FINAL REPORT

Five-Year Implementation Plan
FY 2010/11–FY 2014/15

Prepared for:

Redevelopment Agency of the City of San Fernando

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I. Introduction

The California Community Redevelopment Law (CRL) requires every redevelopment agency administering a redevelopment plan to prepare and adopt an implementation plan every five years.[1] A public hearing must be held on the implementation plan prior to its adoption by the Agency, and in addition, the CRL requires an agency to hold, between two and three years after adoption of an implementation plan, a public hearing to review the implementation plan and evaluate the agency's progress.

This document is the FY 2010/11 through FY 2014/15 Five-Year Implementation Plan (Implementation Plan) for the San Fernando Redevelopment Project Areas (Project Areas) administered by the Redevelopment Agency of the City of San Fernando (Agency). This document outlines the Agency's proposed program for revitalization, economic development and affordable housing activities (Redevelopment Program) for the five-year period, FY 2010/11 through FY 2014/15. The Implementation Plan includes goals, activities, estimates of revenues and expenditures, and a description of how the activities will alleviate blight and meet affordable housing requirements. The Implementation Plan is also designed to help meet the housing needs in the City of San Fernando (City) and attain the City's housing goals as described in the City of San Fernando 2008–2014 Housing Element, as updated in 2009 (Housing Element).[2]

The Implementation Plan is intended to provide general guidance for the implementation of the Agency's programs and activities over the next five years. The Agency expects that particular constraints and opportunities, not fully predictable at this time, will arise over the next five years, and, therefore, the Agency intends to use and interpret this Implementation Plan as a flexible guide. The Agency acknowledges that specific projects and activities, as actually implemented over the next five years, may vary in their precise timing, location, cost, expenditure, scope, and content from those set forth in this document.

A. Organization

Generally, an implementation plan must contain the following information:

- Specific goals and objectives for the next five years for both housing and non-housing projects and activities.
- Specific programs, including potential projects, and estimated expenditures for the next five years for both housing and non-housing activities.
- An explanation of how the goals, objectives, programs, and expenditures will eliminate blight within the Project Areas and meet the Agency's affordable housing obligations.
- Other information related to the provision of affordable housing.

Chapter I provides an overview of the CRL requirements, a description of the Project Areas and a summary of Agency accomplishments to date. Chapter II includes five-year goals and objectives for the Project Areas, the activities and related revenues and expenditures for the next five years,

[1] CRL Section 33490. All statutory references used in the Implementation Plan refer to the Health and Safety Code, unless otherwise specified.

[2] The City of San Fernando 2008–2014 Housing Element was adopted April 6, 2009 by Resolution #7309.

and a description of blighting conditions and how they will be alleviated by the activities. Chapter III, the Housing Component, addresses affordable housing activities and expenditures and charts the Agency's progress in meeting its affordable housing obligations. Chapter III also includes the Affordable Housing Production Plan and a description of actions the Agency will undertake to fulfill its affordable housing obligations. Appendix A presents an inventory of affordable housing developments located in the City. Appendix B provides detailed tables for the Agency's Low and Moderate Income Housing Fund (Housing Fund) expenditures.

B. Description of the Project Areas

The Project Areas were originally adopted between 1966 and 1994 under the blight definitions in effect at the time that each Redevelopment Plan was adopted. Table I-1 summarizes time and fiscal limits for the Project Areas. Figure I-1 shows the location of all of the Project Areas. Plan amendments adopted in 2010 fiscally merged Project Areas 1, 2, 3, 3A, and 4. These project areas are referred to as the Merged Project Area. Tax increment revenues derived from the Merged Project Area are pooled, and can be spent on projects and activities in any of the individual Project Areas comprising the Merged Project Area. Project Area 1A was not fiscally merged, and thus its tax increment revenues are not combined with the other Project Areas. The remainder of this section describes each Project Area in more detail.

1. Project Area 1

Project Area 1 contains approximately 90 acres and encompasses the historic central business district of San Fernando. The Redevelopment Plan for the original portion of Project Area 1 (Project Area 1) was adopted in 1966, amended in 1971, and amended again in 1984 to reflect minor adjustments in parcel lines. The original Project Area 1 contained a ten-block area bounded by Pico Street, the Southern Pacific Railroad right-of-way, San Fernando Mission Boulevard, and Chatsworth Drive. In 1988, the Agency amended the plan further by adding territory to Project Area 1 (Project Area 1A). Project Area 1, as amended to include Project Area 1A, forms an "L" shape between Workman Street and San Fernando Mission Boulevard from O'Melveney Street to the railroad right-of-way, and between the railroad right-of-way and Pico Street from Workman Street to Chatsworth Drive. Figure I-1 shows the boundaries of Project Area 1, as amended to include Project Area 1A.

Project Area 1 encompasses most of the San Fernando Mall and the strip malls along Truman Street. Project Area 1A also includes a large grocery store and residential properties between Kalisher Street and San Fernando Mission Boulevard south of Pico Street.

2. Project Area 2

Project Area 2 contains approximately 56 acres and is located between Hollister Street and the Southern Pacific Railroad right-of-way, bounded by Project Areas 1 and 1A to the west and the City of Los Angeles on the east. The Redevelopment Plan for Project Area 2 was adopted in 1972 and amended in 1986, 1994 and 1998. Figure I-1 shows the boundaries of Project Area 2.

Project Area 2 includes automobile dealerships between Truman Street and San Fernando Road, as well as industrial properties on both sides of Celis Street. Project Area 2 also includes commercial, residential and public land uses.

3. Project Area 3

The 365-acre Project Area 3 is located north of the Southern Pacific Railroad right-of-way, adjacent to the border of the City of Los Angeles. The Redevelopment Plan for the original portion of Project Area 3 (Project Area 3, or Civic Center Redevelopment Project Area) was adopted in 1973 and amended in 1983 to add the industrial area (Project Area 3A). The original portion of Project Area 3 is a rectangle bounded by Fourth Street to the north, Harding Avenue to the west, the Southern Pacific Railroad right-of-way to the south, and the City of Los Angeles to the east. The area added in 1983 is situated between Fourth Street and Foothill Boulevard along the Pacoima Wash and Arroyo Avenue. Figure I-1 shows the boundaries of Project Area 3, as amended to include Project Area 3A.

Project Area 3 encompasses a variety of land uses. The original Civic Center Project Area includes civic uses such as City Hall, Los Angeles County Courthouse, the San Fernando Regional Pool Facility, and San Fernando Middle School; commercial properties along Maclay Avenue; and a mix of industrial and residential land uses west of Maclay and along Park Avenue. Project Area 3A is comprised mostly of industrial properties on both sides of the Pacoima Wash and Arroyo Avenue, and a large regional shopping center on Foothill Boulevard at the north end.

4. Project Area 4

Project Area 4 is approximately 57 acres and was selected and adopted in 1994 due to the impact of the Northridge Earthquake. The Redevelopment Plan for Project Area 4 was adopted in accordance with the Community Redevelopment Assistance and Disaster Project Law (CRL Part 1.5, §34000 et. seq.), which modifies certain procedural requirements of the CRL. Project Area 4 forms an irregular shape, which is shown in Figure I-1. Project Area 4 includes a mixture of land uses, including industrial, commercial residential, vacant land, and railroad right-of-way.

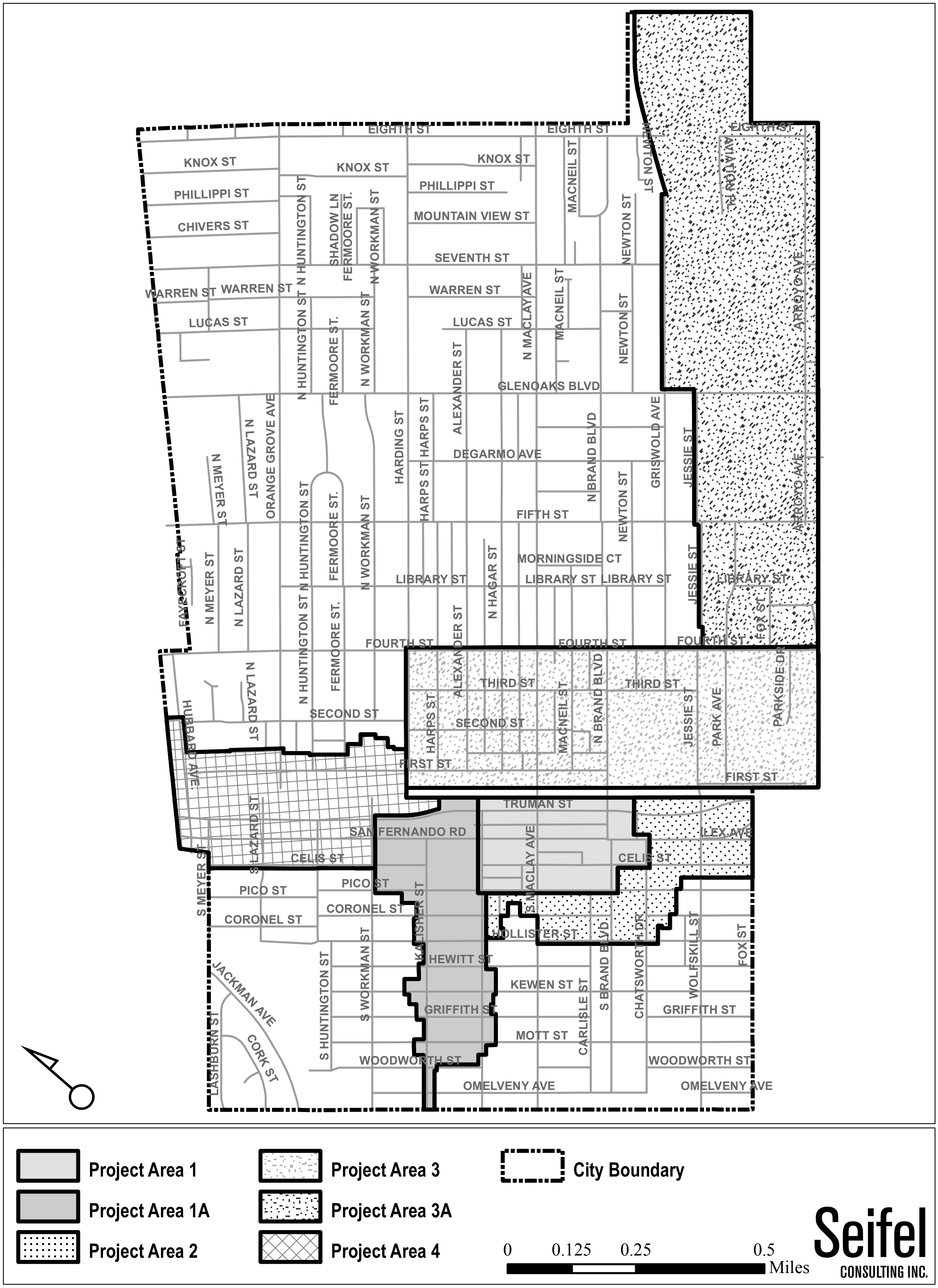
Table I-1
Project Area Time and Fiscal Limits
Redevelopment Agency of the City of San Fernando

	Project Area					
	1	**1A**	**2**	**3**	**3A**	**4**
Date of Plan Adoption	5/26/66	6/27/88	8/21/72	6/18/73	4/4/83	7/18/94
Time Limits						
Debt Issuance	Eliminated[a]	Eliminated[a]	Eliminated[a]	Eliminated[a]	Eliminated[a]	7/18/24
Plan Effectiveness	1/1/12	6/27/29	8/21/15	6/18/16	4/4/26	7/17/26
Receipt of Tax Increment	1/1/22	6/27/39	8/21/25	6/18/26	4/4/36	7/18/41
Eminent Domain	1/1/10	11/15/10	11/15/10	6/18/09	11/15/10	7/17/06
Fiscal Limits						
Tax Increment Collection	$251 Million Combined[b]	$16 Million	$251 Million Combined[b]			No Limit
Outstanding Bonded Indebtedness	$75 Million Combined[c]	$5 Million	$75 Million Combined[c]			

a. Time limit on debt issuance for Project Areas 1, 1A, 2, 3, and 3A was eliminated by Ordinance No. 1573 in August 2006.
b. Combined tax increment collection limit applies to fiscally-merged project areas including Project Areas 1, 2, 3, and 3A. Project Area 4 does not have a tax increment collection limit.
c. Combined outstanding bonded indebtedness limit applies to all fiscally-merged project areas (Project Areas 1, 2, 3, 3A, and 4).

Source: Redevelopment Agency of the City of San Fernando.

Figure I-1
Location of Project Areas
Redevelopment Agency of the City of San Fernando



C. Proposed Plan Amendments

The Agency is in the process of amending the redevelopment plans for the Project Areas in order to improve the Agency's ability to alleviate blight throughout the Project Areas. The primary purpose of these proposed plan amendments is to give the Agency more time and financial resources to complete its redevelopment activities. The proposed plan amendments (collectively, the "2011 Amendments") would modify the time and fiscal limits for the Project Areas as follows: extend the time limits on plan effectiveness for Project Areas 1, 2 and 3 by 10 years pursuant to Senate Bill (SB) 211; increase the limit on the total amount of tax increment revenue collected from the Merged Project Area; and extend the time limit on eminent domain authority in all Project Areas for up to 12 years.

The Agency will prepare the necessary documentation and conduct consultations with taxing entities in 2011. The Agency expects to adopt the 2011 Amendments in Fall 2011. Upon adoption, the 2011 Amendments would become effective in FY 2011/12, and would initiate the following requirements for Project Areas 1, 2 and 3:

- Additional 10 percent of gross tax increment revenues deposited to the Housing Fund starting in FY 2012/13.
- Additional restrictions on Housing Fund expenditures for moderate-income households starting in FY 2012/13.
- New affordable housing production requirements starting in FY 2011/12.
- Restrictions on non-housing expenditures during the 10-year extension period for each Project Area.

These requirements are discussed in more detail in sections below. As the amendments are proposed, and not yet implemented, this Implementation Plan is organized to demonstrate compliance with the current CRL requirements. If the 2011 Amendments are adopted, compliance with the additional requirements will be addressed in a forthcoming mid-term review to be prepared in FY 2012/13.

D. Affordable Housing Production Obligation

Project Areas 1, 2 and 3 were initially established prior to January 1, 1976. As described in greater detail in Chapter III, areas included in redevelopment on or after January 1, 1976 are subject to an affordable housing production obligation. Two of the Project Areas (Project Area 1 and Project Area 3) were amended to include additional territory (known as Project Area 1A and Project Area 3A respectively), and Project Area 4 was adopted after 1976. As these areas were included in redevelopment after January 1, 1976, they are subject to an affordable housing production obligation. For purposes of this Implementation Plan, these areas are termed the "Affected Areas." As discussed above, the Agency is currently pursuing the 2011 Amendments, and, if adopted, provisions of SB 211 will trigger additional affordable housing production requirements in Project Areas 1, 2 and 3.

E. Agency Accomplishments FY 2005/06–FY 2009/10

Over the past five-year period, the Agency's investments in economic development, community enhancement and affordable housing have helped to improve conditions in the Project Areas, as well as serve as catalysts for other non-Agency-assisted development. These activities have resulted in the alleviation of blighting conditions in the Project Areas and are the foundation for the Agency's efforts for the next five years.

This section highlights the major accomplishments during the past five-year Implementation Plan period, FY 2005/06 through FY 2009/10. The Agency's involvement in these redevelopment activities includes financial assistance for infrastructure and beautification improvements, assistance with seeking out matching funds for identified projects, and land "write-downs." The Agency also provided development assistance through site assembly, conceptual design review, entitlement review and approvals, land use policies, and business support activities. Table I-2 at the end of this section shows Redevelopment Program accomplishments by Project Area.

1. Economic Development

The Agency has led efforts to revitalize the Project Areas through activities that promote and enhance performance of local businesses, facilitate the redevelopment of key properties, invest in the rehabilitation and construction of properties, and attract new businesses to the Project Areas.

Business Assistance and Retention

- Downtown signage project.
- Neighborhood Focus Area Program.
- Maclay Avenue streetscape improvements.
- Facilitation of a $3 million debt-restructuring loan for Oh Boy! Company located at 1516 E. First Street.
- Facilitation of development review and approval for the remodel of a commercial building located at 1041 Truman Street to accommodate long-term Denny's restaurant.
- Facilitation of development review and approval of adaptive reuse for a potentially historic structure (former Salvation Army building) to accommodate restaurant and office uses at 110 N. Maclay Avenue.
- Commercial façade rehabilitation at 1023 Pico Street.
- Commercial façade rehabilitation project at 209-211 N. Maclay Avenue, 110 N. Maclay Avenue, 214 N. Maclay Avenue, 226 N. Maclay Avenue, and 1041 Truman Street.
- Facilitation of development review and entitlement process for façade renovation of the KFC restaurant at 1327 San Fernando Road.

