

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

**2010 - 2014**

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*Exhibit A of Resolution RA 10-001  
As amended by Resolution RA 11-003*

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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 the California Community Redevelopment Law, established regulations which required each redevelopment agency to adopt an Implementation Plan no later than December 31, 1994, and to adopt a new Implementation 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 and third Implementation Plans were adopted in December 1999 and December 2004, respectively. The second and third Implementation Plans were also amended several times each. The Implementation Plan covering the period 2010 – 2014 is scheduled for adoption on February 16, 2010.

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

Community 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 goals and objectives, projects, programs, and expenditures of redevelopment funds during the five year period covered by the Implementation Plan, as well as 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, among other things, the following components:

- Specific goals and objectives for 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 for 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 for 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 and third Implementation Plans periods began on January 1, 2000 and 2005, respectively. The fourth Implementation Plan period will begin on January 1, 2010 and end on December 31, 2014.

5. Uptown/Town Centre Specific Plan

In 2008, the City undertook the preparation of a specific plan for the area bounded by the Salinas River, Vine Street (including properties fronting the west side of this street), 1<sup>st</sup> Street, and the northern City Limits. Seventy (70) percent of the land within this planning area is within the boundaries of the Redevelopment Project Area. A draft specific plan was released for public review in July 2009; the City is striving to complete the plan by mid 2010.

This Specific Plan is identified as a key objective of the City's General Plan, Economic Strategy, Council Goals, and Budget/Financial Plan. The plan will document and facilitate a new vision for the future of the West Side to include:

- New mix of residential and commercial uses, types, and densities;
- Transportation system improvements: to emphasize pedestrian, bicycle, & public transit equally with the automobile; to calm traffic; and to link neighborhoods;
- Expansion of the downtown;
- Salinas River restoration, enhancement and connection with an expanded downtown;
- Orientation of future development and re-development using traditional neighborhood design principles;
- Master planning City Park, Pioneer Park, and Robbins Field;
- Master planning historical museums;
- Master planning the Paso Robles Event Center's non-equestrian facilities;
- Updating the City's inventory of historic buildings and creating an historic building preservation/reuse code;
- Rethinking west side traffic circulation, public transit and parking.

Because this plan would have such a major effect on the future of the Redevelopment Project Area, the 2004 Implementation Plan was amended to authorize the use of Redevelopment Funds to prepare the plan.

6. Citizen Participation

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

- Public input received for the Uptown/Town Centre Specific Plan via a series of 4 public workshops, a 5 day charrette, and numerous other meetings with interested citizen groups, all held in 2008 and 2009.
- Prioritized Housing Programs listed in Chapter V are consistent with the 2004 Housing Element of the City's General Plan, which was adopted on December 7, 2004, following a process involving extensive public participation.
- A public hearing on the 2010 - 2014 Implementation Plan was conducted by the Redevelopment Agency on December 15, 2009. Public notices were given in accordance with Section 33490(d) by publication in *The Tribune*, a newspaper of general circulation in San Luis Obispo County. Notices were also posted in the following 4 locations within the Project Area:
  - (1) City Library, 1000 Spring Street (1<sup>st</sup> floor);
  - (2) Albertsons Supermarket, 189 Niblick Road;
  - (3) Chamber of Commerce, 1225 Park Street;
  - (4) Housing Authority Office, 3201 Pine Street;

A copy of the notice was also posted on the City's Web Site: [www.prcity.com](http://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](http://www.prcity.com).

The December 15, 2009 public hearing was continued to February 16, 2010 in order to revise the draft implementation plan, per the City Attorney's recommendations, to make it conform with Community Redevelopment Law.

Additionally, Section 33490(c) requires that a second hearing on the Redevelopment Plan as well as 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.

## 7. 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 7, 2004;

- 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;

8. 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:

- “Extremely Low Income” households are persons or families whose annual income does not exceed 30 percent of the County median income (Section 50106).
- “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).

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## II HISTORY OF REDEVELOPMENT ACTIVITY: 1987-2009

### 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 – 4<sup>th</sup> 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: Park Cinemas, a 9 screen movie theater, located at 1100 Park Street opened in December 1997. Development 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).

Uptown/Town Centre Specific Plan: In 2008, the Agency allocated \$1.5 million for the preparation of a specific plan for the area bounded by the Salinas River, Vine Street, 1<sup>st</sup> Street, and 38<sup>th</sup> Street/Hot Springs Property. About 70% of the plan area is within the Redevelopment Project Area. This specific plan will establish a vision for the development and redevelopment of the area and will include a form based zoning code to implement the vision.

Carnegie Library Repair: In 2008, the City undertook the repair of earthquake damage (from the 2003 San Simeon Earthquake), seismic retrofit, and accessibility rehabilitation of the Carnegie Library Building in City Park. \$400,000 in redevelopment funds were used to supplement \$2.4 million in funds from the Federal Emergency Management Agency (FEMA). Work was completed in 2008.

City Hall Parking Lot (Sulfur Spring) Repair: In 2009, the Agency approved an allocation of \$150,000 to supplement FEMA funds to repair the damage from the 2003 San Simeon Earthquake to the City Hall Parking Lot, which caused the eruption of a sulfur water spring. The repair work is scheduled to commence in 2010.

Spring Street and 24<sup>th</sup> Street Reconstruction at Flamson Middle School: In 2009, the Agency allocated \$2.525 million in redevelopment funds to replace curb, gutter, sidewalks, and landscaping in Spring and 24<sup>th</sup> Streets adjacent to Flamson Middle School, which was being rebuilt after the 2003 San Simeon Earthquake. This project is scheduled to be completed in early 2010.

24<sup>th</sup> Street and Riverside Avenue Sidewalks and Related Improvements: In 2009, the Agency approved an allocation of \$1.5 million to construct sidewalks and related improvements (curbs, gutters, retaining walls, street lights, street trees, landscaping, etc.) on the 24<sup>th</sup> Street and Riverside Avenue frontages of the Paso Robles Event Center. In 2009, the project is in design and should be ready for construction in early 2010.

Child Development Center: In 2009, the Agency provided assistance to the San Luis Obispo County Office of Education for the development of a center for childhood school readiness program and parent education, in conjunction with the First 5 Commission of San Luis Obispo County. The initial contribution of \$240,000 will come from funds held by the Agency in trust for COE facilities, and may include other future contributions.

