	6
008-172-013	2	RMF-12	RD	MU		R-3	0.36	vacant lot	0	6
008-226-008	2	RMF-12	RD	MU		R-3	0.16	vacant lot	0	3
008-292-015	2	RMF-12	RD	MU	OP	R-3/OP	0.16	vacant lot	0	3
Subtotal										40

Abbreviations:

LUD = Land Use Designation

OL = Overlay (Land Use Designation)

RMF = Residential, Multiple Family

RD = Redevelopment

HP = Historic Properties

SE = Senior Housing

MU = Mixed Use

OP = Office Professional

**APPENDIX F
INVENTORY OF VACANT PARCELS IN THE
MIXED USE AND SENIOR HOUSING OVERLAYS**

APN	Sub Area	Base LUD	DL LUP1	OL LUD2	OL LUD3	Zoning	Acres	Land Use	#DU	
									Exist	Pot
008-225-012	2	CC	RD	MU		C-2	0.32	vacant land	0	0
008-227-016	2	CS	RD	MU		C-3	0.16	vacant land	0	0
008-236-001	2	OP	RD	MU		OP	0.32	SF residence, vacant lot	1	0
008-243-003	2	CS	RD	MU		R-3	0.16	vacant lot	0	0
008-243-005	2	CS	RD	MU		R-3	0.10	vacant lot	0	0
008-243-017	2	CS	RD	MU		R-3	0.14	vacant lot	0	0
008-245-014	2	CS	RD	MU		R-3	0.17	vacant lot	0	0
008-246-019	2	CS	RD	MU		C-3	0.22	vacant land (City-owned)	0	0
008-247-003	2	CS	RD	MU		R-3	0.34	vacant land	0	0
008-247-004	2	CS	RD	MU		R-3	0.16	vacant land	0	0
008-294-007	2	CS	RD	MU		C-3	0.16	vacant lot (4,390 sf contractor shop appd)	0	0
008-295-011	2	CS	RD	MU		C-3	0.24	vacant lot	0	0
008-295-012	2	CS	RD	MU		C-3	0.04	vacant lot	0	0
008-296-008	2	CS	RD	MU		C-3	0.07	vacant lot	0	0
008-321-003	2	CC	RD	MU		C-2	0.08	vacant lot	0	0
008-321-004	2	CC	RD	MU		C-2	0.08	vacant lot	0	0
009-042-018	2	CC	RD	MU		C-1,PD	0.07	vacant lot (Marlow Bldg Site)	0	0
009-044-007	2	CC	RD	MU		C-1,PD	0.16	vacant lot (Acorn Bld Site)	0	0
009-044-008	2	CC	RD	MU		C-1,PD	0.08	vacant building (Au Bon Marche)	0	0
009-044-009	2	CC	RD	MU		C-1,PD	0.08	vacant building	0	0
009-044-010	2	CC	RD	MU		C-1,PD	0.16	vacant building (Ramona Hotel)	0	0
009-104-006	2	CC	RD	MU		C-3,PD	0.00	vacant land (112 sf)	0	0
009-104-013	2	CC	RD	MU		C-3,PD	0.16	vacant land	0	0
009-104-014	2	CC	RD	MU		C-3,PD	0.16	vacant land	0	0
009-151-002	2	CC	RD	MU		C-2,PD	1.46	vacant land	0	0
009-152-007	2	CC	RD	MU		C-2,PD	0.89	vacant land	0	0
009-261-002	2	CC	RD	MU		C-2,PD	0.24	vacant land	0	0
009-268-001	2	CS	RD	MU		PM,PD	0.05	vacant land	0	0
009-268-002	2	CS	RD	MU		PM,PD	0.02	vacant land	0	0
009-268-004	2	CS	RD	MU		M,PD	0.27	vacant land	0	0
009-268-006	2	CS	RD	MU		M,PD	0.20	vacant land	0	0
009-291-007	2	CC	RD	MU		C-2,PD	1.06	vacant land (former Tenneco site)	0	0
009-291-008	2	CS	RD	MU		M,PD	0.52	vacant land (former Tenneco site)	0	0
009-291-009	2	CS	RD	MU		M,PD	0.55	vacant land (former Tenneco site)	0	0
009-291-010	2	CS	RD	MU		M,PD	0.82	vacant land (former Tenneco site)	0	0
009-291-011	2	CS	RD	MU		M,PD	0.26	vacant land (former Tenneco site)	0	0
009-291-012	2	CS	RD	MU		M,PD	0.54	vacant land (former Tenneco site)	0	0
009-291-013	2	CS	RD	MU		M,PD	0.78	vacant land (former Tenneco site)	0	0
009-291-014	2	CS	RD	MU		M,PD	0.51	vacant land (former Tenneco site)	0	0
009-291-015	2	CS	RD	MU		M,PD	0.91	vacant land (former Tenneco site)	0	0
009-291-016	2	CS	RD	MU		M,PD	0.65	vacant land (former Tenneco site)	0	0
009-291-017	2	CS	RD	MU		M,PD	1.79	vacant land (former Tenneco site)	0	0
009-291-018	2	CS	RD	MU		M,PD	0.90	vacant land (former Tenneco site)	0	0
008-011-047	1	CS	RD	SE		C-2	1.80	vacant land with small storage building	0	0
008-041-040	1	CS	RD	SE		C-2	0.39	vacant land	0	0
008-041-042	1	CS	RD	SE		C-2	0.26	vacant land	0	0