Development of Vacant and Underutilized Properties

- Swap Meet site redevelopment project at 585 Glenoaks Boulevard.
- Facilitation of land acquisition of blighted property for Sigue Corporate office.
- Facilitation of development review and approval for a new commercial building at 1209 Mott Street.

Development Assistance

- Facilitation of development review and entitlements for a 4,000 square foot industrial building at 760 Arroyo Avenue.
- Facilitation of the conditional use permit process to allow a storage and moving use to occupy 255 Parkside Drive.
- Facilitation of development review and entitlements for four detached industrial buildings totaling approximately 9,000 square feet at 723 Arroyo Avenue.
- Facilitation of development review and entitlements for an industrial building at 1516 E. First Street.
- Facilitation of development review and entitlements for construction of a cell tower at 675 Glenoaks Boulevard.
- Industrial development project at 1407 Truman Street.
- RFP for affordable mixed-use development project at 1320 San Fernando Road.
- City-owned lot/commercial development at 1422 San Fernando Road (LA Housing Partnership project).
- Construction of cell tower at 1516 First Street.
- Facilitation of development review and approval of new commercial uses at 1245 San Fernando Road. (Phase 1).
- Facilitation of the public input, development and environmental review processes for LAUSD Valley Regional High School No. 5 and Elementary School No. 8.

These extensive efforts have encouraged new business, built new facilities, renovated existing facilities, and facilitated an improved business and economic environment throughout the Project Areas.

2. Community Enhancement

The Agency has improved public facilities and infrastructure and undertaken street beautification projects during the past five-year period, as described below.

Public Facilities and Infrastructure Improvements

- Facilitation of the public input, and development and environmental review processes for LAUSD Valley Regional High School No. 5 and Elementary School No. 8.

Street Improvement and Beautification

- Completion of numerous streetscape improvements in the San Fernando Mall area along San Fernando Road and Brand Boulevard.
- Maclay Avenue streetscape improvements.
- Funding for monument projects to improve the downtown, including the Cesar E. Chavez Memorial and Truman Gateway.

These improvements have contributed to economic development in the City, and have eliminated a significant portion of the blight identified in the Project Areas. All of these efforts have enhanced the commercial viability of the Project Areas by improving the environment and circulation, as well as by making the Project Areas a more attractive and welcoming place to shop and do business.

3. Affordable Housing

The Agency has continued to support the development of affordable housing. The types of financial assistance the Agency has provided for affordable housing development include predevelopment, acquisition, construction, and permanent gap financing. The Agency has also provided loans for purchasing or rehabilitating ownership units, and has facilitated development review and entitlements for affordable housing developments. The residents of the units assisted by the Agency include low or moderate-income first-time homebuyers, seniors and families. Key developments and programs include:

- Facilitation of development review and entitlements for development of single-family residence at 709 San Fernando Mission Boulevard.
- Request for Proposal for an affordable housing project at 551 Kalisher Street.
- Secured funding for a proposed affordable housing project at 1320 San Fernando Road.
- Facilitated discussions with a developer for a proposed affordable housing project at 1422 San Fernando Road.
- Facilitation of development review and entitlements for a multifamily residential building at 652 4th Street.
- Facilitation of development review and entitlements for a multifamily residential building at 322 Jessie Street.
- Implementation of Residential Rehabilitation Loan Program, used to provide loans to residential property owners to rehabilitate existing single-family residences. Loans ranged from $12,000 to $55,000.
- Implementation of First-time Homebuyer Program, used to provide “silent second” down payment assistance loans to income-qualified first-time homebuyers seeking to purchase single-family residences in San Fernando. Loans ranged from $15,000 to $45,000.
- Facilitation and partial funding for preparation of the 2008-2014 Housing Element update.

Overall, the Agency’s efforts during the last Implementation Plan period have increased and improved the supply of high-quality affordable housing in the Project Areas.

Table I-2
Redevelopment Program Accomplishments by Project Area – FY 2005/06 through FY 2009/10
Redevelopment Agency of the City of San Fernando

Project Area 1	• Downtown signage project • Maclay Avenue streetscape improvements • Facilitation of development review and approval for the remodel of a commercial building located at 1041 Truman Street to accommodate long-term tenant Denny's Restaurant • Commercial façade rehabilitation at 1023 Pico Street • Commercial façade rehabilitation project at 1041 Truman Street • Completion of numerous streetscape improvements in the San Fernando Mall area along San Fernando Road and Brand Boulevard • Funding for monument projects to improve the downtown, including the Cesar E. Chavez Memorial and Truman Gateway
Project Area 1A	• Facilitation of development review and entitlement process for façade renovation of the KFC restaurant at 1327 San Fernando Road • Facilitation of development review and approval for a new commercial building at 1209 Mott Street • Facilitation of development review and approval of new commercial uses at 1245 San Fernando Road • Facilitation of development review and approval for development of single-family residence at 709 San Fernando Mission Boulevard • Request for Proposal for an affordable housing project at 551 Kalisher Street • RFP for a proposed affordable mixed-use project at 1320 San Fernando Road
Project Area 3	• Facilitation of development review and approval of adaptive reuse for a potentially historic structure (former Salvation Army building) to accommodate restaurant and office uses at 110 N. Maclay Avenue • Maclay Avenue streetscape improvements • Commercial façade rehabilitation project at 209-211 N. Maclay Avenue, 110 N. Maclay Avenue, 214 N. Maclay Avenue and 226 N. Maclay Avenue • Facilitation of the conditional use permit process to allow a storage and moving use to occupy 255 Parkside Drive • Restoration of potentially historic structure and construct duplex at 652 Fourth Street • Facilitation of development review and entitlements for a multifamily residential building at 652 4th Street • Facilitation of development review and entitlements for a multifamily residential building at 322 Jessie Street
Project Area 3A	• Swap Meet site redevelopment project at 585 Glenoaks Boulevard • Facilitation of development review and entitlements for a 4,000 square foot industrial building at 760 Arroyo Avenue • Facilitation of development review and entitlements for four detached industrial buildings totaling approximately 9,000 square feet at 723 Arroyo Avenue • Facilitation of development review and entitlements for construction of a cell tower at 675 Glenoaks Boulevard • Facilitation of the public input, and development and environmental review processes for LAUSD Valley Regional High School No. 5 and Elementary School No. 8
Project Area 4	• Facilitation of a $3 million debt restructuring loan for Oh Boy! Company located at 1516 E. First Street • Facilitation of land acquisition of blighted property for Sigue Corporate office • Facilitation of development review and entitlements for an industrial building at 1516 E. First Street • Industrial development project at 1407 Truman Street • City-owned lot/commercial development at 1422 San Fernando Road (LA Housing Partnership project) • Construction of cell tower at 1516 First Street
All Project Areas	• Implementation of Residential Rehabilitation Loan Program, used to provide loans to residential property owners to rehabilitate existing single-family residences. Loans ranged from $12,000 to $55,000 • Implementation of First-time Homebuyer Program, used to provide "silent second" down payment assistance loans to income-qualified first-time homebuyers seeking to purchase single-family residences in San Fernando. Loans ranged from $15,000 to $45,000 • Facilitation and partial funding for preparation of the 2008-2014 Housing Element update • Neighborhood Focus Area Program

Source: Redevelopment Agency of the City of San Fernando.

II. Redevelopment Program

This chapter describes the five year Redevelopment Program for the Project Areas, including the goals and objectives, project and activity descriptions, deficiencies to be corrected by the Redevelopment Program, and estimated revenues and expenditures.[3] As they are implemented, these projects and activities may be modified over time to better serve the purposes of redevelopment, as well as take into consideration future changes in economic climate that could affect redevelopment funding. The cost estimates are preliminary and subject to refinement as redevelopment planning and implementation proceed. Some of these projects and activities may not be completed within the next five years, and thus, related costs may not be incurred in the next five years.

This chapter is organized as follows:

- Section A includes the Goals and Objectives for the next five years.
- Section B describes the Redevelopment Program activities for the next five years.
- Section C describes the linkage between the Redevelopment Program and the elimination of blight in the Project Areas.
- Section D describes Agency revenues for the next five years.
- Section E describes Agency non-housing expenditures for the next five years.

A. Goals and Objectives

The CRL requires the Agency to establish goals and objectives for the Project Areas over the five year Implementation Plan period. The FY 2010/11 through FY 2014/15 goals and objectives, intended to eliminate physical and economic blighting conditions and produce affordable housing, are based on the goals and objectives established when the Redevelopment Plans were adopted and amended. Together with the City of San Fernando General Plan (General Plan) policies and City zoning regulations, these goals and objectives will continue to guide the direction of all future development and activities within each Project Area over the next five years.

The individual Redevelopment Plans list a series of goals and objectives designed to guide the Agency's projects and activities, and the Agency will continue to build upon the efforts of previous redevelopment activities. Although each individual Redevelopment Plan lists the goals and objectives specific to that Project Area, there are overarching goals common to all of the Project Areas. These goals include:[4]

- Encourage private sector investment.
- Promote commercial and industrial development by the prevention and the elimination of blight.
- Upgrade the physical appearance of the Project Areas.

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[3] Project Area 1A is not fiscally merged, but no funds are available for redevelopment activities in Project Area 1A after pass-through, debt service and loan payments are made.

[4] Excerpted from The Redevelopment Agency of the City of San Fernando, 2005/06-2009/10 Redevelopment and Housing Implementation Plan Mid-Term Update, August 2008, p. 16.

- Remove economic impediments to land assembly and infill development.
- Encourage commercial rehabilitation and planned new commercial developments.
- Install, construct or reconstruct streets, utilities, parks, recreational facilities, and other public improvements, infrastructure and facilities.
- Encourage public and private investment in order to repair and/or replace unsafe, dilapidated and deteriorated buildings.
- Encourage the redevelopment of land by private enterprise or public action.
- Protect the health and general welfare of very low, low and moderate-income persons by increasing and improving the community's supply of housing affordable to these persons.

These goals will guide the implementation of the Redevelopment Program and future development and investment in the Project Areas. The projects and activities of the Redevelopment Program have been designed to achieve these goals. The goals described in this section are subject to modification and refinement through the periodic adoption and amendment of the Agency's five-year implementation plan in accordance with the requirements of CRL Section 33490.

1. Five-Year Goals and Objectives

The implementation plan provisions of the CRL require an agency to establish specific goals and objectives for its project areas for the five-year implementation plan period. These goals and objectives, provided below, correspond to the program categories that will guide the Agency's activities to alleviate blight and redevelop the Project Areas over the next five years, as follows:

- Rehabilitate deteriorated residential units.
- Provide infill housing where appropriate.
- Improve infrastructure where deficiencies exist.
- Facilitate adaptive reuse of former auto dealership sites.
- Capitalize on catalyst development underway in the Project Areas.
- Develop visitor-oriented commercial uses where appropriate.
- Retain existing and develop new neighborhood serving commercial uses where appropriate.

B. Redevelopment Program for FY 2010/11–FY 2014/15

The Agency will undertake projects and activities in the Project Areas over the next five years to alleviate blighting conditions and attain the Redevelopment Program goals and objectives. These projects and activities are organized broadly into three main categories: Economic Development, Community Enhancements and Affordable Housing. Each of these categories contains subcategories of programs and activities. Table II-4, located at the end of this Section B, lists specific projects and activities planned for the five year Implementation Plan period. The Agency will continue to undertake projects and activities to alleviate blighting conditions and attain the goals and objectives described in Section A.

1. Economic Development

The Agency aims to support enhanced business performance and to stimulate private development in the Project Areas. Proposed projects in the category of Economic Development include the following: recruitment of new retailers and restaurants, provision of business development resources to small businesses, strategic property acquisition and preparation for private sector redevelopment, and facilitation of redevelopment on key target sites throughout the Project Areas. The Agency aims to acquire and prepare key sites for private sector development and conserve local historic resources, as well as improve the physical appearance and safety of buildings in the Project Areas.

The proposed Economic Development projects and activities are organized into three subcategories, as follows: 1) business assistance and retention, 2) development of vacant and underutilized properties, and 3) development assistance. The sections below include the proposed projects and activities in these subcategories.

a. Business Assistance and Retention

- Facilitate business improvement district formation proceedings within the Downtown area, and within other areas identified by stakeholders.
- Prepare and implement a retail development strategy, which attracts the appropriate mix of businesses that meets local and regional demand and further promotes investments within the Project Areas as commercial and entertainment destinations.
- Facilitate development of Sigue's corporate campus, which will include the company headquarters and new leasable office space that allows for business retention, expansion and attraction activities.
- Facilitate business expansion and new occupancy with the promotion and redevelopment of existing underutilized or vacant Class A industrial properties.
- Partner with local brokers and other stakeholders to promote business development and recruitment opportunities.
- Facilitate commercial façade rehabilitation within the Project Areas.
- Redevelop 120 Macneil Street as part of a larger mixed-use development within the Civic Center area.
- Provide financial assistance in the form of matching grants for façade renovations along the commercial corridors in the Project Areas.

b. Development of Vacant and Underutilized Properties

- Provide off-site improvements that facilitate redevelopment of underutilized and vacant properties.
- Identify and invest in opportunity sites that facilitate commercial redevelopment and revitalization to meet local and regional demand.
- Partner with property owners to complete redevelopment projects on key sites that are consistent with the Redevelopment Plans.
- Stimulate private development for future redevelopment and economic development opportunities, including property acquisition when necessary.
- Facilitate adaptive reuse of former automotive dealership sites for new retail and service commercial uses.
- Facilitate project approvals for infill development on high-density residential parcels to encourage affordable housing development. Specific examples of projects include the following developments under review:

  - New 62-unit multifamily development at 131 Park Avenue, with 41 low-income units. Required approvals include Mitigated Negative Declaration and Initial Study, as well as variances from development standards for density, building setbacks, building lot coverage, open space, landscape, and on-site parking.
  - New 20-unit senior residential development at 208 Jessie Street that will integrate with an existing 8-unit senior apartment complex located on the adjacent property at 202 Jessie Street. Nineteen units will be reserved for very low-income households. Required approvals include variances from development standards for density, building setbacks, building lot coverage, open space, and on-site parking.
  - New 15-unit residential development at 112 North Alexander Street. The units will be available for rent by very low-income veterans of the United States Armed Forces. Required approvals include variances from development standards for density, building setbacks, building lot coverage, open space, and on-site parking.
- Facilitate and promote the redevelopment of large sites that can accommodate commercial facilities designed to meet regional demand including, but not limited to, destination, retail and entertainment uses.

C. Development Assistance

- Provide Agency assistance with technical studies, such as market feasibility, planning, engineering, or geotechnical, as a mechanism to encourage development and redevelopment of the Project Areas.
- Provide tax-exempt financing that serves to reduce the financing costs of a project. Such financing may take the form of certificates of participation, lease revenue bonds, industrial development bonds, and various forms of tax-exempt notes at various terms.
- Establish rehabilitation loan or grant programs that require matching contributions by the recipient.
- Address the need for removal of the most dilapidated residential, commercial and industrial structures, and make the cleared land available for new development.
- Assist in acquisition of small or undevelopable parcels, and facilitate the development of those properties.
- Encourage repairs and rehabilitation of damaged structures, and support seismic retrofit and safety upgrades, including assistance for upgrading older structures to meet current earthquake and safety codes, as funds are available.

Examples of development assistance projects and activities include, but are not limited to, the following:

- Assist in the redevelopment of public parking lots throughout the Project Areas.
- Facilitate the future redevelopment of underutilized sites along major commercial corridors within the Project Areas, including sites such as 610 Ilex Street, 1661 San Fernando Road and 1331 Truman Street.
- Encourage transit-oriented development throughout the Project Areas in close proximity to major transportation hubs and corridors.
- Promote adaptive reuse of industrial properties, including vacant and underutilized properties along First Street, Park Avenue, Jessie Street, Arroyo Street, and Aviation Place.

- Facilitate development of corporate campuses and headquarters along the commercial and industrial corridors within the Project Areas that allow for business expansion, retention and recruitment activities.

2. Community Enhancement

The Agency aims to make strategic investments in community enhancements to help stimulate private investment in the Project Areas. The projects and activities in this program category address public infrastructure deficiencies, improve circulation, enhance the streetscape, and provide sound strategies for public open space and alternative transit options. These efforts will stimulate commercial, industrial and residential development and activity in the Project Areas, as well as strengthen the general economic vitality of the City and the region.