## 1.2 Debt Financing

Community 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.

d. In July 2009, the Agency sold \$12 million in tax increment bonds. From this sale \$1.7 million will be used to repay a portion of the Agency's debt to the General Fund for constructing the Library and about \$5.0 million will be used to undertake the following activities:

- (1) Spring Street and 24<sup>th</sup> Street Reconstruction at Flamson Middle School;
- (2) 24<sup>th</sup> Street and Riverside Avenue Sidewalks and Related Improvements;
- (3) Reconstruction of restrooms in City Park;
- (4) Other public improvements in the Redevelopment Project Area that are not yet identified (as redevelopment funds are available).

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 six very low income homeowners were assisted with zero percent interest, deferred payment loans, due in 15 years or on transfer of property. Six of the assisted homes were located in the Redevelopment Project Area; one home was located outside of the Project Area. As of 2009, only one of the seven loans remains active.

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 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 used \$3,600 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.

Habitat for Humanity: In 2002, construction was completed on three single family homes for low income households at 2939, 2947 and 2949 Vine Street. A grant of \$35,000 in LMIH funds assisted payment of the City's development impact and building permit fees.

Canyon Creek Apartments: In December 2006, construction was completed on a 68 unit low income apartment project at 400 Oak Hill Road. This project was assisted with a grant of \$559,000 in LMIH funds.

Creekside Gardens Apartments: In February 2005, construction was completed on a 29 unit low income senior apartment project at 401 Oak Hill Road. This project was assisted with a grant of \$635,000 in LMIH funds.

Chet Dotter Senior Housing: In January 2008, construction was completed on a 40 unit low income senior apartment project at 801 – 28<sup>th</sup> Street. This project was assisted with a grant of \$25,000 in LMIH funds for pre-development costs and a zero-interest 55 year forgivable loan of \$1.72 million in LMIH Funds.

Hidden Creek Village: In 2009, the Agency reserved \$1 million to assist the Housing Authority of the City of San Luis Obispo develop an 81 unit low income family apartment project at 80 S. River Road. This project was granted Federal Tax Credits in September 2009 and a building permit must be issued by February 2010 to retain the credits.

3. Time Limits of the Redevelopment Plan:

- a. Commencement of Eminent Domain Proceedings: On January 4, 2000, the City Council adopted Ordinance 786, N.S. which amended the Redevelopment Plan to enable the authorization to use eminent domain in the Project Area another 12 years (i.e., through 2011).
- b. Establishments of Loans, Advances, and Indebtedness to Finance the Redevelopment Plan: On June 15, 2004, pursuant to SB 211 and SB 1045, the City Council adopted Ordinance No. 876 N.S., which eliminated the time limit on the establishment of loans, advances, and indebtedness that had been established via Ordinance 683 N.S. (adopted January 17, 1995). The Agency may now establish loans, advances and indebtedness as late as November 30, 2028.
- c. Effectiveness of the Redevelopment Plan: Ordinance No. 876 N.S. also extended the life of the Redevelopment Plan by one year. It will now be active until November 30, 2028.
- d. Repay Indebtedness with the Proceeds of Property Taxes: Ordinance No. 876 N.S., also extended the period for paying indebtedness and receiving property taxes to 10 years following expiration of the plan. The Agency may pay indebtedness and receive property taxes until November 30, 2038.

### 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. Further revisions were made in 2006 by the adoption of SB 1206. The City's Redevelopment Project Area was adopted in 1987 and qualified under previous definitions that were in effect at that time.

#### 1. Physical Conditions of Blight Existing in Project Area

##### 1.1 Unsafe Buildings

Following the December 2003 San Simeon Quake, all commercial unreinforced masonry buildings have been retrofitted. However, there remain conditions which may make buildings unsafe. Numerous commercial buildings do not have adequate fire protection such as sprinkler systems. Additionally, 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.

##### 1.2 Conditions that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots

The conditions 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

(1) Parking: 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 1980s, 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) Other Similar Factors: Other blighting factors affecting the Redevelopment Project Area include the following:

- Street Lighting: Additional pedestrian-scale street lights are needed to improve the level of safety in the downtown and in other high pedestrian traffic locations such as the area surrounding the Paso Robles Event Center.
- Sidewalks: Throughout the Project Area are sections of public streets without sidewalks. Sidewalks provide safe paths for pedestrians and encourage walking as an alternative mode of transportation, which reduces traffic congestion.
- Pedestrian Street Crossings: Pedestrian safety and encouragement of walking as an alternative mode of transportation would be fostered by retrofitting key intersections in the Downtown and throughout the Project Area with bulb-outs that narrow the roadway width that pedestrians must cross.
- Railroad Pedestrian Crossings: Many existing crossings do not have sidewalks or gates/warning devices for pedestrians. In 2009 a pedestrian was killed by a train while crossing the tracks in the Downtown. North of 21<sup>st</sup> Street and South of 10<sup>th</sup> Street there are no pedestrian crossings of the railroad.

- **Railroad Vehicular Crossings:** The configuration of the existing underpass crossing at 4<sup>th</sup> Street is hazardous to vehicles and impassible to fire engines. The 24<sup>th</sup> Street overpass crossing is narrow and a bottleneck during periods of peak traffic flow; it also lacks pedestrian and bicycle paths.
- **Pedestrian/Bike Paths:** There are inadequate systems of paths for pedestrians and bicycles throughout the Project Area to foster these alternative modes of transportation.
- **Landscaping to Encourage Walking:** Street trees are needed to mitigate heat and make the walking experience more inviting.
- **Transit:** Public transit as an alternative mode of transportation needs to be encouraged. Improvements to foster this mode would include shelters, turnouts, public restrooms at major transit stops, and other items.
- **Accessibility Improvements:** The Project Area still needs curb cuts and handicapped parking spaces to make it fully-accessible.
- **Stormdrains:** The Project Area was developed before a complete storm drain system was built. There is a need to provide drainage systems that incorporate low impact design to filter runoff before it enters the Salinas River and to facilitate groundwater recharge.
- **Park Improvements:** City Park is the focal point of the Downtown and public forum for a multitude of civic and tourist-oriented events. The Draft Uptown/Town Centre Specific Plan has identified several improvements that need to be made to enable the park to optimally continue this function, chief of which is replacement of the existing restrooms with larger, fully-accessible, sanitary and safer restroom buildings.
- **Repair of Facilities Damaged by Disasters:** The 2003 San Simeon Earthquake caused the eruption of a sulfur spring in the City Hall Parking Lot. The spring has displaced numerous downtown parking spaces; the spring water must be conveyed to the Salinas River and treated in order to mitigate environmental impacts. Funding from the Federal Emergency Management Agency was insufficient to accomplish all of the necessary work.