APPENDIX G
INCOME PAYMENTS FOR SINGLE FAMILY HOMES
(November 2004)

CalHFA Housing Assistance Program

4 Person Household

Income Group	% of Median Income	Annual Income	Maximum Monthly Payment	Purchase Price	Loan Amount	Monthly Loan Payment (PI)	Prop Taxes	Hazard Insur.	Mortg Insur.	Monthly Payment (PITI)
VL	50	30,850	771	123,000	119,300	587	114	19	51	771
L	60	37,000	925	147,000	142,600	702	138	23	61	923
L	70	43,200	1,080	172,000	166,800	821	162	27	71	1,081
L	80	49,350	1,234	196,000	190,100	935	186	31	81	1,233
M	90	55,550	1,620	252,000	244,400	1,238	241	39	104	1,623
M	100	61,700	1,800	279,000	270,600	1,371	267	44	115	1,797
M	110	67,850	1,979	307,000	297,800	1,509	295	48	127	1,979
M	120	74,050	2,160	335,000	325,000	1,647	323	52	138	2,160

2 Person Household

Income Group	% of Median Income	Annual Income	Maximum Monthly Payment	Purchase Price	Loan Amount	Monthly Loan Payment (PI)	Prop Taxes	Hazard Insur.	Mortg Insur.	Monthly Payment (PITI)
VL	50	24,700	618	99,000	96,000	472	90	15	41	619
L	60	29,600	740	118,000	114,500	563	109	18	49	740
L	70	34,550	864	138,000	133,900	659	129	22	57	866
L	80	39,500	988	154,000	149,400	757	145	24	64	989
M	90	44,400	1,295	201,000	195,000	988	191	31	83	1,293
M	100	49,350	1,439	223,000	216,300	1,096	212	35	92	1,435
M	110	54,300	1,584	246,000	238,600	1,209	235	38	101	1,584
M	120	59,250	1,728	268,000	260,000	1,317	257	42	111	1,726

Assumptions

1. First Loan (97%) is CalHFA Standard; 2nd Loan is CalHFA 3% deferred. 2nd Loan is used for 3% down payment.
2. Maximum monthly payment is 30% of income for low income (50-80%) and 35% for moderate income (90-120%).
3. First Loan Interest rate is 4.25% for low income (50-80%) and 4.50% for moderate income (90-120%) (effective 11/23/04).
4. Property Tax Rate is 1.18%; \$7,000 Home Owner's Exemption deducted from purchase price.
5. Homeowners Insurance Rate is 0.25% of value of house, which is assumed to be 75% of sales price.
6. Private Mortgage Insurance: 0.0099% x 50% of purchase price monthly.
7. Fixed Closing Costs include: appraisal (\$400); credit report (\$50); recording fees (\$80); escrow fee (\$300); and title insurance (\$400).
8. Loan Origination Fee (Points) is 1.0% of loan amount.
9. 2nd Loan is deferred with 5.0% simple interest.

APPENDIX H INCOME AND RENT

Income Group	% of Median	Household (HH) Size and Annual Income																	
		1 person/HH		2 persons/HH		3 persons/HH		4 persons/HH		5 persons/HH		6 persons/HH							
		Income	Max Rent	Income	Max Rent	Income	Max Rent	Income	Max Rent	Income	Max Rent	Income	Max Rent						
	30	12,950	320	11,500	290	16,650	420	18,500	460	20,000	500	21,450	540						
	40	17,300	430	19,750	490	22,200	560	24,700	620	26,650	670	28,600	720						
Very Low	50	21,600	540	24,700	620	27,800	700	30,850	770	33,350	830	35,800	900						
	60	25,900	650	29,600	740	33,350	830	37,000	930	40,000	1,000	42,950	1,070						
	70	30,250	760	34,550	860	38,900	970	43,200	1,080	46,650	1,170	50,100	1,250						
Low	80	34,550	860	39,500	990	44,450	1,110	49,350	1,230	53,300	1,330	57,250	1,430						
Median	100	43,200	1,080	49,350	1,230	55,550	1,390	61,700	1,540	66,650	1,670	71,550	1,790						

Rental Type	Rent Range	Persons per HH	Very Low Income Affordability	Low Income Affordability
Studio apartment rent range	500 - 650	1 - 2	Only at 50% of Median Income	Yes
1 bedroom apartment rent range	600 - 800	1 - 2	not for 1 person; limited for 2	limited
2 bedroom apartment rent range	750 - 900	2 - 4	No	Yes
2 bedroom house rent range	900 - 1275	2 - 5	No	limited
3 bedroom house rent range	1150 - 1500	3 - 6	No	not for 3 person household; limited for 4-6

Notes:

1. Income levels are for 2004 as determined by the US Department of Housing and Urban Development for San Luis Obispo County
2. Max Rent is calculated as 30% of household income.
3. Rent prices obtained in December 2003 and updated in June 2004 and November 2004. (There was very little variance in that period.)