The proposed Community Enhancement activities are organized into three subcategories, as follows: 1) public facilities and infrastructure improvement, 2) street improvement and beautification, and 3) park and bikeway master plans. The sections below include the proposed projects and activities in these subcategories.

a. Public Facilities and Infrastructure Improvement

The Agency aims to make strategic investments in public infrastructure and facilities to help stimulate private investment in the Project Areas, including, but not limited to, the following:

- Facilitate transit and other public infrastructure projects with regional benefits.
- Improve public safety through enhanced circulation and capacity for local-serving streets.
- Fund design, construction and right-of-way acquisition costs for enhanced public safety and pedestrian amenities through streetscape and sidewalk improvements throughout the Project Areas.
- Facilitate utility undergrounding where necessary to address issues with pedestrian and vehicular safety.
- Develop public recreational facilities.
- Development of bike paths, walking trails and other alternative transit options that enhance private transportation capacity throughout the Project Areas.

Examples of public facilities and infrastructure improvements projects and activities include, but are not limited to, the following:

- Completion of the Lopez Adobe rehabilitation project for subsequent use as a house museum and cultural attraction/destination center.
- Transit and bus stop shelter installation and upgrades within the Project Areas.
- Identify opportunity sites for, and facilitate the development of additional public/private open spaces.
- Develop and enhance way-finding facilities that provide greater access to, and promote businesses and services within the Project Areas, including the downtown and civic center.
- Initiate stormwater collection and distribution system improvements to address infrastructure deficiencies associated with antiquated facilities. These improvements include stormwater system improvements on S. Workman Street, Griswold Avenue, Maclay Avenue, Celis Street and other identified areas as necessary.

- Initiate water collection and distribution system improvements to address infrastructure deficiencies associated with antiquated facilities. These improvements include the reconstruction of Water Reservoir No. 4, and water line replacements on Fourth Street, First Street (Civic Center), Celis Street, and Hollister Street.
- Initiate sewer system improvements to address infrastructure deficiencies associated with antiquated facilities. These improvements include sewer line replacements at First Street (Civic Center), and at Hollister and Coronel Streets.
- Upgrade traffic signal infrastructure for improved circulation and safety as necessary.
- Provide improvements at City park facilities as warranted, especially at Las Palmas Park, Layne Park, Recreation Park, and the San Fernando Regional Pool Facility.

b. Street Improvement and Beautification

Examples of street improvement and beautification projects and activities include, but are not limited to, the following:

- Develop streetscape and greenway beautification projects that enhance public safety, promote private investment, and increase pedestrian, bike and vehicular access and connections throughout the Project Areas.
- Streetscape and safety improvement projects along streets such as Truman Street, San Fernando Road, San Fernando Mission Boulevard, Park Avenue, S. Workman Street, Lazard Street, and the railroad right-of-way.
- Fund, facilitate and provide entitlement assistance for improvements that realize the development of the Pacoima Wash as a greenway corridor.
- Improve sidewalks, signage, and streetscapes along public right-of-ways, including but not limited to: First Street, Pacoima Wash, Maclay Avenue, San Fernando Road, Truman Street, San Fernando Mission Boulevard, and Brand Boulevard.
- Provide street and safety improvements that focus on sidewalk repairs, graffiti abatement, tree trimming, street lighting, and traffic calming, especially those that improve safe routes to local schools.
- Undergrounding of public utility poles that block pedestrian access along Kalisher Street, Park Avenue and other areas as necessary.

c. Park and Bikeway Master Plans

The Agency aims to make investments in developing and implementing Park and Bikeway Master Plans to improve bike and pedestrian access to public transit and commercial areas and to enhance public recreation opportunities that include, but are not limited to, the following:

- Promote public and private investment in the development and implementation of a park and bikeway master plans project that includes development of new and enhancement of existing recreational sites and associated activities throughout the Project Areas.

3. Affordable Housing

Through its Affordable Housing Program, the Agency will continue to assist production of housing in the Project Areas and other portions of the City. These activities will result in the enhancement of affordable housing opportunities for households earning at or below 120 percent of the Area Median Income (AMI), with particular emphasis on those households earning at or below 50 percent of AMI. Section 33334.2 of the CRL requires that an agency utilize 20 percent of all tax increment revenue allocated to the Agency to increase or enhance the community's supply of affordable housing. The Agency may also potentially designate non-housing funds to assist affordable housing projects and activities, particularly where rehabilitation is required in order to upgrade existing buildings to decent, safe and sanitary conditions. Unlike Housing Fund monies, these non-housing funds would not be subject to expenditure requirements.

The Agency will continue to establish a range of housing programs that seek to leverage federal, state and private funding sources to develop high quality, attractive and affordable housing to serve a diverse population. The funds for the Affordable Housing Program will be used in a flexible manner to respond to favorable development opportunities as they arise. The Agency will continue to promote the development of a wide variety of affordable housing types in the community to enhance the vitality of the area and provide much needed housing for all economic segments of the community, as described in the Housing Element.

4. Agency Administration and Housing Planning

The Agency will continue to incur various administration and operational costs associated with implementing the above projects and activities. These will include expenditures required for program staff, housing planning, legal services, and other technical assistance.

C. Linkage Between the Redevelopment Program and Elimination of Blighting Influences

The CRL requires that the Implementation Plan provide an explanation of how the goals, objectives, programs, and expenditures for the next five years will serve to eliminate blight in a project area. This section describes remaining blighting conditions in the Project Areas, and how the goals, objectives, programs, and expenditures proposed for the current five-year period will address those blighting conditions.

Several of the individual Project Areas were established prior to the adoption of the current blighting condition definitions, as amended by SB 1206, but were amended in 2010 under the SB 1206 definitions.[5] As such, this section describes remaining blight in the Project Areas under the blight definitions that were in effect at the time of project area adoption, as well as under the current definitions.[6]

1. Blighting Conditions in the Project Areas

Although substantial progress has been made in eliminating blight within the Project Areas, significant blight remains. Many existing commercial and other uses that have not yet been redeveloped continue to be marginal, and are unlikely to have access to the resources required to make the necessary upgrades to modernize and become competitive. Neither the private nor public sectors acting alone nor together without redevelopment assistance is able to alleviate all

[5] SB 1206 blight definitions were effective starting January 1, 2007.

[6] Project Area 1A was not fiscally merged, but was included in the blight documentation prepared for the 2010 Amendments.

of these conditions. The following documented adverse conditions remain within the Project Areas:[7]

- Unsafe and/or unhealthy buildings
- Depreciated or stagnant property values
- Indicators of economically distressed buildings
- Serious residential overcrowding
- High crime rates
- Inadequate public improvements

All of the Project Areas contain a significant number and percentage of deteriorated residential and commercial buildings that are unsafe and/or unhealthy places for people to live or work. This condition results from a combination of factors, including age of buildings, general dilapidation and deterioration resulting from long-term neglect, seismic vulnerability, the likely presence of lead paint and mold/mildew contamination, and the presence of illegal garage conversions and building additions. The presence of these unsafe and/or unhealthy buildings demonstrates that significant physical blight remains throughout the Project Areas. Moreover, the high cost of remediating these physical deficiencies constitutes a serious burden on the community.

All Project Areas except Project Area 3 suffer from depreciated or stagnant property values, as evidenced by the negative growth in total assessed value of property in these Project Areas over the last year. In addition to depreciated assessed value, residential property in Project Area 1 exhibits a low sales price compared with the City as a whole and a low sales price relative to assessed value. These depreciated property values throughout the Project Areas create a serious economic burden on the community. Furthermore, the abnormally high number of vacant businesses located throughout the Project Areas indicates the presence of economic distress and deters new business investment. Moreover, abnormally low commercial lease rates throughout the Project Areas are also indicators of economic distress, and further contribute to economic blight in the Project Areas.

Serious residential overcrowding is a problem in all of the Project Areas. Analysis of Census data shows that the Project Areas suffer from a greater degree of residential overcrowding than the City as a whole, and a far greater degree than the surrounding area. Furthermore, the City documented the presence of a substantial number of illegal garage conversions, illegal building additions and inhabited trailers within and directly adjacent to the Project Areas. The presence of serious residential overcrowding contributes to problems of public safety and health, and detracts from the economic vitality of both the Project Areas and the surrounding community.

High crime rates continue to negatively affect the Project Areas, and create a serious threat to public safety. Crime rates are higher in the Project Areas as compared to the City as a whole, and these higher crime rates contribute to unsafe conditions and deter new investment in the Project Areas.

Inadequate public improvements and infrastructure throughout the Project Areas exacerbate the physical and economic blighting conditions found in the Project Areas. Existing water, sewer and

[7] Remaining blighting conditions were documented in the September 2009 Existing Conditions Survey as part of the documentation for the Report to Council for the 2010 Plan Amendments.

storm drain deficiencies attributed to aging infrastructure create physical blighting conditions and require significant upgrades. This inadequate and deteriorated infrastructure detracts from the physical and economic vitality of the Project Areas.

The prevalent and substantial blighting conditions that remain in the Project Areas constitute a serious physical and economic burden on the San Fernando community. These existing conditions burden the community in several ways, including:

- Depriving San Fernando residents of potential employment opportunities.
- Hindering the enhancement of the physical condition of buildings.
- Contributing to an inadequate supply of quality affordable housing opportunities.
- Depriving property and business owners of a competitive return on their investments.
- Creating an unsafe and unwelcoming environment for residents and visitors.
- Depriving the City, Los Angeles County, education districts, and other affected taxing entities of revenues from increased property values.[8]
- Hindering the development of a stronger economic base for the community.

The substantial and prevalent remaining blighting conditions documented in the Project Areas cannot be reversed or alleviated without the continued assistance of the Agency, made possible by the financial and legal resources and tools of redevelopment.

2. How the Agency's Proposed Goals, Objectives, Programs, and Expenditures Will Eliminate Blighting Conditions

The Agency's proposed five-year goals, objectives, programs and expenditures are designed to help eliminate the remaining physical and economic blighting conditions in the Project Areas. Specific programs, such as facilitation of the formation of business improvement districts, development of a retail development strategy and rehabilitation of commercial facades signal to the private sector the City's commitment to improving the Project Areas. These projects are expected to positively impact residents and businesses and boost the competitiveness of the Project Areas. Table II-1 shows the specific relationship of projects and activities to the elimination of blighting conditions.

In addition, the Agency is focused on specific projects and activities that will alleviate adverse physical and economic conditions present in the Project Areas, such as redevelopment of 120 Macneil Street as part of a larger mixed-use project within the Civic Center, facilitating adaptive reuse of former automotive dealerships, funding streetscape and safety improvements, and developing park and bikeway master plans. These programs make evident the City's continuing interest in making the Project Areas a better place to live, work, shop and conduct business. The Affordable Housing Program will allow the Agency to continue to improve the quality and safety of the local affordable housing stock. Through financial and planning assistance, the Agency will support affordable housing developments through predevelopment, acquisition, construction, and permanent gap financing. The Housing Fund will be utilized to increase the supply of affordable housing throughout the Project Areas. Chapter III presents the Housing Program in more detail.

[8] Affected taxing entities are those entities that levy taxes on property in the Project Area.

Table II-1
How Redevelopment Program Activities Will Alleviate Blighting Conditions
Redevelopment Agency of the City of San Fernando

	Economic Development			Community Enhancement			
Blighting Condition	**Business Assistance and Retention**	**Development of Vacant and Underutilized Properties**	**Development Assistance**	**Public Facilities and Infrastructure Improvement**	**Street Improvement and Beautification**	**Park and Bikeway Master Plans**	**Affordable Housing Program**
Unsafe and/or unhealthy buildings	■	■	■	■			■
Depreciated or stagnant property values	■	■	■	■	■	■	■
Indicators of economically distressed buildings	■	■	■	■	■	■	
Serious residential overcrowding		■	■				■
High crime rates	■	■	■	■	■		■
Inadequate public improvements	■	■	■	■	■	■	

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

D. Five-Year Implementation Plan Revenues

Over the next five years, the Agency will undertake those activities that can be financially supported by its revenue stream. The Agency has three revenue sources:

- Annual property tax increment
- Other Agency income
- Non-Agency financial resources

Table II-3, at the end of this section, presents the supporting detailed projections of funds available for the next five years. The Agency is projected to receive approximately $38.7 million in gross tax increment revenues during the five-year Implementation Plan period. After deducting obligations, including Housing Fund deposits, pass-through payments, Agency administration costs, debt service payments, and other obligations, the Agency will have approximately $5.7 million in net funds that will be available for non-housing expenditures during the five-year Implementation Plan period.[9]

1. Annual Property Tax Increment

The main source of revenue available to the Agency for its Redevelopment Program has been and will continue to be property tax increment. Property tax increment is that portion of the total amount of property tax revenues collected annually from all the properties in the Project Areas above the amount collected at the time the Project Areas were adopted. Per Proposition 13, increases in property taxes can result only from increases in assessed value, which in turn can only come from reassessment of the property upon sale or improvement. Otherwise, the maximum annual reassessment is an inflationary increase of 2 percent.

As required by the CRL, the Agency must invest its property tax increment revenue in the Project Areas in order to revitalize the Project Areas and eliminate blight. By encouraging and expanding local commercial, retail, industrial, and residential opportunities, the Agency will achieve the greatest return on its investment while creating local jobs, enhancing sales tax generation, and increasing property values. Property values increase when the Agency maximizes the investment and leverage of tax increment revenue. Increased property values translate to increased tax increment revenues to the Agency, which can then be reinvested in the Project Areas.

2. Other Agency Income

The Agency receives additional revenues from interest income, as well as proceeds from the Library Plaza Disposition and Development Agreement and the prior sale of the former city yard parcel that is now a part of the Swap Meet site development.

3. Non-Agency Financial Resources

Wherever possible, the Agency will continue to leverage other funds in connection with its redevelopment efforts. The Agency has targeted local, state and federal funding sources to assist

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[9] All historical and projected revenues and expenditures in this document are expressed in future value dollars, also referred to as nominal dollars.

in financing eligible projects. As permitted by law, possible funding sources include government grants and assistance programs, as well as private sector sources. Approximately $5.0 million in state and federal funding for non-housing programs is potentially available to the Agency during the five-year Implementation Plan period. If additional funds are received through these sources, the Agency could potentially undertake additional activities. Examples of potential non-Agency funds that could be used to fund non-housing projects are summarized in Table II-2 below.

Table II-2
Potential Non-Agency Financial Resources
Redevelopment Agency of the City of San Fernando

Funding Source	Project	Amount
American Recovery and Reinvestment Act[a]	New stop signs	$24,000
Community Development Block Grant - R[a]	Curb ramps and sidewalk improvements	$13,000
HUD Economic Development Initiative[b]	Downtown wayfinding improvements	$99,000
Proposition 1B (State Gas Tax)[c]	Park Avenue street improvements	$404,000
Community Development Block Grant	Park Avenue street improvements	$686,000
Community Development Block Grant	Lopez Adobe preservation	$354,000
California Cultural and Historical Endowment	Lopez Adobe preservation	$603,000
Parking and Business Improvement Areas (PBID)[d]	Downtown marketing and maintenance	$378,000
Measure R (State Gas Tax)[a, e]	Lighting maintenance & operations	$111,000
Lighting and Landscaping District[a, f]	Lighting & landscaping maintenance	$243,000
State Bicycle Transportation Grant	Bike paths, racks & signage	$59,000
AQMD Grant	Tree Planting	$153,000
California Safe Routes to Schools (SR2S)	Pedestrian safety improvements	$957,000
Highway Safety Improvement Program (HSIP)	Pedestrian count-down signals	$55,000
U.S. Department of Justice[a]	Community Policing - Virtual patrol	$378,000
TOTAL:		**$4,517,000**

Note: Dollar figures are rounded to the nearest thousand.
a. Citywide project. Amount shown adjusts for Agency jurisdiction (36% of City land area).
b. Citywide project with a focus to bring people downtown. Figure shown is actual grant amount.
c. Amount as of December 1, 2010. Figures may change once project is underway in January 2012.
d. Amount assumes total dollars for FY 2010/11 and FY 2011/12. Funding source may be eliminated or adjusted upon PBID adoption.
e. Assumes total dollars for FY 2010/11 and FY 2011/12. New assessment rate planned for FY 2012/13, eliminating the need for Measure R fund subsidy.
f. Assumes total dollars for FY 2010/11 and FY 2011/12. New assessment rate planned for FY 2012/13.
g. Assumes total dollars for FY 2010/11 and FY 2011/12.

Source: Redevelopment Agency of the City of San Fernando.