### 1.3 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.

The 2003 General Plan and the Draft (2009) Uptown/Town Centre Specific Plan propose mixed use in several locations in the Project Area and development standards that would resolve problems associated with unplanned juxtaposition. Use of Redevelopment Funds may be necessary to assist in the development of catalytic mixed use projects.

#### 1.4 Subdivided Lots of Irregular Form and Shape and Inadequate Size

The Project Area was subdivided in the 1880s. South of 24<sup>th</sup> Street, blocks measure 300 feet square and have alleys. Outside of the Downtown, lots measure 50 feet by 140 feet; inside the Downtown lots are 25 feet wide. Some variances in lot depths occur in the blocks adjacent to the railroad. North of 24<sup>th</sup> Street, blocks are longer (odd numbered streets were not provided) and, with one exception, there are no alleys. In this area, lots are commonly 52-113 feet wide and 150 feet deep.

The 25 and 50 foot lot widths under separate ownership impose limits to the types of residential and commercial development that might otherwise be possible and desired to provide affordable housing, an economically-viable mix of commercial uses in the Downtown and in other commercial areas, and adequate public facilities.

## 2. Economic Conditions of Blight Existing in Project Area

### 2.1 Depreciated or Stagnant Property Values or Impaired Property Values

- 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 2009, in the downtown area bounded by 10<sup>th</sup> Street, 16<sup>th</sup> Street, UPRR and Vine Street, there was only one vacant commercial lot (east side of Pine Street, south of 13<sup>th</sup> Street), three commercial buildings under construction (one on the southeast corner of Spring and 15<sup>th</sup> Street and two on the south side of 12<sup>th</sup> Street, west of Spring Street), and a handful of vacant spaces in existing buildings (owing largely to the current economic recession).

The City-owned surface parking lots present a challenge to creating a vibrant pedestrian streetscape and healthy economy in the downtown. It would be preferable to fill in these lots with commercial buildings and provide parking elsewhere, such as a parking structure. The Draft Uptown/Town Centre Specific Plan has suggested possible locations for a parking structure. Such an approach will be a long-range effort which may likely

require participation by the Redevelopment Agency to assemble property and fund improvements.

b. Residential: According to the 2000 Census, 43 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 encourage well-maintained and viable commercial areas and vice versa. Property values are directly related to the state of property maintenance as well.

The 2006 Economic Strategy calls for the City to house its workforce within City limits. To implement this policy, the Draft Uptown/Town Centre Specific Plan proposes to increase residential densities and the amount of mixed (residential and commercial) land use within the specific plan area (and Redevelopment Project Area). The increase in supply of residential units should help alleviate housing costs, resulting in a higher level of affordability.

Oak Park Public Housing, located between 28<sup>th</sup> and 34<sup>th</sup> Streets and between Park Street and the railroad presently consists of 148 apartment units which are rented to low income households. The complex was originally built in 1941 as Army housing, and despite the fact that the Housing Authority operates a robust maintenance program, the units are starting to deteriorate. Plumbing problems are among the most prominent issue. The Housing Authority has initiated an effort to redevelop Oak Park: to replace the 148 units and add up to 152 more units. This effort is being coordinated with the Uptown/Town

Centre Specific Plan. This project would be eligible for assistance with Redevelopment Low and Moderate Income Housing Funds.

In addition to Oak Park Public Housing, there are eight subsidized apartment complexes in the City, four of which are located in the Project Area. Paso Robles Gardens Apartments, 26 units on the northwest corner of Oak and 36<sup>th</sup> Streets, has given notice of intent to be sold at market rate. Peoples' Self-Help Housing Corp., a local non-profit housing owner/operator, has informally notified the City that it is interested in purchasing this complex with the goal of maintaining its affordability to low income households in perpetuity. However, they have indicated that they would need financial assistance to purchase and rehabilitate the units (which are approaching 30 years old). If the complex is sold to a for-profit owner, 26 units of affordable housing would be lost from the City's and Project Area's inventory of affordable units.

## 2.2 Vacant Commercial Buildings

For many years prior to the adoption of the Redevelopment Plan, high vacancy rates in the downtown was 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. Grants of federal Community Development Block Grant (CDBG) funds enabled rehabilitation of the former Bank of Italy/Bank of America Building (1245 Park Street) and the Odd Fellows Building (1226-1234 Park Street). The former provided space for a regional accounting office of the State Department of Corrections, bringing employment and a source of economic activity to the downtown. The latter provided offices and a public assembly space (ballroom). Following the 2003 San Simeon Earthquake, several commercial buildings were replaced or rehabilitated. Additionally, a boutique hotel (Hotel Cheval) and a new County Courthouse were built in the Downtown in 2007 and 2008.

Since late 2007, the Nation has experienced a notable recession, and there are presently several vacant spaces in the Downtown. Many of these vacant spaces are in newly-constructed buildings which replaced buildings that were quake-damaged or no longer efficient.

## 2.3 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, and 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 and in the commercial area south of 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 (3,500 and 7,000 square feet) under separate ownership.

#### 2.4 Residential Overcrowding

Overcrowding is defined by the U.S. Census Bureau as more than 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.

As noted in Section 3.1.b, above, the Draft Uptown/Town Centre Specific Plan proposes to increase residential densities and the amount of mixed (residential and commercial) land use within the specific plan area (and Redevelopment Project Area). The increase in supply of residential units should help alleviate overcrowding.

#### 2.5 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 "Part I" crimes. These 8 major crimes include:

- Homicide;
- Forcible Rape;
- Robbery;
- Assaults;
- Burglary;
- Larceny Theft;
- Motor Vehicle Theft;
- Arson.