4. Educational Revenue Augmentation Fund (ERAF)

Several times over the last two decades, when faced with budget gaps, the State has enacted legislation requiring all redevelopment agencies to contribute to the Educational Revenue Augmentation Fund (ERAF) in order to relieve the State of some of its educational funding obligations. Faced with a state budget gap in FY 2009/10, in late July 2009 the State Legislature approved and the Governor signed into law AB 26 4x, which requires that redevelopment agencies contribute a statewide total of $1.7 billion in FY 2009/10 and an additional $350 million in FY 2010/11 to a new ERAF-related fund (“Supplemental ERAF” or “SERAF”) to further relieve the State of its educational funding obligations. The impact of this budget legislation is to require the Agency to contribute to SERAF in FY 2009/10 and FY 2010/11.

The FY 2009/10 SERAF payment was made through a loan from the Housing Fund, which the Agency will pay back before June 30, 2015, as permitted by SB 68. This Implementation Plan assumes that the SERAF payment for FY 2010/11 will be made, but the Agency's tax increment projections do not assume a continuation of annual State ERAF/SERAF payments. If the State Legislature does enact a future ERAF/SERAF contribution requirement applicable to the Agency, such a requirement would reduce the amount of tax increment revenue available for the Project Areas.

5. Revenues Available for Non-Housing Program

As indicated on Table II-3, the Agency is projected to receive approximately $38.7 million in gross tax increment revenues during the five-year Implementation Plan period and $753,000 from other Agency sources. After deducting obligations, including Housing Fund deposits, pass-through payments, Los Angeles County property tax administration fee, FY 2010/11 SERAF payment, repayment to the Housing Fund for FY 2009/10 ERAF payment, debt service payments, and Agency administration costs, the Agency will have available approximately $5.2 million in net funds available for non-housing expenditures during the five-year Implementation Plan period, including the Agency's cash balance of $111,000 at the end of FY 2009/10.[10] The Agency can potentially complement these revenues with various federal and state grant funds as described in Table II-2 above.

E. Five-Year Implementation Plan Expenditures

Table II-4 summarizes estimated non-housing program expenditures during the five-year Implementation Plan period.[11] The nature and scope of the activities and expenditures have been shaped primarily by the Agency goals and objectives for the Project Areas, available revenues for funding projects and activities, and blighting conditions to be eliminated within the Project Areas. The projected expenditures on Agency non-housing projects and activities included in Table II-4 represent an estimate based on reasonable assumptions regarding preliminary cost estimates and potential tax increment revenues over the next five years and are organized by the Redevelopment Program category. The Agency's estimated expenditures are preliminary, and allow the Agency to capitalize on potential opportunities that may arise. The Agency does not anticipate a surplus in revenues at the end of the Implementation Plan period.

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[10] If adopted, the 2011 Amendments could reduce funds for non-housing programs by about $800,000,through FY 2014/15 due to greater Housing Fund deposits required from Project Areas 1, 2 and 3.

[11] All historical and projected revenues and expenditures in this document are expressed in future value dollars, also referred to as nominal dollars.

Table II-3
Projected Revenues Available for Non-Housing Redevelopment Program
FY 2010/11–FY 2014/15
Redevelopment Agency of the City of San Fernando

	FY 2010/2011	FY 2011/2012	FY 2012/2013	FY 2013/2014	FY 2014/2015	Total
FY 2009/10 Year End Cash Balance	$111,000					
Revenues						
Gross Tax Increment	$6,923,000	$7,080,000	$7,277,000	$8,303,000	$9,155,000	$38,738,000
Other Revenue Sources[a]	$144,000	$144,000	$155,000	$155,000	$155,000	$753,000
Subtotal Revenues	**$7,067,000**	**$7,224,000**	**$7,432,000**	**$8,458,000**	**$9,310,000**	**$39,491,000**
Agency Obligations						
Less: Housing Set-Aside[b]	$1,359,000	$1,391,000	$1,429,000	$1,632,000	$1,801,000	$7,612,000
Less: Pass-through Payments	$1,839,000	$1,890,000	$1,959,000	$2,299,000	$2,645,000	$10,632,000
Less: SERAF Payment	$424,000	$0	$0	$0	$0	$424,000
Less: Repayment to Housing Fund[c]	$413,000	$413,000	$413,000	$413,000	$413,000	$2,064,000
Less: County Administration Charge[d]	$84,000	$85,000	$86,000	$99,000	$110,000	$464,000
Less: Non-Housing Administration Costs[e]	$638,000	$651,000	$665,000	$767,000	$850,000	$3,571,000
Less: Bond Debt Service[f]	$1,679,000	$1,678,000	$1,675,000	$1,675,000	$1,672,000	$8,379,000
Less: Other Non-Housing Loan Payments[g]	$588,000	$329,000	$118,000	$118,000	$117,000	$1,270,000
Subtotal Agency Obligations	**$7,024,000**	**$6,437,000**	**$6,345,000**	**$7,002,000**	**$7,608,000**	**$34,416,000**
Net Funds for Non-Housing Program[h]	**$155,000**	**$787,000**	**$1,087,000**	**$1,456,000**	**$1,702,000**	**$5,187,000**
Cumulative Funds for Non-Housing Program	**$155,000**	**$942,000**	**$2,029,000**	**$3,484,000**	**$5,187,000**	

Note: Dollar figures are rounded to the nearest thousand and may not add up precisely due to rounding. Gross tax increment figures are estimates based on financial projections.

a. Other sources of income include interest income and proceeds from the Library Plaza DDA and sale of the City Yard.

b. Housing Set-Aside payment equals 20 percent of gross tax increment.

c. The Agency borrowed from its Housing Fund to fulfill its SERAF obligation in 2010. The amount will be repayed in equal payments over the next five years.

d. County administration charge is estimated at approximately 1.2 percent of projected gross tax increment to Agency.

e. Agency administration costs include salaries and overhead, advertising and outreach and other expenses, such as supplies, training and memberships.

f. Debt service includes obligations for the 1998 and 2006 Tax Allocation Bonds.

g. Other non-housing loan payments include obligations for the City Yard, SF Mission Partners DDA, the Pool Project, and Project Area 4 formation.

h. Total includes Project Area 1A as well as fiscally-merged project areas. No funds are available for Project Area 1A after pass-through, debt service and loan payments are made. Adoption of the proposed 2011 Amendments would result in approximately $800,000 less for non-housing programs over the Implementation Plan period.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

Table II-4
Projected Expenditures for Non-Housing Redevelopment Program
FY 2010/11–FY 2014/15
Redevelopment Agency of the City of San Fernando

Redevelopment Program Category	Project Area(s) of Primary Benefit	Projected Expenditures
Economic Development		
Business Assistance and Retention		**$300,000**
Facilitate dowtown BID formation	1, 2, and 3	
Prepare and implement a retail development strategy	All	
Facilitate corporate campus development	4	
Promote and redevelop underutilized or vacant Class A industrial properties	3A	
Partner with local brokers to promote business development	All	
Redevelop 120 Macneil Street	3	
Façade renovations and rehabilitation assistance along key commercial and industrial corridors	All	
Development of Vacant and Underutilized Properties		**$750,000**
Off-site improvements adjacent to vacant properties as part of Agency-sponsored redevelopment project	3A and 4	
Facilitate project approvals for infill development on high-density residential parcels to encourage affordable housing development. Specific projects include: 131 Park Avenue, 208 Jessie Street and 112 North Alexander Street	3	
Invest in opportunity sites for commercial redevelopment and revitalization	All	
Partner with property owners for redevelopment of key sites; includes property acquisition	All	
Adaptive reuse of former auto dealerships	2	
Facilitate regional retail through redevelopment of large vacant sites (including Swap Meet)	1, 1A and 3A	
Move and consolidate the existing City Yard	3 and 3A	
Development Assistance		**$775,000**
Redevelopment of public parking lots	1, 1A and 2	
Redevelopment of underutilized sites such as 610 Ilex Street, 1551 San Fernando Road and 1661 San Fernando Road	2 and 4	
Encourage TOD throughout the Project Areas	All	
Adaptive reuse of industrial properties along First Street, Park Avenue, Jessie Street, Arroyo Avenue, and Aviation Place	3, 3A and 4	
Facilitate the development of corporate campuses within existing industrial parks	3A	
Subtotal: Economic Development		**$1,825,000**
Community Enhancements		
Public Facilities and Infrastructure Improvement		**$1,035,000**
Transit corridor and station improvements (High Speed Rail)	1, 1A, 2, 3, and 4	
Lopez Adobe rehabilitation (museum improvements and new ancillary facilities)	2	
Bus/trolley stop installations	All	
Enhance way-finding to promote better access to downtown and Civic Center areas	1, 2 and 3	
Stormwater collection and distribution system improvements	All	
Water system improvements, including water main replacement and capital equipment upgrade	All	
Sewer system improvements	All	
Improvements to City park facilities such as Recreation Park, Layne Park and Pool Facility	3 and 4	
Street Improvement and Beautification		**$1,927,000**
Streetscape and greenway beautification projects	All	
Development of Pacoima Wash as greenway with bicycle and pedestrian access	3, 3A	
Streetscape, safety and signalization improvement projects along streets such as Truman Street, San Fernando Road, Mission Boulevard, Park Avenue, S. Workman Street, Lazard Street, and railroad right-of-way	All	
Improve sidewalks, signage and streetscape along streets such as First Street, Pacoima Wash, Maclay Avenue, San Fernando Road, Truman Street, Mission Boulevard, and Brand Boulevard	All	
Street safety improvements, including curb extensions and bulbouts and signage improvements, especially on safe routes to local schools	All	
Undergrounding public utilities on Kalisher Street and Park Avenue	1A and 3	
Park and Bikeway Master Plans		**$400,000**
Develop and implement Park and Bikeway Master Plans to improve bike and pedestrian access to public transit and commercial areas	All	
Subtotal: Community Enhancements		**$3,362,000**
Total Non-Housing Program		**$5,187,000**

Source: Redevelopment Agency of the the City of San Fernando.

III. Housing Component

This chapter comprises the Housing Component of the Agency's Implementation Plan. The Housing Component summarizes the Agency's affordable housing obligations pursuant to the legal requirements of the CRL, and provides an overall framework for the Agency's Affordable Housing Program goals and expenditures.[12] Pursuant to State law, the Agency is guided by the City's adopted and certified Housing Element. The Agency intends to implement all relevant goals, policies, strategies, and programs from the Housing Element, as generally described in this chapter.

Specifically, the Housing Component of the Implementation Plan is required to set forth housing goals and objectives for the five year Implementation Plan period (FY 2010/11 through FY 2014/15), present estimates of Housing Fund deposits, describe potential projects and estimated expenditures planned for the five year Implementation Plan period, and explain how the stated goals, objectives, deposits, programs, projects, and expenditures will produce affordable housing units to meet these obligations.

This chapter includes all affordable housing planning components required by the CRL for an implementation plan, and is organized as follows:

- Section A, Statutory Requirements for Affordable Housing
  Provides an overview of the CRL requirements pertaining to affordable housing and to Housing Fund expenditure targeting requirements.
- Section B, Housing Production Plan
  Includes the estimated total number of housing units to be produced and the number of affordable housing units to be produced over two time periods: the ten year compliance period (2005 through 2014); and over the life of the Redevelopment Plans (through 2029).
- Section C, Replacement Housing Obligation
  Identifies proposed locations for replacement housing that the Agency would be required to produce if a planned project were to result in the destruction of existing affordable housing.
- Section D, Housing Fund and Other Revenue Sources
  Presents the amount available in the Housing Fund, estimates of annual deposits into the Housing Fund during the five year Implementation Plan period, and estimates of additional revenues deposited into the Housing Fund.
- Section E, Affordable Housing Program
  Includes estimates of the number of new or rehabilitated affordable housing units to be assisted by the Housing Fund during each of the five years.
- Section F, Compliance with Expenditure Targeting Requirements
  Describes how the Affordable Housing Program will satisfy Housing Fund expenditure targeting and other requirements.
- Section G, Completion of Affordable Housing Obligations
  Discusses how the Agency will complete its housing obligations over the life of the Redevelopment Plans.

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[12] Section 33490(a)(2)(A).

A. Statutory Requirements for Affordable Housing

This section summarizes the Agency's affordable housing requirements under the CRL, with relevant section references. The major statutory requirements for affordable housing imposed on redevelopment agencies by the CRL include the following:

- Affordable Housing Production [Section 33413(b)(4)]. Redevelopment agencies must assure that specified minimum percentages of new or substantially rehabilitated housing units in project areas subject to this requirement are available to very low, low and moderate income households at a legally defined affordable housing cost.[13]
- Replacement Housing [Section 33413]. Redevelopment agencies must replace within four years housing units demolished or otherwise removed from the market as a result of redevelopment activities.
- Housing Fund [Sections 33334.2, 33334.4 and 33334.6]. Redevelopment agencies are required to deposit specific percentages of tax increment revenue for the provision of affordable housing into the Housing Fund. The CRL also imposes various limits on the use of Housing Fund monies.
- Housing Program [Section 33490(a)(2)(A)]. Redevelopment agencies are required to prepare a housing program with estimates of the number and types of affordable housing units to be assisted during each of the five years of the Implementation Plan period, estimates of annual expenditures, and a description of how the housing program will satisfy specific expenditure targeting requirements.
- Housing Fund Expenditure Targeting [Sections 33334.4 and 33490(a)(2)(c)(iii)]. Redevelopment agencies are required to spend minimum percentages of Housing Fund monies on housing available to specific income groups and to non-age restricted housing. Descriptions of the Agency's Housing Fund expenditures, as well as the amount of Housing Fund monies spent on housing affordable to specific income groups over the current and previous Implementation Plan periods are required.

The sections of the Housing Component that address Housing Fund expenditure requirements must be reviewed every five years in conjunction with updating the jurisdiction's housing element or preparing the next five year Implementation Plan. Detailed explanations of the statutory requirements for affordable housing are included in the following subsections.

1. Affordable Housing Production Requirements

Redevelopment agencies administering project areas created by redevelopment plans adopted on or after January 1, 1976, and territory added to project areas by amendments adopted on or after January 1, 1976, must meet an affordable housing production requirement. As part of an implementation plan, an agency must adopt a housing production plan that summarizes how the agency intends to meet its affordable housing production requirements. The plan must be consistent with the community's housing element and must cover the following time periods:

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[13] Substantially rehabilitated units qualifying for affordable housing production requirement credit include units where the rehabilitation value constitutes at least 25 percent of the after-rehabilitation value of the unit, inclusive of land value. [Section 33413(b)(2)(A)(iii)].

- Production over the ten year compliance period (2005 through 2014); and
- Production over the life of the Redevelopment Plans (through 2029).

The housing production plan must include estimates of the number of residential units to be produced within the Project Areas. It also must include the number of units available at an affordable housing cost to very low, low and moderate-income households to be developed or substantially rehabilitated in order to meet the Agency's affordable housing obligation.[14]

As discussed in Chapter I, all of the Agency's original Project Areas were established prior to January 1, 1976 and are thus not subject to affordable housing production requirements. However, Project Area 4 was established in 1994, and Project Areas 1 and 3 contain areas that were added after January 1, 1976 (Project Areas 1A and 3A, respectively). These Project Areas are therefore subject to affordable housing production requirements. For purposes of this Implementation Plan these areas are termed the Affected Areas. If the proposed 2011 Amendments for Project Areas 1, 2 and 3 were adopted, these Project Areas would be subject to affordable housing production requirements starting in the year of adoption of the amendments, pursuant to SB 211.

a. Income Categories and Affordable Housing Cost

Agencies are specifically required to spend their Housing Fund monies to assist very low, low and moderate-income households. These categories, in addition to extremely low income, are generally defined as:

- Extremely Low Income: Up to 30 percent of AMI, adjusted for household size;[15]
- Very Low Income: Above 30 percent up to 50 percent of AMI, adjusted for household size;
- Low Income: Above 50 percent up to 80 percent of AMI, adjusted for household size; and
- Moderate Income: Above 80 percent up to 120 percent of AMI, adjusted for household size.

Table III-1 shows the maximum income limits for each income category by household size, as published in 2010 by the State of California Department of Housing and Community Development (HCD) utilizing income limits prepared by the U.S. Department of Housing and Urban Development (HUD) for Los Angeles County.[16]

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[14] Section 33413.

[15] Redevelopment agencies are not required to expend Housing Fund monies to assist extremely low-income households.

[16] In Los Angeles County, according to HUD and HCD, the income limit for low-income households exceeds median income due to the income calculation methodology employed by HUD. Although many 4-person low-income limits equal 80 percent of area median income, HUD's briefing materials specify that the low-income limits are actually calculated at 160 percent of the relevant 4-person very low-income limit, with some HUD exceptions. An exception for some high-income areas means that the 4-person low-income limit is different from what the 160 percent calculation would yield because a maximum, or cap, was applied by HUD. In sum, what is called, for example, an "80%" limit cannot be assumed in all cases to equal 80 percent of AMI or 4-person median income limit nor 160 percent of the very low-income limit.

Table III-1
2010 Los Angeles County Maximum Incomes By Income Category and Household Size
Redevelopment Agency of the City of San Fernando

Income Category	Persons per Household							
	1	2	3	4	5	6	7	8
Extremely Low	$17,400	$19,900	$22,400	$24,850	$26,850	$28,850	$30,850	$32,850
Very Low	$29,000	$33,150	$37,300	$41,400	$44,750	$48,050	$51,350	$54,650
Low	$46,400	$53,000	$59,650	$66,250	$71,550	$76,850	$82,150	$87,450
Median	$44,100	$50,400	$56,700	$63,000	$68,050	$73,100	$78,100	$83,150
Moderate	$52,900	$60,500	$68,050	$75,600	$81,650	$87,700	$93,750	$99,800

Source: California Department of Housing and Community Development.

Furthermore, housing assisted with Housing Fund monies must be available to very low, low and moderate-income households at an affordable housing cost in accordance with the CRL. These affordable housing cost definitions are presented in Table III-2.

Table III-2
Maximum Affordable Housing Cost
Redevelopment Agency of the City of San Fernando

Income Category	Rental Housing[a, b]		Ownership Housing[a, b]	
	% Income Spent on Housing	% of Area Median Income[c]	% Income Spent on Housing	% of Area Median Income[c]
Extremely Low	30%	30%	30%	30%
Very Low	30%	50%	30%	50%
Low	30%	60%	30%[d]	70%
Moderate	30%	110%	35%[d,e]	110%

a. Affordable housing costs are adjusted by the number of persons in the household.
b. Rental housing costs include rent and utility allowance. Ownership housing costs include mortgage principal and interest, homeowners association dues, taxes, insurance, maintenance and utilities.
c. CRL requires utilizing area median income figures published by HCD rather than HUD. In many instances, this causes CRL-restricted rents to be lower than either HOME rents or LIHTC rents. In the case of a project receiving both Housing Fund and HOME or LIHTC assistance, the lower CRL-restricted rents will prevail.
d. With optional higher housing cost linked to actual household income at the upper end of the income category.
e. Minimum housing cost is 28% of actual household income.

Source: CRL Section 33334.2, California Health and Safety Code Sections 50052.5 and 50053.

As an illustration, a four-person household in San Fernando with annual income up to $66,250 would qualify for a low-income housing unit, as shown in Table III-2. The maximum rent the household would pay, using information shown in Table III-2, would be $16,074 per year or $1,340 per month (30 percent of 60 percent of AMI), including a utility allowance.

b. Production Obligation

Agency Developed Housing

For agency-developed housing units, the CRL housing production obligation requires at least 30 percent of all new or substantially rehabilitated housing units to be available at affordable housing cost to persons and families of very low, low or moderate-income. Of those units, at least 50 percent must be affordable to very low-income households. This requirement, however, applies only to units developed by an agency and does not apply to units developed by housing developers pursuant to agreements with an agency. The production requirement for agency developed housing is not anticipated to apply because the Agency has not directly developed housing and does not anticipate directly developing dwelling units in the future.

Housing Not Developed by the Agency

When new dwelling units are developed in a project area by public or private entities other than the agency or when housing is substantially rehabilitated in a project area by public or private entities with agency assistance, the CRL requires that at least 15 percent of these units be affordable to very low, low or moderate-income households.[17] Of those units, at least 40 percent must be affordable to very low-income households. This affordable housing production requirement applies to the Affected Areas, as discussed below in Section B**.**

c. Covenant Requirements

Duration of Affordability Covenants

As of January 1, 2002, affordable housing units must be subject to affordability covenants of the longest feasible time, but not less than 55 years for rental units and 45 for owner occupied units to meet the affordable housing production requirement.[18] Effective January 1, 2008, for mutual self-help housing, such as housing built by Habitat for Humanity, 15-year covenants apply. An agency may permit sales of ownership units prior to the expiration of the 45-year period (and mutual self-help housing units prior to the expiration of the 15-year period) for a sales price in excess of affordable cost pursuant to a program that protects the agency's investment of Housing Fund monies, including, but not limited to, an equity sharing program that establishes a schedule of equity sharing that permits retention by the seller of a portion of the excess proceeds, based on the length of occupancy. The remainder of the excess proceeds of the sale must be allocated to the agency and deposited in the Housing Fund. Within three years from the sale of the units, the agency must spend funds to make affordable an equal number of units at the same income level

[17] Prior to 1994, the rehabilitation of any unit, whether substantial or not, triggered affordable housing production requirements. After 1993 and until January 1, 2002, housing production requirements were triggered by (a) the substantial rehabilitation of a multifamily residential project with three or more units regardless of whether an agency provided financial assistance and (b) the substantial rehabilitation of a one or two unit residential project if the project received agency assistance. AB 637 and SB 701, effective January 1, 2002, impose the affordable housing production requirement on substantial rehabilitation projects that receive agency assistance regardless of the number of units.

[18] Prior to January 1, 2002, in order for units to count towards fulfilling affordable housing production requirements, units had to be subject to affordability covenants of at least the duration of the redevelopment plan's land use controls.

as the units sold. Only the units originally assisted by the agency can count towards the agency's housing affordable housing replacement and production obligations.[19]

Recording and Enforcement of Covenants

An agency must require the recording of affordability covenants or restrictions with the office of the county recorder of covenants or restrictions for each parcel or unit. Covenants and restrictions must run with the land.[20] An agency must comply with additional requirements for covenants or restrictions recorded on or after January 1, 2008. The Agency must maintain a copy of the covenants or restrictions for the time period of the restriction. Covenants and restrictions are enforceable by the agency or city.[21]

Agency Acquisition of Affordability Covenants

To satisfy the affordable housing production requirements, an agency may purchase or otherwise acquire affordability covenants on existing multifamily housing units that are not presently available at affordable housing cost, or are available to households of very low or low incomes but are units that the agency finds, based on substantial evidence after a public hearing, cannot reasonably be expected to remain affordable to the same group of persons or families. Affordable units made available by an agency's acquisition of long-term affordability covenants may count towards the agency's affordable housing obligation. The covenants must be for a term of not less than 55 years for rental units and 45 years for ownership units. However, no more than 50 percent of an agency's housing obligation can consist of units made available by the acquisition of long-term affordability covenants. Furthermore, not less than 50 percent of the units made available by the acquisition of affordability covenants shall be available at an affordable housing cost to, and occupied by, very low-income households. To date, the Agency has not purchased, or otherwise acquired, any affordability covenants on existing multifamily housing units.

d. Compliance with Production Requirements

Aggregation of Units

An agency must meet its production requirements for each individual project area, unless the agency makes a finding that aggregating its production requirements will not cause or exacerbate racial, ethnic or economic segregation.[22] The Agency is proposing to adopt this required finding in conjunction with the adoption of this Implementation Plan, and aggregate production for all Project Areas. Thus, this Implementation Plan presents the Agency's housing obligation in aggregate for the Affected Areas.

Units Produced Outside of Project Areas

As of January 1, 1994, affordable housing units produced outside of a project area count towards meeting an agency's affordable housing production obligation on a two-for-one basis.[23] For

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[19] Section 33413(c)(1) and Section 33413(c)(2).

[20] Sections 33334.3(f)(1) and (2).

[21] Section 33413(c)(3).

[22] Section 33413(b)(2)(A)(v).

[23] Section 33413(b)(2)(A)(ii).

example, if 100 affordable units were produced outside of a project area, 50 units would count towards the obligation.[24]

Mutual Self-Help Housing Units

Affordable housing units built within a project area by mutual self-help housing groups count towards meeting an agency's affordable housing production obligation on a three-for-one basis. Such units constructed outside of a project area count on a six-for-one basis.

Fulfillment of Affordable Housing Production Obligation

The housing production obligation must be fulfilled every ten years starting on December 31, 2004 for older project areas and prior to the time limit on a redevelopment plan's effectiveness. Under the CRL, a redevelopment project cannot be terminated if an agency has not met its affordable housing production requirements. Refer to Section G for further detail regarding this requirement and the Agency's progress towards meeting its obligation prior to the time limit on plan effectiveness.

2. Replacement Housing

The requirements for replacement housing apply to all project areas, regardless of their date of adoption.[25] When residential units housing very low, low and moderate-income households are destroyed or removed from the market, or are no longer affordable due to agency action or assistance, an agency must cause the replacement of the units within four years. Each replacement unit must include at least the same number of bedrooms as the units that were removed. The units may be replaced with fewer units if an equal or greater number of bedrooms are provided. For example, four two-bedroom units may be replaced with two four-bedroom units. At least 30 days prior to an agency acquiring a property or adopting an agreement that will lead to the destruction or removal of housing units occupied by very low, low or moderate-income households, an agency must adopt by resolution a Replacement Housing Plan that generally describes the location, timing and method by which the replacement housing will be provided.[26]

An agency may either construct replacement housing, or assist with the development of replacement housing through agreements with housing developers. Replacement units may be located anywhere within the territorial jurisdiction of an agency.

a. Income and Affordability Requirements

The basic income and affordability standards for replacement housing are the same as those for the affordable housing production requirement and for use of Housing Fund monies, as described in Section A.3 below. The units must be available at housing costs affordable to very low, low and moderate-income households. As of January 1, 2002, the CRL requires 100 percent of replacement units to be available at affordable housing cost to the same income level of

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[24] For purposes of this Implementation Plan, units produced outside of the Affected Areas are counted on a two-for-one basis.

[25] Project Areas adopted before 1976 are required to follow all replacement housing requirements forward from January 1, 1996, per Section 33413(d)(1).

[26] Section 33413.5.

households as the households displaced.[27] Replacement units are not required to match the tenure type (rental or ownership) or tenancy type (age restricted or non-age restricted) of the units that were destroyed or removed from the market.

b. Duration and Enforceability of Affordability Covenants

The affordability duration and enforceability requirements for replacement housing are the same as those required for affordable housing production. Please refer to Section A.1.c. above for a description of these requirements.

c. Priority Households

An agency must give priority in renting or buying housing developed as part of a redevelopment project to households displaced by an agency regardless of whether the units are inside or outside of a project area. As of January 1, 2002, an agency is required to maintain a list of displaced households who are to be given priority. An agency may establish rules to determine priority.

The Agency does not anticipate that any of its current or planned redevelopment activities would require the relocation of households in any of its Project Areas. However, if future redevelopment activities were to require relocation, the Agency would make every effort to minimize the extent of relocation in the Project Areas. All affected households would be eligible for the Agency's relocation program. Furthermore, the Agency would meet its replacement housing obligations, as described above.

3. Housing Fund Requirements

The CRL requires an agency to set aside at least 20 percent of all tax increment revenue generated from project areas into a separate Housing Fund, which must be used for the purpose of increasing, improving and preserving the community's supply of affordable housing.[28] If the proposed 2011 Amendments are adopted, the Agency must deposit an additional 10 percent of all tax increment revenue generated from Project Areas 1, 2 and 3 into the Housing Fund starting in the first fiscal year after adoption (FY 2012/13). The Agency's deposits into the Housing Fund are described further in Section D. Restrictions and requirements for use of the Housing Fund are described below.

a. Affordability Covenants

Housing assisted by the Housing Fund must be available to and occupied by very low, low and moderate-income households at an affordable housing cost in accordance with the CRL affordable housing cost definitions presented above in Table III-2.[29] Furthermore, the CRL requires the placement and recordation of affordability controls on any new or substantially

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[27] For dwelling units destroyed or removed after September 1, 1989 and before January 1, 2002, the CRL required that 75 percent of the replacement units be available at affordable housing cost to the same income level of households (very low, low or moderate income) as were displaced from the units removed or destroyed [Section 33413(a)].

[28] Sections 33334.2 and 33334.3.

[29] For housing assisted by Housing Fund monies prior to January 1, 1991, affordable housing cost is defined as rent or cost for rental or ownership housing that does not exceed 25 percent of the household's gross income.

rehabilitated housing assisted with Housing Fund monies. Specific requirements regarding the duration, recording and enforcement of these covenants are described below.

Duration of Covenants

The affordability duration requirements for units assisted by the Housing Fund are the same as those required for affordable housing production. Refer to Section A.1.c. above for a description of these requirements.

Recording and Enforcement of Covenants

The recording and enforceability requirements for units assisted by the Housing Fund are the same as those required for affordable housing production. Refer to Section A.1.c. above for a description of these requirements.

For all units assisted by the Housing Fund on or after January 1, 2008, a separate document called a "Notice of Affordability Restriction on Transfer of Property" must be filed with the covenant.[30]

b. CRL Restrictions on Use of the Housing Fund

An agency must meet the following additional legal requirements with respect to the expenditure of Housing Fund monies.

Housing Fund Leveraging

The CRL prohibits agencies from using Housing Fund monies to the extent that other reasonable means of private or commercial financing for new or substantially rehabilitated units at the same level of affordability and quantity are reasonably available.[31] When more than 50 percent of an affordable housing development's funding is provided from the Housing Fund, an agency must make a finding that no other private or commercial means of financing the units at the same level of affordability and quantity could be reasonably obtained.

Limitations on the Use of Housing Fund Monies for Infrastructure and Public Improvements

The CRL imposes limits on the use of Housing Fund monies for the construction of infrastructure and public improvements.[32] The conditions under which Housing Fund monies may be used to fund these types of projects are:

- The improvements must be a reasonable and fundamental component of the new construction or rehabilitation of income restricted housing units that are directly benefited by the improvements.
- A 55-year affordability control must be imposed on rental units, and a 45-year affordability control must be imposed on ownership units. Covenant and deed restrictions must be recorded with the agency.
- If the newly constructed or rehabilitated affordable units are part of a larger project such as a mixed income or mixed-use project, Housing Fund monies may only be utilized for a pro rata

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[30] Section 33334.3(f).

[31] Section 33334.3(j).

[32] Section 33334.2(e)(2).

share of the cost of the improvements benefiting the affordable housing. For mixed income residential developments, the maximum amount is based on the ratio of the number of affordable units to the total number of housing units. For mixed-use projects, the maximum is based on the ratio of total cost of the affordable units to the total cost of the project.

Limitations on the Use of Housing Fund Monies Outside of Project Areas

The CRL imposes restrictions on the use of Housing Fund monies outside of an agency's project areas. These restrictions include:

- An agency can use funds outside a project area only upon resolution by the agency and legislative body that the use will be of benefit to the project area.[33]
- If an agency has more than one project area, it can only spend housing funds from one project area in other areas pursuant to a resolution by the agency and legislative body that such use of the funds will benefit the project area contributing the housing funds.[34]
- For merged project areas, Housing Fund monies may only be spent outside the merged areas upon resolution of the agency and the legislative body that the use will be of benefit to the merged project area.[35]

4. Housing Program Requirement

Agencies are required to prepare a Housing Program with estimates of the number of new, rehabilitated, or price restricted affordable housing units to be assisted during each of the five years of the Implementation Plan period. The Housing Program must also include estimates of deposits into the Housing Fund and expenditures of monies from the Housing Fund during each of the five years. Finally, it must include a description of how it will implement the expenditure requirements over the ten-year compliance period. Section E describes the Agency's Housing Program. [36]

5. Expenditure Targeting Requirements

The CRL imposes Housing Fund expenditure requirements based on the proportion of unmet need for housing affordable to households of very low, low and moderate incomes within a community. The CRL also requires a minimum percentage of Housing Fund expenditures be spent on non-age restricted housing, and places other limits on the use of Housing Fund monies.[37] These requirements are discussed below. The Agency's compliance with the expenditure targeting requirements is discussed in Section F.

a. Targeting According to Income Category

Under the CRL, Housing Fund monies must be spent to assist low and moderate-income households in at least the same proportion as the ratio of the number of housing units needed for

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[33] Section 33334.2(g).

[34] Section 33334.2(i).

[35] Section 33487(b).

[36] Section 33490(a)(2)(A).

[37] Section 33334.4.

very low, low and moderate-income groups in the community to the total number of affordable housing units needed within the community. The Southern California Association of Governments (SCAG) has determined the affordable housing need for the City of San Fernando through its Regional Housing Needs Allocation (RHNA) for 2007 through 2014. Table III-3 shows the 2007–2014 RHNA allocation for housing affordable to persons at or below 120 percent of AMI.