For the period of January 1, 2008 to December 31, 2008 the City of Paso Robles showed similar trends as noted in the 2004 study. The west side of the City still accounts for the majority of crime. In 2008, 61% of the Part I crimes occurred on the west side of the City. Additionally, with the exception of Homicide and Arson, the west side of the City experienced increases overall in crime when compared to 2004 numbers:

- Homicide: 0%
- Forcible Rape: +44%
- Robbery: +56%
- Assaults: +29%
- Burglary: +29%
- Larceny Theft: +39%
- Motor Vehicle Theft: +42%
- Arson: -63%

### 3. 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.

Other circulation issues in the Project Area include:

- Vine Street, between 32<sup>nd</sup> Street and Caballo Place is not paved; the dirt right-of-way has potholes and a washboard surface;
- Unsafe vehicular railroad undercrossing at 4<sup>th</sup> Street;
- Unsafe offramp from northbound Highway 101 at Paso Robles Street, south of 7<sup>th</sup> Street;
- Lack of safe pedestrian railroad crossings, particularly north of 21<sup>st</sup> Street and south of 10<sup>th</sup> Street;
- Lack of safe paths for pedestrians and bicycles throughout the project area.

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. The Carnegie Library Building, which is located in the center of City Park and is listed on the National Register of Historic Places, suffered extensive damage from the 2003 San Simeon Earthquake. In 2008, repair and rehabilitation of this building was completed using a combination of funds from the Federal Emergency Management Agency, Community Development Block Grant Funds, and Redevelopment Funds. The existing restrooms in City Park are not fully-accessible, are deteriorating, and are in dire need of replacement with larger, better-designed facilities. Additionally, the Draft Uptown/Town Centre Specific Plan has identified other improvements to make the Park better accomplish its role as a central public gathering place.

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

### 1. Redevelopment Plan Goal and Objectives

Section 400.10 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 also 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. Economic Strategy

The table on the next page includes the City’s 2006 Economic Strategy’s policies and principles. The Redevelopment Implementation Plan should strive to implement these policies and principles to the extent that the Redevelopment Project Area plays a part in this effort.

## **2006 Economic Strategy Policies and Principles**

**PEOPLE:** Develop people to power the knowledge economy. Increase educational attainment and skills of, opportunities, and demand for local labor force.

- Promote and support a full continuum of education opportunities.
- Recognize and increase community and business investment in, and commitment to, education.

**PLACE:** Improve quality of place to attract investment and knowledge workers, stimulate investment by establishing distinctive, quality, stable, safe and sustainable physical improvements and attractions that welcome industry, commerce, tourism, employment, and wealth necessary to maintain and enhance quality of life.

- Implement development policies to achieve more efficient use of infrastructure.
- Develop distinctive design standards and invest in design excellence to:
- Stimulate investment in strategic areas and under-utilized sites.
- Support agriculture as a viable industry and visitor attraction by featuring it as the distinguishing community environment. Increase intensification, supply, and range of housing to attract and accommodate a skilled labor force.

**POSITIONING:** Develop and market the unique character, heritage and special attributes of the community as the region's destination to visit, shop, invest, work and live.

- Promote the City as a center of high value agriculture and industry.
- Market Paso Robles as an ideal setting for the emergence and convergence of value-added medical, health and wellness services.
- Promote local industry, products, services and destinations.

**PARTNERSHIP:** Create an alignment of strategic intent to collectively foster economic growth and improve the quality of life.

- Establish a common economic vision with a broad base of support.
- Mobilize public, private, and community resources to improve competitive position through partnership.

#### 4. 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, hotels/conference facilities; 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.
6. Cooperate with the County Office of Education, the First 5 Commission, the Paso Robles Unified School District, Cuesta College, and private educational entities to expand educational opportunities within the Project Area.
7. Partner with agencies, organizations, and businesses that promote agriculture, industry, and value-added medical, health and wellness services to enhance and/or introduce facilities into the Project Area.

#### 5. Programs

Transportation Systems Improvement: Programs for which use of Redevelopment Funds has been targeted include construction of sidewalks and related improvements (curbs, gutters, retaining walls, street lights, and street trees) along the 24<sup>th</sup> Street and Riverside Avenue frontages of the Paso Robles Event Center, and for construction of sidewalks and related improvements on the Spring and 24<sup>th</sup> Street frontages of Flamson Middle School.

Possible future programs to be supported with Redevelopment Funds may include the following:

- **Street Lighting:** Additional pedestrian-scale street lights are needed to improve the level of safety in the downtown and in other high pedestrian traffic locations such as the area surrounding the Paso Robles Event Center.
- **Sidewalks:** Throughout the Project Area are sections of public streets without sidewalks. Sidewalks provide safe paths for pedestrians and encourage walking as an alternative mode of transportation, which reduces traffic congestion.

- **Pedestrian Street Crossings:** Pedestrian safety and encouragement of walking as an alternative mode of transportation would be fostered by retrofitting key intersections in the Downtown and throughout the Project Area with bulb-outs that narrow the roadway width that pedestrians must cross.
- **Railroad Pedestrian Crossings:** Many existing crossings do not have sidewalks or gates/warning devices for pedestrians. In 2009 a pedestrian was killed by a train while crossing the tracks in the Downtown. North of 21<sup>st</sup> Street and South of 10<sup>th</sup> Street there are no pedestrian crossings of the railroad.
- **Railroad Vehicular Crossings:** The configuration of the existing underpass crossing at 4<sup>th</sup> Street is hazardous to vehicles and impassible to fire engines. The 24<sup>th</sup> Street overpass crossing is narrow and a bottleneck during periods of peak traffic flow; it also lacks pedestrian and bicycle paths.
- **Pedestrian/Bike Paths:** There are inadequate systems of paths for pedestrians and bicycles throughout the Project Area to foster these alternative modes of transportation.
- **Landscaping to Encourage Walking:** Street trees are needed to mitigate heat and make the walking experience more inviting.
- **Transit:** Public transit as an alternative mode of transportation needs to be encouraged. Improvements to foster this mode would include shelters, turnouts, public restrooms at major transit stops, and other items.
- **Accessibility Improvements:** The Project Area still needs curb cuts and handicapped parking spaces to make it fully-accessible.