An agency may adjust the required expenditure percentages for each income category by subtracting from the RHNA the number of units for households of each income category that are constructed with other locally controlled funds for affordable housing so long as such units are produced without agency assistance and their continued affordability is ensured through long-term affordability covenants (45 years for ownership units and 55 years for rental units).[38] Locally controlled assistance means use of funds where the local government entity has discretion and authority to determine the recipient and the amount of assistance. Examples of such funding include Community Development Block Grant (CDBG) Program, HOME Investment Partnership Program (HOME), and fees received by a city pursuant to a city-authorized program.

Table III-3
SCAG Regional Housing Needs Allocation (RHNA) 2007–2014 and Housing Fund Expenditure Targeting Requirements by Income Category
Redevelopment Agency of the City of San Fernando

Income Category	**Total Housing Units Needed[a]**	**Expenditure Percentage by Income Category**
Very Low (0-50% AMI)	62	At least 44%
Low (51-80% AMI)	38	At least 27%
Moderate (81-120% AMI)	42	No more than 30%
Total	**142**	

a. Excludes 109 units in the above-moderate category. Total RHNA is 251 units.

Source: SCAG Regional Housing Needs Allocation 2007-2014, Seifel Consulting Inc.

No affordable housing units have been produced in San Fernando with locally controlled funds and without Agency assistance. Thus, as Table III-3 indicates, the Agency is required to spend Housing Fund monies in the following proportions: at least 44 percent for units affordable to very low-income households, at least 27 percent for units affordable to low-income households, and no more than 30 percent on units affordable to moderate-income households. The Agency is entitled to spend a disproportionate amount of the funds for very low-income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for low-income housing by reducing the amount of funds allocated to housing affordable to moderate-income households. In no event, however, can the expenditures targeted to units affordable to moderate-income households exceed the threshold amount (30 percent).

38 Health and Safety Code Section 33334.4(a). An agency cannot subtract units developed pursuant to a replacement housing obligation under federal or state law.

b. Targeting to Non-Age Restricted Housing

In addition to the income targeting expenditure requirement outlined above, a defined minimum percentage of Housing Fund monies must be spent on housing available to all persons regardless of age. Prior to 2005, this percentage was equal to the proportion of the population under age 65 to the total population of the community as reported in the most recent U.S. Census. The proportion of the population under age 65 in San Fernando in 2000 was 93 percent. In 2005, however, the state Legislature amended the method of determining the minimum percentage of Housing Fund expenditures on non-age restricted housing to be equal to the proportion of the low-income population under age 65 to the total low-income population of the community, as reported in the most recent U.S. Census.

Table III-4 shows that, according to the 2000 U.S. Census, 79 percent of low-income households in San Fernando have a householder less than 65 years of age.[39] Thus, the Agency must spend at least 79 percent of its Housing Fund on housing that does not impose age restrictions on residents, and may spend a maximum of 21 percent of its Housing Fund on senior housing.

Table III-4
Housing Fund Expenditure Targeting Requirements for Non-Age Restricted Housing
Redevelopment Agency of the City of San Fernando

Age Targeting[a]	**Low-Income Households**[b]	**Percentage of Housing Fund Expenditures**
With householder under age 65	2,889	79% minimum expenditures
With householder age 65 and over	779	21% maximum expenditures
Total	**3,668**	**100% total expenditures**

a. Based on 2000 U.S. Census data showing households by income and householder age. Data is not available for households by household member ages.
b. Four-person households in the City of San Fernando earning 80 percent or less of AMI ($52,100) based on income limits published by HCD in 2000. The 2000 U.S. Census indicates the average household size in the City of San Fernando is 4.07 persons.

Source: 2000 U.S. Census, HCD Income Limits 2000, Seifel Consulting Inc.

6. Completion of Housing Obligations

The CRL requires that an agency comply with and fulfill its affordable housing responsibilities, including Housing Fund expenditures, replacement housing, and affordable housing production responsibilities, over each of the ten year compliance periods and prior to the expiration of the time limit on redevelopment plan effectiveness. A redevelopment project cannot be terminated if an agency is not in compliance. The affordable housing obligations to be fulfilled prior to the expiration of redevelopment plan effectiveness are as follows:

[39] The Census does not report the total low-income population of a community, and thus the proportion of low-income households must be used instead. Furthermore, the Census does not report low-income household information according to the age of household members, but rather identifies households by the age of the householder.

- Make deposits to and expenditures from the Housing Fund
- Eliminate Housing Fund deficits
- Spend or transfer excess surplus funds
- Provide relocation assistance
- Provide replacement housing
- Provide inclusionary housing

The CRL further requires that for a redevelopment project that is within six years of reaching its time limit on plan effectiveness, an implementation plan needs to address the ability of the agency to comply with its affordable housing responsibilities within that time. The Agency's compliance with these requirements for Project Areas 1, 2 and 3 is discussed in Section G.

B. Housing Production Plan

This section constitutes the Agency's Housing Production Plan, and includes the affordable housing obligation over the current ten-year compliance period and over the life of the Redevelopment Plans. The Housing Production Plan includes estimates of housing production subject to the affordable housing production requirements and the Agency's strategy for meeting its affordable housing production obligation.

As discussed in Chapter I, all of the Agency's original Project Areas were established prior to January 1, 1976 and are thus not subject to affordable housing production requirements. However, Project Area 4 was established in 1994, and Project Areas 1 and 3 contain areas that were added after January 1, 1976 (Project Areas 1A and 3A, respectively). These Project Areas are therefore subject to affordable housing production requirements. For purposes of this Implementation Plan, these areas are termed the Affected Areas. If the proposed 2011 Amendments were adopted, Project Areas 1, 2 and 3 would be subject to affordable housing production requirements starting in the year of adoption of the 2011 Amendments.

This section addresses in detail the Agency's Housing Production Plan for the Affected Areas. As discussed above, rather than present the production obligation individually by individual Project Area, this plan presents the Agency's housing production obligation in aggregate for the Affected Areas.

Table III-5 details housing production in the Affected Areas, including: the Agency's affordable housing obligation through 2004, the current ten-year compliance period and over the life of the Plans; and the Agency's progress toward meeting this obligation. Appendix A shows a list of affordable housing developments in San Fernando that are counted towards the Agency's affordable housing production requirement.

1. Housing Production in the Affected Areas

The Agency projects that a total of 426 housing units could potentially be produced in the Affected Areas over the life of the Redevelopment Plans. For purposes of the Housing Production

Plan, the term “produced” includes newly constructed and substantially rehabilitated units.[40] The Housing Production Plan assumes aggregation of units for all Project Areas.[41]

a. Historical Production (through 2004)

The Agency reports that 10 units have been produced in the Affected Areas through 2004.

b. Projected Housing Production

The Agency has evaluated the potential for future housing production in the Affected Areas through the end of the Redevelopment Plans in the San Fernando Corridors Specific Plan. Based on this evaluation of remaining developable residential land, potential increases in allowable density, the potential for substantial rehabilitation with Agency assistance, and other opportunities, the Agency has estimated the number of units to be produced in the Affected Areas over the ten-year compliance period and through the life of the Redevelopment Plans.

Ten-Year Production (2005 through 2014)

In the first five years of the current ten-year compliance period, from 2005 to 2009, the Agency reports that 48 units were produced in the Affected Areas. During the next five years, the Agency estimates 128 units will be produced in the Affected Areas. Thus, the Agency estimates that a total of 176 units could potentially be produced over the ten-year compliance period.

Production over Life of Redevelopment Plans

The Agency projects that 240 units could potentially be produced within the Affected Areas from 2015 through the end of the Redevelopment Plans in 2029.[42] Thus, combined with historical production through 2004 and estimated production from 2005 through 2014, the Agency estimates that a total of 426 units could potentially be produced in the Affected Areas prior to the end of the Redevelopment Plans, as shown in Table III-5.

2. Affordable Housing Obligation and Production

The Agency’s affordable housing production requirement must be satisfied for each successive ten-year period during the life of the Redevelopment Plans, as well as over the life of the Redevelopment Plans. Consequently, the Housing Production Plan is organized to meet the CRL requirements for the current ten-year compliance period (FY 2004/05 through FY 2013/14) as

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[40] Prior to 1994, the rehabilitation of any unit triggered affordable housing production requirements whether substantial or not. After 1993 and until January 1, 2002, housing production requirements were triggered by (a) the substantial rehabilitation of a multifamily residential project with three or more units regardless of whether an agency provided financial assistance; and, (b) the substantial rehabilitation of a one or two unit residential project if the project received Agency assistance. AB 637 and SB 701, effective January 1, 2002, impose the affordable housing production requirement on substantial rehabilitation projects that receive agency assistance. Table III-1 reflects substantially rehabilitated units compliant with existing law at the time of rehabilitation. As of January 1, 2002, the CRL defined “substantially rehabilitated units” as all units substantially rehabilitated with agency assistance. “Substantial rehabilitation” means rehabilitation, the value of which constitutes at least 25 percent of the after-rehabilitation value of the housing unit, inclusive of land value.

[41] As discussed in Section A.1 above, the Agency is proposing to aggregate production for all Project Areas.

[42] The individual project areas within the Affected Areas have different expiration dates, as follows: Project Area 1A will expire in 2029, Project Area 3A and Project Area 4 will expire in 2026.

well as over the life of the Redevelopment Plans. The Agency has actively pursued, and will continue to pursue, affordable housing activities including assistance to affordable housing developers with predevelopment funding, site selection, land assembly, and infrastructure improvements.

a. Historical Production and Affordable Housing Obligation Through 2004

Housing obligations, as defined by the CRL, require that of the 10 units produced in the Affected Areas through 2004, two must be affordable units (15 percent), of which one unit (40 percent) must be affordable to very low-income households.

The Agency has exceeded its affordable housing production obligation for this period. As of 2004, 13 affordable units produced citywide were credited towards the production requirement, of which 2 are affordable to very low-income households, as shown in Table III-5.[43] Thus, the Agency has a production surplus of 11 affordable housing units going into the current compliance period.

b. Ten Year Housing Production and Affordable Housing Production Obligation (2005 through 2014)

Based on actual and estimated production during the current ten-year compliance period, housing obligations as defined by the CRL require that of the 176 units projected to be produced in the Affected Areas from 2005 through 2014, 27 must be affordable units (15 percent), of which 11 units (40 percent) must be affordable to very low-income households.

From 2005 through 2009, 54 affordable units were credited towards the production requirement, of which 28 are affordable to very low-income households, as shown in Table III-5. Thus, the number of affordable units produced in the first half of the compliance period exceeds the total production obligation for the compliance period. The Agency anticipates that 150 affordable units will be credited towards the production requirement during the current compliance period, of which 96 units will be affordable to very low-income households. Thus, the Agency expects to exceed the CRL requirements for affordable housing during the compliance period.

c. Housing Production and Affordable Housing Production Obligation over the Life of the Redevelopment Plans

The Agency has evaluated the potential for future housing production in the Affected Areas through the end of the Redevelopment Plans, based on the Agency's analysis of the potential for new development on existing vacant residential parcels, the possibility for inclusionary agreements with market rate housing developers, and the anticipated dates of development.

The Agency estimates that an additional 240 units could potentially be constructed within the Affected Areas from 2005 through the end of the Redevelopment Plans. Based on this projection, the Agency would have an obligation to ensure that at least 36 units (15 percent) are affordable to very low, low and moderate-income households. Of these, at least 15 units (40 percent) must be

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[43] Affordable units developed inside the Affected Areas count on a one-for-one basis; affordable units developed outside the Affected Areas count on a two-for-one basis. Thus, of the 21 affordable units developed outside of the Affected Areas, 10 were counted toward the Agency's affordable housing production obligation.

affordable to very low-income households. The Agency anticipates that 41 affordable units will be credited towards the production requirement during this period, with 16 of these units affordable to very-low income households.

Over the life of the Redevelopment Plans, if housing production estimates are accurate, the Agency will have an obligation to ensure that at least 64 units (15 percent) are affordable to very low, low and moderate-income households. Of these, at least 26 units (40 percent) must be affordable to very low-income households. The Agency anticipates that 204 total housing units affordable to very low, low and moderate-income households will be credited towards the production requirement over the life of the Redevelopment Plans, and that of these units, 114 units will be affordable to very low-income households. Thus, the Agency expects that it will exceed its affordable housing production obligation over the life of the Redevelopment Plans.

3. Agency's Plan to Meet Its Affordable Housing Production Obligation

The Agency has actively pursued affordable housing activities, including assistance to affordable housing developers with predevelopment assistance, funding, site selection, and infrastructure improvements, as well as inclusionary agreements with developers of market rate housing and purchasing of affordability covenants. The Agency plans to continue to support the development of affordable housing within the Affected Areas and the remainder of the Project Areas, and plans to meet its obligation through Agency assistance for affordable housing development, negotiated inclusionary requirements with housing developers, and purchases of affordability covenants in existing market-rate housing developments. Anticipated future projects will continue the Agency's compliance over the current ten-year compliance period and through the remaining life of the Redevelopment Plans.

4. Replacement Housing

Based on information contained in the FY 2005/06 through FY 2009/10 Mid-Plan Update, a total of three low and moderate-income housing units have been removed from the Project Areas due to Agency action from the dates of adoption to 1999. These units were located on Kewen Street in Project Area 1A. The Agency provided for the three units of required replacement housing as part of the low and moderate-income Park Vista Senior Apartments, with the balance of this development credited towards the Agency's affordable housing production obligations.

In addition to the three units removed through 1999, a total of 17 low and moderate-income units were removed by the Agency from 2000 through 2006. These units were removed as a result of the Agency-assisted Las Palmas II and Park Avenue senior housing developments. The Agency acquired the sites, relocated the existing tenants, and demolished the existing structures to prepare the site for conveyance to the developer. The balance of the units in this development was credited towards the Agency's affordable housing production obligations.

The Agency does not anticipate undertaking additional activities or providing assistance to activities that will result in the destruction or removal of housing units affordable to low or moderate-income households within the Project Areas during the current Implementation Plan period. However, if future Agency activities were to result in the destruction or removal of dwelling units occupied by low or moderate-income persons or families, the Agency will meet all statutory time requirements for relocation benefits and assistance, and for replacement housing.

Table III-5
Housing Production and Affordable Housing Obligation
Redevelopment Agency of the City of San Fernando

	Historical Through 2004	2005-2009	2010-2014	Current Compliance Period 2005 - 2014[a]	2015 - End of Plans[b]	Total over Life of Plans[c]
Housing Production in Affected Areas[d]						
New Units	10	48	128	176	240	426
Substantially Rehabilitated	0	0	0	0	0	0
Total	**10**	**48**	**128**	**176**	**240**	**426**
CRL Affordable Housing Obligation[e]						
Very Low Income	1			11	15	26
Very Low, Low or Moderate Income	2			27	36	64
Affordable Housing Credited Toward Production[f]						
Very Low Income	2	28	61	89	16	107
Very Low, Low or Moderate Income	13	54	96	150	41	204
Affordable Housing Production Surplus (Deficit)[g]						
Very Low Income	1			78	1	81
Very Low, Low or Moderate Income	11			123	5	140

Note: CRL affordable housing production requirements are rounded up to the nearest whole unit. Assumes aggregation of units for all Project Areas.

a. As required by CRL Section 33490(a)(2)(B), total units over the ten year compliance period. For 2005 through 2010, housing production numbers are based on actual units constructed. Estimated production is used for the remainder of the compliance period.

b. As required by CRL Section 33490(a)(2)(B), estimate of production for next ten year compliance period (2015-2024) and through end of the Redevelopment Plans (2029). Production estimates based on the Negative Declaration for the San Fernando Corridors Specific Plan.

c. As required by CRL Section 33490(a)(2)(B), estimate of total units over the life of the Redevelopment Plans.

d. Total units produced in the Affected Areas during the specified time period.

e. Number of affordable units required based on total number of units produced. Affordable housing production obligation for non-Agency developed housing requires 15% of total units to be available at affordable cost to very low, low and moderate-income households. Of those units, at least 40% must be affordable to very low-income households (6% of the total units).

f. Number of units satisfying CRL affordable housing production obligation requirements at the time they were produced. Affordable units produced outside the Affected Areas are counted on a two-for-one basis. Does not include units produced to satisfy replacement housing obligations. Total does not equal actual number of units produced.

g. Remaining affordable housing surplus or deficit at the end of the period.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

C. Housing Fund and Other Revenue Sources

This section describes the history, status and estimated future amount of Housing Fund revenues. The Agency will undertake housing programs during the current Implementation Plan period based on the amount of revenue available from the Housing Fund and other sources. Table III-6 at the end of this section shows the Agency's projected Housing Fund revenues. After adding Housing Fund deposits, repayment of the SERAF loan, other Agency income, and the balance in the Housing Fund as of July 1, 2009, and subtracting repayments on the 2002 CalHFA loan, the Agency will have approximately $8.8 million available for its Affordable Housing Program through the end of FY 2014/15.