Downtown Revitalization: Possible future programs to be supported with Redevelopment Funds may include: 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 (esp. replacement of restrooms); support for commercial rehabilitation (which has been approved for funding via federal Community Development Block Grant monies); completion and adoption of the Uptown/Town Centre Specific Plan; and other programs.

Affordable and Safe Housing: Future housing programs are discussed in detail in Chapter V. Briefly, such programs may include: assistance to development of new rental housing, especially redevelopment of Oak Park Public 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 Facilities, 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; supplement funds from the Federal Emergency Management Agency to remediate the impacts associated with the hot spring that emerged at the northeast corner of Spring and 10<sup>th</sup> Streets as a consequence of the 2003 San Simeon Earthquake; acquisition of property for public facilities, infrastructure and utilities; and other programs.

Educational Opportunities: Support the development of the First 5 Commission's Early Childhood Development Center at 36<sup>th</sup> and Oak Street; partnering with the School District and Cuesta College to expand services within or of direct benefit to the Project Area; partnering with private educational organizations and businesses to develop facilities within the Project Area. In the latter case, the Redevelopment Agency may help assemble properties and/or improve public infrastructure to serve such facilities.

Agriculture, Industry, and Medical Facilities: The improvement of Riverside Avenue and 24<sup>th</sup> Street with sidewalks and related improvements supports the agricultural programs sited at the Paso Robles Event Center. There may be other opportunities to support agriculture, industry, and medical facilities with assemblage of properties or improvement of public infrastructure to serve such facilities.

#### 6. Expenditures of Redevelopment Funds in the Next 5 Years

The Agency currently holds one formal debt obligation for approximately \$12,115,000. This debt consists of a Series A issue for \$9,330,000 (tax-exempt) and a Series B issue for \$2,785,000 (taxable).

The debt issue, in July 2009, allowed for a defeasance of the 1996 bond issue, a partial repayment to the City's General Fund (approximately \$2,500,000) for the debt service on the Library/City Hall building and payment of approximately \$1,900,000 in past-due fiscal agreements. After these reimbursement payments there will be approximately \$4.2 million available in remaining RDA bond funds for additional projects.

The amounts contained in the "net tax increment revenue" column of the chart on the next page are net after all fiscal agreement payments due to other taxing agencies have been paid.

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

<b>Fiscal Year</b>	<b>Pass-Thru Agreements</b>	<b>Net Tax Increment Revenue</b>	<b>Maintenance &amp; Operations</b>	<b>Debt Service</b>	<b>Annual Balance</b>
2009/2010	2,064,000	1,493,000	75,000	1,178,000	240,000
2010/2011	2,079,000	1,477,000	75,000	1,165,000	237,000
2011/2012	2,152,000	1,496,000	75,000	1,200,000	221,000
2012/2013	2,223,000	1,516,000	75,000	1,252,000	189,000
2013/2014	2,296,000	1,535,000	75,000	1,249,000	211,000

A Reimbursement Agreement between the Redevelopment Agency and the City was updated in April 2008. This agreement, originally dated November 1, 1993, obligates the Redevelopment Agency to reimburse the City for the debt service payments arising out of the construction financing of the Library/City Hall located at 1000 Spring Street. More specifically, this agreement required 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. The current annual obligation is approximately \$300,000 in annual reimbursement payments.

Those funds available to the Agency after payment of the Agency's existing debt service will be used to fund its programs listed below. Although the timing and priority for expenditure of those funds will be dependent on the amount of funding available from time to time, the Agency anticipates allocating, in conjunction with the remaining bond proceeds, approximately \$5 million to assist with a portion of the costs for the following projects during the Implementation Plan period:

- a. To provide gap funding for repair of the earthquake damage to the historic Carnegie Library Building (\$400,000 estimated cost);
- b. Preparation of the Uptown and Town Centre specific plans (\$1.5 million estimated cost);
- c. To construct sidewalks and related improvements (including landscaping) in 24<sup>th</sup> Street and Riverside Avenue, adjacent to the Paso Robles Event Center, and in Spring and 24<sup>th</sup> Streets adjacent to Flamson Middle School (\$2.5 million estimated cost);
- d. To assist the San Luis Obispo County Office of Education and the First 5 Commission of San Luis Obispo County develop a center for childhood school readiness programs and parent education at the northeast corner of Oak and 36<sup>th</sup> Streets to serve the education needs of the Project Area and surrounding community. Towards this end, the Agency has allocated approximately \$240,000 in Redevelopment Funds that were being held in trust for the County Office of Education and allocated Redevelopment

Funds adequate to finance \$1 million in debt necessary to develop the center. The amount of funds for the latter is budgeted at \$80,300 per year for a period of 20 years.

- e. To supplement funds from the Federal Emergency Management Agency to remediate the impacts associated with the hot spring that emerged at the northeast corner of Spring and 10<sup>th</sup> Streets as a consequence of the 2003 San Simeon Earthquake (\$300,000 estimated cost);
- f. To design and build new restrooms for City Park (bounded by Spring, Pine, 11<sup>th</sup>, and 12<sup>th</sup> Streets) to replace and expand the existing restrooms, which are deteriorating (\$300,000 in redevelopment funds to supplement Park Development Impact Funds as part of and estimated \$600,000 project cost);
- g. To acquire property in the Redevelopment Project Area for public facilities needed to eliminate blight and implement the Redevelopment Plan (costs unknown and would vary with each facility).
- h. To provide up to \$450,000 in matching funds for a grant of \$993,000 from the State of California's Strategic Growth Council to improve 21<sup>st</sup> Street, between Vine Street and Riverside Avenue to include natural drainage features, traffic calming features, bicycle lanes, park benches, hundreds of shade trees and native plants.
- i. To rehabilitate the pedestrian path of travel (sidewalks and curb ramps) along Spring Street and in the Downtown to be consistent with requirements of the Americans with Disabilities Act at an estimated cost of \$2,200,000.

7. 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 Inadequate Public Improvements	
	Unsafe Buildings	Hinder Economic Viability	Incompatible Uses	Irregular Lots	Impaired Investments	Business Vacancies	Lack of Commercial Facilities	Residential Overcrowding	High Crime Rate		
Transportation Systems Improvements		<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>				<b>X</b>
Downtown Revitalization	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>				<b>X</b>
Affordable and Safe Housing	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>				<b>X</b>		<b>X</b>
Beautification and Maintenance		<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>				<b>X</b>
Public Infrastructure and Utilities		<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>			<b>X</b>	<b>X</b>
Educational Opportunities		<b>X</b>			<b>X</b>	<b>X</b>					<b>X</b>
Agriculture, Industry, and Medical Facilities		<b>X</b>			<b>X</b>	<b>X</b>					<b>X</b>

## 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, among other things, 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, during the next 10 years, and over the life of the Redevelopment Plan, 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 extremely low-, very low-, low-, and moderate income households. The definitions of these four income groups are found on Page 5 of this Implementation Plan. Appendix C contains the 2009 income limits for income groups, based on household size for San Luis Obispo County.

As of July 1, 2009, the LMIH Fund had a balance of \$1,423,900. Appendix D is a table showing the estimated balance of the LMIH fund for the next ten fiscal years. From that table, it can be seen that, including current commitments and 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 \$3,063,000 by June 30, 2014 (which will also be the balance on December 31, 2014 as Fiscal Year 2014/2015 tax increment revenues will not be received until 2015).

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 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.

By mid 2014, the projected LMIH Fund balance will be \$3,063,000, but the aggregate amount deposited in the fund during the preceding 4 fiscal years will be \$3.47 million. Therefore, an excess surplus is not expected to accumulate in the LMIH Fund during the period of this plan.

### 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 “substantial rehabilitation” 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” means all 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, but *for not less than 55 years for rental units, 45 years for homeownership units, and 15 years for mutual self-help housing 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 a recorded covenant.

#### 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.

Although the Agency has provided assistance, in the form of grants and loans of LMIH funds, for the development of affordable housing projects, no units have actually been developed or substantially rehabilitated by the Agency. Therefore, the Agency has no inclusionary obligation under Section 33413(b)(1).

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* for 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 (with agency assistance) 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.

<b>Period</b>	<b># of years</b>	<b># of new units</b>	<b># of substantially-rehabilitated units</b>
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 12/31/04	5.00	17	0
01/01/05 to 09/30/09	4.75	207	0
<b>Total # of years/units</b>	<b>21.83</b>	<b>289</b>	<b>3</b>

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 45 units on 22 vacant lots in the Redevelopment Project Area. In addition to vacant lots, there are 209 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 209 properties, there exist 396 dwelling units. On the same properties, the General Plan would allow an additional 460 units to be built. Therefore, build-out of the Redevelopment Project Area could accommodate an additional 505 dwelling units (45 + 460 = 505).

The 22 year period between December 1, 1987 and September 30, 2009 included periods of both rapid growth (1987-1989 and 1997-2006) and slow growth (1990-1994 and 2007-2009). 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 289 new units built in 22 years translates to a rate of about 13 units per year or 65 units every 5 years. Although the Agency could provide LMIH fund assistance for rehabilitation, it is not expected that there will be any rehabilitation that would qualify as being “substantial rehabilitation” during the period of this plan. Further, it is not projected that there will be any “substantial rehabilitation” during the remainder of the life of the

Redevelopment Plan. However, this assumption will need to be re-evaluated with the review of this Redevelopment Plan in 2-3 years.

The table below shows that these rates would result in a total of 538 new dwelling units and 3 substantially-rehabilitated units during the life of the Redevelopment Plan.

<b>Period</b>	<b># of years</b>	<b># of new units</b>	<b># of substantially-rehabilitated units</b>
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 12/31/04	5.00	17	0
01/01/05 to 09/30/09	4.75	207	0
10/01/09 to 12/31/09	0.25	3	0
01/01/10 to 12/31/14	5.00	65	0
01/01/15 to 12/31/19	5.00	65	0
01/01/20 to 12/31/24	5.00	65	0
01/01/25 to 11/30/28	3.92	51	0
<b>Total years/units</b>	<b>41</b>	<b>538</b>	<b>3</b>

The projection of 538 units appears to exceed the capacity of 505 units discussed previously on vacant and underdeveloped residentially-designated properties. However, the General Plan also allows for, and the draft Uptown/Town Centre Specific Plan proposes to encourage, development of residential units in mixed use developments on commercially-designated lots.

Compliance with the inclusionary requirements would dictate that, over the life of the Redevelopment Plan, 81 (or 15 percent) of the 541 units (538 new units + 3 substantially-rehabilitated units) must be price-restricted for occupancy by very low, low and moderate income households, of which 32 (or 40 percent) must be price-restricted for occupancy by very low income households.

Since 1987, two subsidized apartment complexes for very low income seniors and disabled persons have been built within the Project Area: Los Robles Terrace, with 40 senior/disabled units at 2940 Spring Street and Chet Dotter Senior Housing with 40 senior units at 801 – 28<sup>th</sup> Street. Together, these complexes meet the inclusionary requirement for 80 of the 81 units.

As mentioned on Page 17, the Housing Authority of the City of Paso Robles is planning to redevelop Oak Park Public Housing to replace the existing 148 units and to add up to 152 additional units. The additional 152 units are included in the 460 potential units on underdeveloped properties mentioned on the previous page. If this project proceeds, one of

the additional 152 units would be required to meet the Agency's inclusionary housing requirement for all projected units.

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 2004 – 2009 Implementation Plan Period

During the Period beginning in December 2004 and ending in December 2009, the following was accomplished with LMIH Funds.

- a. Creekside Gardens Apartments: Construction of 29 apartment units for low and very low income seniors was completed in February 2005. A grant of \$635,000 in LMIH funds was made to assist this project.
- b. Canyon Creek Apartments: Construction of 68 apartment units for low income households was completed in December 2006. A grant of \$559,000 in LMIH funds was made to assist this project.
- c. Chet Dotter Senior Housing: Construction of 40 apartment units for very low income seniors was completed in January 2008. A grant of \$25,000 in LMIH funds helped fund predevelopment costs (environmental and architectural studies) and a loan of \$1.72 million in LMIH funds assisted the construction and offset a portion of the City's development impact fees.