1. History and Status of the Housing Fund

The CRL requires an agency to set aside 20 percent of its annual tax increment revenues into the Housing Fund for the purpose of increasing, improving and preserving the community's supply of affordable housing. The Agency has made deposits to the Housing Fund in an amount not less than 20 percent of the cumulative tax increment revenue allocated to the Agency. The cash balance in the Housing Fund is estimated at $244,000 as of July 1, 2010, as shown in Table III-6.

Deposits to Housing Fund during the Implementation Plan Period

The 20 percent portion of annual property tax increment revenue deposited by the Agency into its Housing Fund will continue to be an important source for the Agency's affordable housing activities during the Implementation Plan period. Over the next five years, the Agency plans to continue to deposit funds from its Project Areas into the Housing Fund. Based on financial projections, the Agency estimates that the cumulative deposits of tax increment revenue into the Housing Fund between FY 2010/11 and FY 2014/15 will be approximately $8.8 million, as shown in Table III-6 below. As discussed previously, Housing Fund deposits would increase by about $800,000 if the proposed 2011 Amendments were adopted.

2. SERAF Loan Repayment

As discussed previously, the Agency borrowed from its Housing Fund to make its required FY 2009/10 SERAF payment. This loan will be repaid to the Housing Fund in annual amounts of $413,000 from FY 2010/11 through FY 2014/15, as shown in Table III-6.

3. Other Agency Income

Other revenues include interest income, revenues from land sales and loan repayment income from the Agency's First Time Homebuyer and Rehabilitation Loan Programs.

4. Other Revenue Sources

Additional revenue sources include private investment and federal and state grants. Some of the more important federal and state funding sources for affordable housing are: CDBG, HOME, and other HUD funds. The Agency will seek to combine its Housing Fund revenue with other funding sources devoted to the provision of affordable housing to maximize the number of affordable units that can be developed or rehabilitated.

Table III-6
Projected Revenues Available for Housing Program
FY 2010/11–FY 2014/15
Redevelopment Agency of the City of San Fernando

	FY 2010/2011	FY 2011/2012	FY 2012/2013	FY 2013/2014	FY 2014/2015	Total
FY 2009/10 Year End Cash Balance	$244,000					
Revenues						
Housing Fund Deposit[a]	$1,359,000	$1,391,000	$1,429,000	$1,632,000	$1,801,000	$7,612,000
Agency Repayment of SERAF Loan[b]	$413,000	$413,000	$413,000	$413,000	$413,000	$2,064,000
Other Revenues[c]	$27,000	$27,000	$27,000	$27,000	$27,000	$135,000
Subtotal Revenues	**$1,799,000**	**$1,831,000**	**$1,869,000**	**$2,072,000**	**$2,241,000**	**$9,811,000**
Obligations						
Less: CalHFA Loan Repayment[d]	$600,000	$700,000	$0	$0	$0	$1,300,000
Net Funds for Housing Projects and Activities[e]	**$1,442,000**	**$1,131,000**	**$1,869,000**	**$2,072,000**	**$2,241,000**	**$8,755,000**
Cumulative Funds for Housing Programs	**$1,442,000**	**$2,573,000**	**$4,442,000**	**$6,514,000**	**$8,755,000**	

Note: Dollar figures are rounded to the nearest thousand and may not add up precisely due to rounding.

a. Housing Fund deposit equals 20 percent of gross tax increment to the Agency.

b. The Agency borrowed from its Housing Fund to fulfill its SERAF obligation in 2010. The amount will be repayed in equal payments over the next five years.

c. Other revenues include interest, revenues from land sales and loan repayment income from the Agency's First Time Homebuyer and Rehabilitation Loan Programs.

d. In August 2002, the California Housing Finance Agency (CalHFA) loaned the Agency $1,000,000 at 3 percent interest for the purpose of financing affordable The amounts shown in this table are loan repayments. Actual expenditures for the Las Palmas I and II and Park Avenue Senior projects are included in the calculation of expenditure targeting for January 1, 2002 through June 30, 2010 as shown in Appendix Table B-1.

e. FY 2010/11 total includes FY 2009/10 year end cash balance.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

D. Affordable Housing Program

During the five year Implementation Plan period, the Agency will concentrate on housing activities that are most applicable to the Agency's goals and objectives. In developing its Affordable Housing Program, the Agency has been guided by the goals, policies and programs of the Housing Element, which is incorporated into the Implementation Plan by this reference. The goals stated in the Housing Element are as follows:

- Maintain and enhance the quality of existing housing, neighborhoods and health of residents.
- Provide a range of housing types to meet community needs.
- Assist lower income tenants in finding the appropriate resources to allow them to remain in the community.
- Provide opportunities for moderate-income households to become first-time homebuyers.

The Agency is committed to creating affordable housing that assists the City in achieving the goals presented in the Housing Element, as permitted under the CRL. To further this goal, the Agency has developed an Affordable Housing Strategy for expenditure of Housing Fund monies during the Implementation Plan period. This Affordable Housing Strategy also addresses the additional requirements for production of affordable housing and expenditure of Housing Fund monies resulting from the 2011 Amendments. The Affordable Housing Strategy is a separate document, which would be adopted in conjunction with the Implementation Plan.

1. Affordable Housing Program Description

The Agency recognizes the important role of the Affordable Housing Program and its activities in its overall Redevelopment Program. Consequently, the proposed Affordable Housing Program should not be viewed simply as the means of implementing the Agency's stated goals and objectives related to affordable housing, but as a key element in its overall blight alleviation and revitalization efforts. The Affordable Housing Program has two primary components, as follows:

a. Housing Development

The Agency will assist private for-profit and/or nonprofit developers with land write-downs and/or development subsidies as well as predevelopment assistance in order to facilitate the development of new rental housing opportunities. Due to the high per unit cost of subsidizing development of ownership housing for very low and low-income households, the Agency will primarily seek to provide ownership units for low and moderate-income households through its housing assistance programs, and will focus on development of rental units for very low and low-income households.

Affordability of ownership units will be ensured through recording with the County Recorder of a deed of trust and resale restrictions against the property that provide for resale to qualified low or moderate-income households or for recapture of the Housing Fund investment provided to the unit. Affordability for rental units will be enforced through deed restrictions and language incorporated into loan and lease documents.

Most rental developments are expected to incorporate other funding sources, such as Low Income Housing Tax Credit (LIHTC) program funds. Sites for new construction projects will be primarily vacant or underutilized lots as identified in the San Fernando Corridors Specific Plan.

b. Housing Assistance Programs

The Agency funds and coordinates housing assistance programs aimed at preserving, improving and increasing the supply of affordable housing in the Project Areas and across the City. Due to limited funds available in FY 2010/11, the Housing Assistance Programs will be funded starting in FY 2011/12. These programs are described below.

Residential Rehabilitation Program

The Residential Rehabilitation Program provides assistance to owners of single-family homes through two tracks. The first track provides loans of up to $50,000 to low and moderate-income households to undertake major rehabilitation, general property repairs, seismic retrofit, code deficiency repairs, and emergency repairs. The second track provides grants of up to $3,500 to very low and low-income households to address health and safety related issues.

First Time Homebuyer Program

The First Time Homebuyer Program currently provides low interest loans of up to $45,000 to moderate-income households to purchase their first home. Under the program, the recipients may apply the loan to the down payment and/or eligible closing costs and loan fees.

Apartment Inspection Program

The Agency is planning to initiate a residential inspection program in the second year of the Implementation Plan period. The program will focus on multi-family housing and will utilize HUD’s housing quality standards to evaluate housing conditions. The Agency expects to leverage Housing Fund monies for costs associated with training staff to perform inspections.

2. Affordable Housing Program Activities

The Agency’s Housing Fund will be used to fund specific programs and development projects, but will be used in a flexible manner to enable the Agency to respond to favorable development opportunities as they arise. The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state funds, as well as loans for property acquisition, on and off-site improvements, predevelopment costs, and development fees. In carrying out its purpose to preserve, improve and increase the affordable housing supply, the Agency may use the following methods:

- Acquire land or building sites.
- Improve land or building sites with on-site or off-site improvements.
- Donate land to private or public persons or entities.
- Construct or substantially rehabilitate buildings or structures.
- Provide subsidies to, or for the benefit of, persons or families of very low, low, or moderate income.
- Develop plans, pay principal and interest on bonds, loans, advances or other indebtedness, or pay financing or carrying charges.

- Require the integration of affordable housing with sites developed for market-rate housing.

a. Housing Development

Due to the Agency's greater ability to leverage outside funding for all-affordable rental development (as opposed to mixed market-rate and affordable) the Agency will primarily seek to assist projects that provide 100 percent affordable units. The Agency currently plans to allocate Housing Fund monies to specific developments during the five-year Implementation Plan period, as follows:

Los Angeles Housing Partnership (LAHP) Project (1422 San Fernando Road)

The Agency plans to provide land write-down and pre-development assistance to Los Angeles Housing Partnership (a non-profit affordable housing developer) totaling approximately $590,000 over the next five years to construct 20 very low-income rental units on a vacant Agency-owned property located in Project Area 4. In October 2010, the Agency entered into an Exclusive Negotiating Agreement (ENA) with LAHP. Agency assistance would be primarily a land donation of $1.3 million.

Affordable Housing Development at 1320 San Fernando Road

The Agency plans to provide pre-development assistance starting in FY 2010/11 and land write-down assistance starting in FY 2012/13 totaling approximately $850,000 over the next five years to an affordable housing developer to construct a rental development for very low and low-income households. No ENA has been established for this project, but the project would likely include 27 low-income units and 27 very low-income units, and may include a retail component. The Agency is actively seeking a developer for this site.

Affordable Housing Opportunity Sites

The Agency expects to take advantage of various opportunity sites, as described in the Corridors Specific Plan, and to initiate actions as necessary, consistent with the CRL and the City's Housing Element, to facilitate the development of affordable housing on these sites. The Agency plans to issue Notices of Funding Availability (NOFAs) in FY 2012/13 though FY 2014/15 totaling approximately $1.1 million through the end of the Implementation Plan period for affordable housing development in the Project Areas. The NOFAs would be designed to encourage a diversity of housing developers and development types.

The NOFAs are expected to assist approximately 22 affordable units, based on an average subsidy per unit of $50,000, and would be designed to provide a unit mix focused on very low and low-income households. It should be noted, however, that several factors may result in expenditures and unit production for given years being either less than or greater than what is projected. These factors include the timing of the development process, the amount of available Housing Fund monies and other public assistance, the need to amass sufficient funds for an efficiently sized development, and available development opportunities.

b. Housing Assistance Programs

The Agency intends to resume funding of the Residential Rehabilitation and First Time Homebuyer Programs in FY 2011/12.

Residential Rehabilitation Program

Estimated funding for the Residential Rehabilitation Program is $855,000 over the next five years. Based on actual loans under this program since 2002, the Agency anticipates providing approximately 48 loans to very low, low and moderate-income households under this program. Approximately $15,000 in funding to initiate the Apartment Inspection Program is included in the total for this program.

First Time Homebuyer Program

Estimated funding for the Residential Rehabilitation Program is $1.1 million over the next five years. Based on actual Agency loans under this program since 2002, the Agency could provide approximately 25 loans of up to $45,000 to moderate-income households. Historically, this program has only assisted moderate-income households, but the Agency will be expanding the program to provide loans to low-income households as discussed in the Affordable Housing Strategy. If the Agency chooses to provide loans to low-income households under this program fewer total loans could be undertaken, as the amount of the loan may need to be higher for a low-income household.

3. Estimated Expenditures FY 2010/11 through 2014/15

The Agency will spend monies from the Housing Fund over the next five years on assistance to the housing developments and housing programs described above. Projected Housing Fund deposits over the next five years combined with the current Housing Fund balance will be sufficient to cover the Agency's planned expenditures for housing projects and activities during the Implementation Plan period, as well as to cover estimated costs of Housing Planning activities and Agency administration of the Affordable Housing Program.

The Agency plans to target its Housing Fund expenditures to specific income groups and to non-age restricted housing as required by the CRL and discussed in Section F below. The Agency will make every effort to encourage the preservation and development of housing affordable to a variety of income levels and to all household types, but will need to continue to focus on assistance to very low-income households through the end of the Implementation Plan period. The Agency has historically supported development of senior housing; however, due to disproportionate spending on senior housing in the first 10 years of the current expenditure targeting compliance period, the Agency cannot spend any additional resources on age-restricted housing through the end of the compliance period in 2014.

From FY 2010/11 through FY 2014/15, the Agency plans to use its Housing Fund to assist in the production of 96 affordable housing units and to provide housing assistance to approximately 73 low and moderate-income households. Table III-7 presents the projected Housing Fund expenditures and housing units to be assisted by the Housing Fund over the current five year Implementation Plan period and through the end of the compliance period on December 31, 2014. Appendix Table B-2 shows the overall targeting of these expenditures through the end of the compliance period to the various income categories, and Appendix Table B-3 shows the amount of Housing Fund expenditures targeted to each income category in each of the five years of the current Implementation Plan period.

Table III-7
Projected Housing Program Expenditures
FY 2010/11–FY 2014/15
Redevelopment Agency of the City of San Fernando

	Number of Units Assisted by Targeting[a]					Housing Fund Expenditures[b]						
Affordable Housing Program	**Very Low**	**Low**	**Mod**	**Total**	**Senior**	**FY 2010/11**	**FY 2011/12**	**FY 2012/13**	**FY 2013/14**	**FY 2014/15**	**Implementation Plan Period Total**	**Compliance Period Total through December 31, 2014**
Housing Development												
LAHP Project (1422 San Fernando Road)	20	0	0	20	0	$190,000	$100,000	$100,000	$100,000	$100,000	$590,000	$540,000
Affordable Housing Project (1320 San Fernando Road)	27	27	0	54	0	$160,000	$90,000	$200,000	$200,000	$200,000	$850,000	$750,000
Affordable Housing Opportunity Sites[c]	14	8	0	22	0	$0	$0	$300,000	$300,000	$485,000	$1,085,000	$760,000
Subtotal	**61**	**35**	**0**	**96**	**0**	**$350,000**	**$190,000**	**$600,000**	**$600,000**	**$785,000**	**$2,525,000**	**$2,050,000**
Housing Assistance Programs												
Residential Rehabilitation Program[d]	6	34	8	48	0	$0	$225,000	$210,000	$210,000	$210,000	$855,000	$750,000
First Time Homebuyer Program	0	0	25	25	0	$0	$280,000	$280,000	$280,000	$280,000	$1,120,000	$980,000
Subtotal	**6**	**34**	**33**	**73**	**0**	**$0**	**$505,000**	**$490,000**	**$490,000**	**$490,000**	**$1,975,000**	**$1,730,000**
Housing Planning (Professional Services)[e]						**$350,000**	**$0**	**$20,000**	**$75,000**	**$50,000**	**$495,000**	**$470,000**
Housing Program Administration[f]						**$752,000**	**$752,000**	**$752,000**	**$752,000**	**$752,000**	**$3,760,000**	**$3,384,000**
Total	**67**	**69**	**33**	**169**	**0**	**$1,452,000**	**$1,447,000**	**$1,862,000**	**$1,917,000**	**$2,077,000**	**$8,755,000**	**$7,634,000**

a. The total number of housing units produced with Housing Fund assistance, as shown in this table, differs from the number of housing units counted toward the affordable housing production requirement shown in Table III-5. Table III-5 includes affordable housing produced with and without Housing Fund assistance, and also includes affordable housing produced outside of the Affected Areas on a 2 for 1 basis.
b. The current 10-year compliance period ends December 31, 2014. Expenditures for the first half of FY 2014/15 are included in total for targeting calculations.
c. The Agency will issue NOFAs for potential affordable housing projects from FY 2012/13 through FY 2014/15 as opportunities arise. Unit totals and unit breakdown are estimates based on an average subsidy of $50,000 per unit and Agency expenditure targeting goals.
d. Includes $15,000 start-up costs for the Apartment Inspection Program.
e. Housing Planning expenditures include professional services costs for the following: SB 211 Amendments, Implementation Plan and Mid-Plan Update, Affordable Housing Plan, and Housing Element Update and Ordinance. Allocation of expenditures among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.
f. Agency cost to administer the Housing Program. Allocation of expenditures among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

As previously discussed, the Agency will use its Housing Fund to leverage other funding sources devoted to the provision of affordable housing in order to maximize the number of affordable units that can be developed or substantially rehabilitated. These other funding sources include CDBG, HOME, and other HUD program funds. Other loans, grants or financial assistance from any other public or private source may also be utilized if available, and the Agency plans to leverage funds through other affordable housing programs administered by Los Angeles County and the State of California. Through combining various funding sources and partnering and collaborating with other entities dedicated to the preservation and development of affordable housing, the Agency is confident the Affordable Housing Program will enable the Agency to meet its affordable housing production obligations and expenditure requirements over the ten year compliance period, as well as over the life of the Redevelopment Plans.