The participation agreements for the above projects provided that LMIH assistance would be limited to a maximum of 49% of the units. (This was done to avoid triggering voter referendums under Article 34 of the California Constitution.) These participation agreements also require that the assisted units be restricted, via recorded covenant, to low income households (i.e., those earning 80% or less of the Area Median Income). The participation agreements do not require deeper levels of affordability to serve very low and extremely low

income households. However, other sources of funding for all of these projects do require deeper such benefits. The actual level of benefit for these three projects, as reported by their managers, is shown in the table below.

Project	Units and %		
	Low Income	Very Low Income	Extremely Low Income
Creekside Gardens	1 (4%)	14 (48%)	14 (48%)
Canyon Creek	1 (2%)	56 (82%)	11 (16%)
Chet Dotter	0 (0%)	0 (0%)	40 (100%)
<b>Total</b>	<b>2 (2%)</b>	<b>70 (51%)</b>	<b>65 (47%)</b>

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 each of 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, as determined by the San Luis Obispo Council of Governments in August 2008, is shown in the following table.

Income Group	City-Wide Need (# of dwelling units)
<b>Very Low</b> (50% or less of median income)	151 (40%)
<b>Low</b> (51-80% of median income)	105 (28%)
<b>Moderate</b> (81-120% of median income)	120 (32%)
<b>Total</b>	<b>376 (100%)</b>

The Regional Housing Need Allocation does not identify the housing needs for extremely low income households. However, Housing Element Law (Government Code Section 65583(a)(1)) provides that the size of the extremely low income group may be estimated as being 50% of the very low income group. Using this parameter, compliance

with Section 33334.4(a) would indicate that the agency would need to structure participation agreements for future LMIH assistance to that the following percentages are met for all units assisted.

Low Income..... not less than 28% ;  
Very Low Income..... not less than 20% ;  
Extremely Low Income..... not less than 20%.

- 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 number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census of the United States Census Bureau.

According to the 2000 U.S. Census, the total population of the City was 24,297 and the number of persons 65 years or older was 3,262, or 13.4% of the population. In 2001, prior to AB 687, the Redevelopment Agency committed to assisting two senior projects: Creekside Gardens and Chet Dotter Housing by appropriating a total of \$460,000 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. Since 2002, the Agency has committed an additional \$1.92 million to assist both senior housing projects (\$200,000 for Creekside Gardens and \$1.72 million for Chet Dotter Senior Housing).

The \$1.92 million committed since 2002 represents the senior housing share (13.4%) of \$14.3 million. Beginning with the amount of available LMIH funds in Fiscal Year 2002/2003 and adding actual and projected revenues to that fund (from Appendix D), it does not appear that a total of \$14.3 million will have been received until 2021 at the earliest. Therefore, to comply with Section 33334.4(b), the Agency cannot commit additional funds for senior housing projects until the \$14.3 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 a recorded covenant.

## 6.2 Priorities for Use of LMIH Funds

The need for affordable housing is well-documented in the 2004 Housing Element and in the 2006 Economic Strategy. 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 adds the following housing-related dimensions to the activities listed above.

- Establish cohesive, compact and livable community for individuals and families. (Overall policy)
- Encourage community development in live/work, mixed use, and compact, pedestrian oriented forms to accommodate all income levels and lifestyles. (Action under "Place")
- Increase labor force residents in the City. (Action under "Place")

The Draft Uptown/Town Centre Specific Plan proposes standards and programs that include:

- Redevelopment of Oak Park Public Housing to increase the number of affordable units in a more-efficient, yet livable manner;
- Cohesive, compact development (higher residential densities complemented with walkable neighborhoods and alternative modes of transportation (e.g. transit, bicycles, pedestrian)
- Mixed residential and commercial uses

Attached as Appendices F and G are charts showing income ranges as they relate to home purchase prices and rents. In 2009, the state of purchase and rent prices for housing is such that:

- Without assistance, moderate income households have a very limited market of affordable homes, which are generally below the median price;
- Low income households cannot, without assistance, afford to purchase any home, regardless of price;

- Market rate rents are such that low income households can find affordable rental housing, but market rate rents are affordable to only a portion of very low income households and not at all affordable to extremely 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 subsidized rental units for lower-income (which would include very low- and extremely low-income) households throughout the City. Projects that appear to offer the most promise for proceeding in the 5 year planning period include: Hidden Creek Village (81 units at 80 S. River Road) and the Redevelopment of Oak Park Public Housing. However, there may be other rental projects proposed in the planning period that would be worthy of assistance. 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 pre-development costs (e.g. planning, architectural, engineering, and environmental studies), land acquisition, payment of City fees, construction of off-site improvements, and/or housing construction costs.
2. Preservation of Subsidized Housing: Should one or more of the 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. Peoples' Self-Help Housing Corp. has informally notified the Agency that it is considering purchasing and rehabilitating Paso Robles Gardens Apartments, 26 units at 540 Simms Avenue (northwest corner of Oak and 36<sup>th</sup> Streets). LMIH funds could assist such an effort and help retain affordable units in the City's inventory.
3. 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.
4. 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 as a match to leverage other sources of first-time homebuyers loan funds, such as Federal HOME funds.

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 chose to allocate LMIH funds to such a proposal without amending this Implementation Plan.

Health and Safety Code Section 33334.3(d) provides that the LMIH Fund should be used to the maximum extent possible to defray the costs of production, improvement, and preservation of low- and moderate-income housing and that the amount of money spent for planning and general administrative activities associated with the development, improvement, and preservation of that housing not be disproportionate to the amount actually spent for the costs of production, improvement, or preservation of that housing.

Since 1994, the Agency has used LMIH funds to cover the costs of planning support activities to construct, rehabilitate, and preserve low- and moderate-income housing throughout the City. (See Section 6.1.a of this Chapter regarding use of LMIH funds City-wide.) Such activities include, but are not limited to: updating the Housing Element of the General Plan; preparing amendments to the City's Zoning Code to remove constraints to the provision of housing that is affordable to low and moderate income households; amendments to the City's Zoning Code to facilitate housing for emergency shelters; development and review of the Redevelopment Implementation Plan; and working with developers of housing designed to be affordable to low and moderate income households to process their development applications and government financing.