E. Compliance with Expenditure Targeting Requirements

As discussed above, the CRL imposes Housing Fund expenditure requirements based on the proportion of unmet need for housing affordable to very low, low and moderate-income households as established by the RHNA. It also limits the percentage of Housing Fund expenditures on age-restricted housing. These Housing Fund expenditure requirements must be met over the duration of the ten-year compliance period.[44] The following sections describe in greater detail the Agency's requirements to target the Housing Fund expenditures by income category and to non-age restricted housing.

Tables III-8 and III-9 show that the Agency's expenditures from January 1, 2002 through the end of the compliance period in 2014 will meet the targeting requirements of the CRL. The Agency will monitor Housing Fund expenditures over the next five years in order to ensure compliance with the expenditure requirements through the end of the compliance period in 2014.

1. Targeting by Income Category

As Table III-8 shows, the Agency will continue to spend a significant portion of its Housing Fund to assist the development of very low and low-income housing before the end of the compliance period in 2014. Between July 1, 2010 and the end of the compliance period, the Agency will target 44 percent of its Housing Fund expenditures to very low-income households, 32 percent to low-income households, and 24 percent to moderate-income households.

[44] The start of the period for meeting this requirement is the date the targeting requirement became effective, January 1, 2002. Thus, compliance with the targeting requirements is measured based on dollars spent from January 1, 2002 through December 31, 2014.

Table III-8
Housing Fund Expenditures by Income Category
1/1/2002–12/31/2014
Redevelopment Agency of the City of San Fernando

	1/1/2002–6/30/2010		7/1/2010–12/31/2014		Compliance Period		
Income Category	**Housing Fund Expenditures[a]**	**Percent Targeted**	**Housing Fund Expenditures[b]**	**Percent Targeted**	**Housing Fund Expenditures**	**Percent Targeted**	**CRL Required Target[c]**
Very Low	$5,244,865	44%	$3,342,000	44%	$8,586,865	44%	44%
Low	$4,404,915	37%	$2,416,000	32%	$6,820,915	35%	27%
Moderate	$2,326,561	19%	$1,876,000	24%	$4,202,561	21%	30%
Total	**$11,976,340**	**100%**	**$7,634,000**	**100%**	**$19,610,340**	**100%**	

a. Previous Housing Fund expenditures as shown in Appendix Table B-1.
b. Projected Housing Fund expenditures as shown in Table III-7.
c. See Table III-3 for more detail.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

2. Targeting to Non-Age Restricted Housing

As Table III-9 shows, the Agency targeted a disproportionate amount of expenditures to senior housing from January 1, 2002 through June 30, 2010. The Agency will therefore target 100 percent of its Housing Fund expenditures during the current Implementation Plan period to assist the development of non-age restricted housing in order to meet the expenditure targeting requirements by the end of the compliance period. Over the compliance period ending in 2014, the Agency expects to target 79 percent of its Housing Fund expenditures to the development of affordable housing units that are not age-restricted. Thus, the Agency expects to meet the expenditure targeting requirements for non-age restricted housing, as shown in Table III-9.

Table III-9
Housing Fund Expenditures on Non-Age Restricted Housing
1/1/2002–12/31/2014
Redevelopment Agency of the City of San Fernando

	1/1/2002–6/30/2010		7/1/2010–12/31/2014		Compliance Period		
Age Category	**Housing Fund Expenditures[a]**	**Percent Targeted**	**Housing Fund Expenditures[b]**	**Percent Targeted**	**Housing Fund Expenditures**	**Percent Targeted**	**CRL Required Target[c]**
Age-restricted	$4,130,398	34%	$0	0%	$4,130,398	21%	21%
Non-age restricted	$7,845,942	66%	$7,634,000	100%	$15,479,942	79%	79%
Total	**$11,976,340**	**100%**	**$7,634,000**	**100%**	**$19,610,340**	**100%**	

a. Housing Fund expenditures as shown in Appendix Table B-1.
b. Housing Fund expenditures as shown in Table III-7.
c. See Table III-3 for more detail.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

3. Report on Targeting for Previous Implementation Plan Period

The CRL requires an agency to report on the status of Housing Fund expenditure targeting for the previous implementation plan period. Appendix Table B-1 shows the Agency's actual Housing Fund expenditures and number of units assisted from the start of the compliance period on January 1, 2002 through the end of FY 2009/10.

- The Agency allocated $9.6 million from the Housing Fund to assist units affordable to, and occupied by, extremely low-income households, very low-income households, and low-income households. Refer to Appendix Table B-1 for specific housing developments, and for the number and level of affordability of those units. Refer to Appendix Table A for the location of those developments.
- The Agency allocated $7.8 million from the Housing Fund to assist non-age restricted housing units. Refer to Appendix Table B-1 for specific housing developments, and for the number and level of affordability of those units. Refer to Appendix Table A for the location of those developments.

F. Completion of Affordable Housing Obligations

Project Areas 1, 2 and 3 will reach the plan effectiveness time limit within six years, unless the proposed 2011 Amendments are adopted. This section describes how the Agency intends to comply with its housing responsibilities for these three Project Areas in the event that the 2011 Amendments are not adopted.

1. Deposits to and Expenditures from the Housing Fund

Since January 1986, the first year housing set-aside requirements were imposed on redevelopment projects that were established prior to 1976, the Agency has deposited at least 20 percent of its gross tax increment revenues into the Housing Fund. The Project Areas reaching their plan effectiveness limit within six years will continue to generate tax increment revenue for an additional ten years, and the Agency anticipates that 20 percent of this tax increment will be deposited into the Housing Fund.

Expenditures made after January 1, 2002 must meet the targeting requirements described in Section A.3 above. The end of the first compliance period for expenditure targeting is three years after the plan effectiveness date of Project Area 1; however, all expiring project areas have been fiscally merged, and so expenditure targeting compliance must be satisfied for these fiscally merged project areas in aggregate.[45] The Agency will continue to monitor expenditures to ensure compliance with the expenditure targeting requirements related to these deposits.

2. Elimination of Project Deficits

Beginning in FY 1985/86, if an agency deposits less than 20 percent of tax increment revenues to the Housing Fund in any year the difference between the 20 percent amount and the amount allocated to the Housing Fund that year constitutes a deficit. An agency is required to adopt a plan to eliminate the deficit in subsequent years. The Agency does not currently have a deficit.

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[45] Project Area 1A is not fiscally merged, but is not within six years of reaching the end of plan effectiveness.

3. Excess Surplus Funds

According to the CRL, an agency has an excess surplus when unexpended and unencumbered amount accumulated in the Housing Fund exceeds the greater of $1 million or the aggregate amount deposited into the Housing Fund during the preceding four fiscal years.[46] According to Schedule C of the Agency's FY 2008/09 HCD Annual Report of Housing Activity, the Agency does not currently have an excess surplus.

4. Relocation Assistance

As discussed in Section III.C, the Agency has fulfilled its obligations regarding relocation assistance as a result of the Park Avenue senior housing development in Project Area 3. The Agency does not anticipate undertaking any additional activities in the expiring Project Areas that would incur a relocation assistance obligation.

5. Replacement Housing

As discussed in Section III.C, the Agency has fulfilled its obligations regarding replacement housing as a result of the Park Avenue senior housing development in Project Area 3. The Agency does not anticipate undertaking any additional activities in the expiring Project Areas that would incur a replacement-housing obligation.

6. Affordable Housing Production Requirement

Redevelopment agencies administering project areas adopted on or after January 1, 1976, and territories added to project areas by amendments adopted on or after January 1, 1976, must meet affordable housing production requirements over the life of the redevelopment plan. However, no affordable housing production requirement applies to Project Areas 1, 2 or 3 as all were adopted prior to January 1, 1976. If the proposed 2011 Amendments were adopted, triggering an affordable housing production requirement, these project areas would not reach their plan effectiveness limits within six years.

[46] Section 33334.12.

Appendix A:

Affordable Housing Developments Located in the City of San Fernando

Appendix Table A
Affordable Housing Developments Located in the City of San Fernando
Redevelopment Agency of the City of San Fernando

Project Name/Address	Project Area	Affected Area	Project Type	Tenure	Total Units	Aff Units	Very Low	Low	Mod	Year of Occupancy
Kewen Street Townhomes	1A	Yes	New	Ownership	4	4	0	0	4	1992
Park Vista Apartments #1	3	No	New	Rental	8	8	2	4	2	1996
Park Vista Apartments #2	3	No	New	Rental	8	8	2	4	2	1996
705 Seventh Street Properties	Out	No	New	Ownership	5	5	0	0	5	2003
Subtotal through 2004					**25**	**25**	**4**	**8**	**13**	
Las Palmas I and II	1A	Yes	New	Rental	46	45	39	6	0	2005
Park Avenue Senior	3	No	New	Rental	52	51	11	40	0	2006
Subtotal 2005 through 2009					**98**	**96**	**50**	**46**	**0**	
Affordable Housing Development	1A	Yes	New	Rental	54	54	27	27	0	
Opportunity Sites	Yes	Yes	New	Mixed	40	22	14	8	0	
LA Housing Partnership	4	Yes	New	Rental	20	20	20	0	0	
Subtotal 2010 through 2014					**114**	**96**	**61**	**35**	**0**	
Estimates from Corridors SP	Yes	Yes	New	Mixed	150	23	8	8	7	
Estimates from Corridors SP	Yes	No	New	Mixed	40	6	2	2	2	
Multifamily from 2010 Amendments	3A	Yes	New	Rental	35	6	3	3	0	
Live/Work from 2010 Amendments	4	Yes	New	Rental	55	9	4	5	0	
Subtotal 2015 through End of Plans					**280**	**44**	**17**	**18**	**9**	
Total Citywide over Life of Plans					**517**	**261**	**132**	**107**	**22**	

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

Appendix B:

Housing Fund Expenditure Targeting

Appendix Table B-1
Actual Housing Fund Expenditure Targeting
January 1, 2002–June 30, 2010
Redevelopment Agency of the City of San Fernando

	Number of Units Assisted by Targeting[a]					Housing Fund Expenditure Targeting for Compliance Period[b]				
Affordable Housing Program	**Very Low**	**Low**	**Moderate**	**Total**	**Non-Age Restricted**	**Very Low**	**Low**	**Moderate**	**Non-Age Restricted**	**Total**
Housing Development										
Las Palmas I & II and Park Avenue Senior[c]	50	46	0	96	0	$1,413,124	$1,300,074	$0	$0	$2,713,198
551 S. Kalisher Street	0	2	0	2	2	$0	$90,000	$0	$90,000	$90,000
561 S. Kalisher[d]	0	0	2	2	2	$0	$0	$352,068	$352,068	$352,068
Subtotal	**50**	**48**	**2**	**100**	**4**	**$1,413,124**	**$1,390,074**	**$352,068**	**$442,068**	**$3,155,266**
Housing Assistance Programs										
Residential Rehabilitation Program	10	57	12	79	79	$260,397	$1,484,265	$312,477	$2,057,139	$2,057,139
First Time Homebuyer Program	0	0	41	41	41	$0	$0	$1,095,136	$1,095,136	$1,095,136
Subtotal	**10**	**57**	**53**	**120**	**120**	**$260,397**	**$1,484,265**	**$1,407,613**	**$3,152,275**	**$3,152,275**
Housing Planning (Professional Services)[e]						**$892,004**	**$382,287**	**$141,588**	**$1,061,910**	**$1,415,880**
Housing Program Administration[f]						**$2,679,340**	**$1,148,288**	**$425,292**	**$3,189,690**	**$4,252,920**
Total	**60**	**105**	**55**	**220**	**124**	**$5,244,865**	**$4,404,915**	**$2,326,561**	**$7,845,942**	**$11,976,340**

a. The total number of housing units produced with Housing Fund assistance as shown in this table differs from the number of housing units counted toward the affordable housing production requirement shown in Table III-5, which includes affordable housing produced with and without Housing Fund assistance and also includes affordable housing produced outside of the Affected Areas on a 2 for 1 basis.

b. The current 10-year compliance period starts January 1, 2002 and ends December 31, 2014. Expenditures for the second half of FY 2001/02 and the first half of FY 2014/15 are included.

c. In August 2002, the California Housing Finance Agency (CalHFA) loaned the Agency $1,000,000 at 3 percent interest for the purpose of financing affordable rental housing for seniors in the City. The amounts above represent the annual repayment amounts expended since 2002.

d. Relocation costs for the development of two units at 561 S. Kalisher.

e. Agency expenditures on legal, financial, auditing, and technical planning services. Allocation of expenditures among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.

f. Agency cost to administer the Housing Program. Allocation of costs among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

Appendix Table B-2
Projected Housing Fund Expenditure Targeting
July 1, 2010–December 31, 2014
Redevelopment Agency of the City of San Fernando

	Number of Units by Targeting[a]					Housing Fund Expenditure Targeting for Compliance Period[b]				
Affordable Housing Program	**Very Low**	**Low**	**Mod**	**Total**	**Non-Age Restricted**	**Very Low**	**Low**	**Moderate**	**Non-Age Restricted**	**Total**
Housing Development										
LAHP Project (1422 San Fernando Road)	20	0	0	20	20	$540,000	$0	$0	$540,000	$540,000
Affordable Housing Project (1320 San Fernando Road)	27	27	0	54	0	$375,000	$375,000	$0	$750,000	$750,000
Affordable Housing Opportunity Sites[c]	14	8	0	22	22	$483,636	$276,364	$0	$760,000	$760,000
Subtotal	**61**	**35**	**0**	**96**	**42**	**$1,398,636**	**$651,364**	**$0**	**$2,050,000**	**$2,050,000**
Housing Assistance Programs										
Residential Rehabilitation Program[d]	6	34	8	48	48	$93,750	$531,250	$125,000	$750,000	$750,000
First Time Homebuyer Program	0	0	25	25	25	$0	$0	$980,000	$980,000	$980,000
Subtotal	**6**	**34**	**33**	**73**	**73**	**$93,750**	**$531,250**	**$1,105,000**	**$1,730,000**	**$1,730,000**
Housing Planning (Professional Services)[e]						**$225,600**	**$150,400**	**$94,000**	**$470,000**	**$470,000**
Housing Program Administration[f]						**$1,624,320**	**$1,082,880**	**$676,800**	**$3,384,000**	**$3,384,000**
Total	**67**	**69**	**33**	**169**	**115**	**$3,342,000**	**$2,416,000**	**$1,876,000**	**$7,634,000**	**$7,634,000**

Note: Dollar figure totals are rounded to the nearest thousand and may not add up precisely due to rounding.

a. The total number of housing units produced with Housing Fund assistance, as shown in this table, differs from the number of housing units counted toward the affordable housing production requirement shown in Table III-5. Table III-5 includes affordable housing produced with and without Housing Fund assistance, and also includes affordable housing produced outside of the Affected Areas on a 2 for 1 basis.

b. The current 10-year compliance period starts January 1, 2002 and ends December 31, 2014. Expenditures for the first half of FY 2014/15 are included.

c. The Agency will issue NOFAs for potential affordable housing projects from FY 2012/13 through FY 2014/15 as opportunities arise. Unit totals and unit breakdown are estimates.

d. Includes $15,000 start-up costs for the Apartment Inspection Program.

e. Housing Planning expenditures include professional services costs for the following: SB 211 Amendments, Implementation Plan and Mid-Plan Update, Affordable Housing Plan, and Housing Element Update and Ordinance. Allocation of expenditures among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.

f. Agency cost to administer the Housing Program. Allocation of expenditures among income and age categories represents the Agency's good-faith estimate of actual expenditures among these categories.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.

Appendix Table B-3
Projected Housing Fund Expenditures Targeted by Income Category
FY 2010/11–FY 2014/15
Redevelopment Agency of the City of San Fernando

Income Category	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	Implementation Plan Period
Very Low	$751,356	$523,196	$792,084	$818,484	$924,036	**$3,809,000**
Low	$480,244	$545,116	$694,009	$711,609	$771,057	**$3,202,000**
Moderate	$220,400	$378,688	$375,907	$386,907	$381,907	**$1,744,000**
Total	**$1,452,000**	**$1,447,000**	**$1,862,000**	**$1,917,000**	**$2,077,000**	**$8,755,000**

Note: Totals are rounded to the nearest thousand.

Source: Redevelopment Agency of the City of San Fernando, Seifel Consulting Inc.