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

- a. Projects on the 5 Year Horizon: As noted in the previous section, it appears that the Hidden Creek Village (81 units) and Redevelopment of Oak Park Public Housing (replace 148 units and add up to 152 additional units) will be the primary candidate projects for LMIH assistance in the next 5 years. Appendix D assumes that the assistance to Hidden Creek Village is granted and extends for 10 years. Appendix D also shows that, after payment of \$100,000 per year to Hidden Creek, there will remain an estimated \$3.06 million in the LMIH fund at the end of Fiscal Year 2014. That remainder could be used to assist Oak Park. A portion could also be used to assist the preservation of the 26 unit Paso Robles Gardens Apartments.
- b. Projects on the 10 Year Horizon: Health and Safety Code Section 33490 also requires a description of how the housing program will implement the requirements of Section 33334.4 for use of LMIH fund by the various income groups over a 10 year period. Assistance to the Hidden Creek Village and Oak Park Projects is expected to extend 10 years, possibly more. It is also possible that any assistance that might be granted to preserving Paso Robles Gardens Apartments could be metered over several years. If all

three projects were to be assisted in the next 10 years and LMIH assistance was to be limited to 49% of all units the following would be the minimum number of dwelling units required to benefit the three lowest income groups in each project.

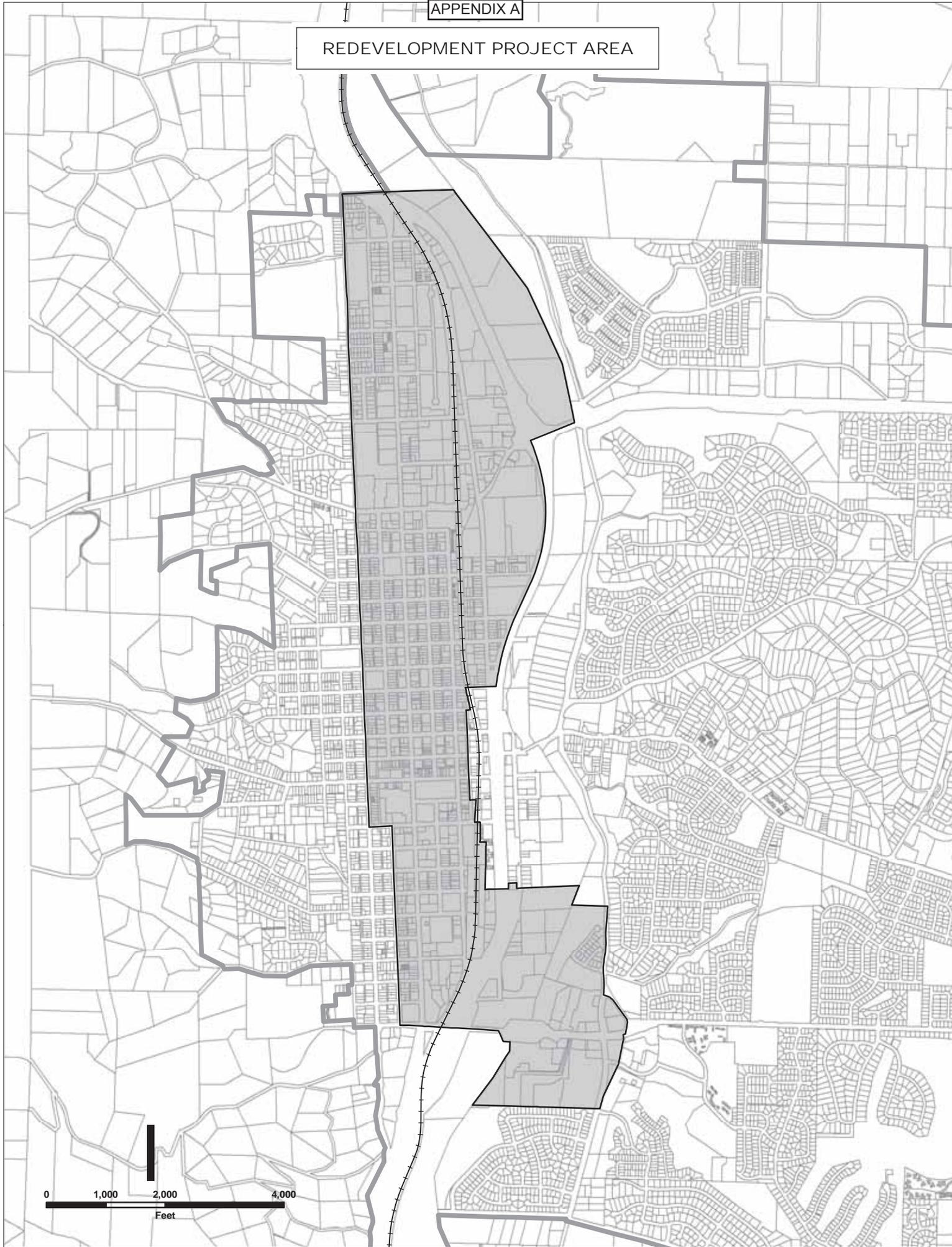
<b>Project (total # units)</b>	<b>49% of All Units</b>	<b>Low Income (28%)</b>	<b>Very Low Income (20%)</b>	<b>Extremely Low Income (20%)</b>
Hidden Creek Village (81)	40	11	8	8
Oak Park (300)	147	41	29	29
Paso Robles Gardens (26)	12	3	2	2
<b>Total</b>	<b>199</b>	<b>55</b>	<b>39</b>	<b>39</b>

The actual level of benefit to the three lowest income groups in each project is expected to be much greater, based on the requirements from the expected governmental sources of financing (e.g. Federal Neighborhood Stabilization Grants, Federal Tax Credits, and other subsidies). The table above only represents the minimum requirements associated with LMIH assistance to these projects.

7. Elimination of Blight

A matrix showing how the housing programs will eliminate blight is provided on page 32.

REDEVELOPMENT PROJECT AREA



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

### 2009 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
Extremely Low (30%)	14,900	17,000	19,150	21,250	22,950	24,650	26,350	28,050
Very Low (50%)	24,800	28,300	31,850	35,400	38,250	41,050	43,900	46,750
Low (80%)	39,650	45,300	51,000	56,650	61,200	65,700	70,250	74,800
Median (100%)	49,550	56,650	63,700	<b>70,800</b>	76,450	82,150	87,800	93,450
Moderate (120%)	59,450	67,950	76,450	84,950	91,750	98,550	105,350	112,150

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











