

City of Atascadero



Community Redevelopment Agency

2008-2013 Implementation Plan

Adopted June 10, 2008

INTRODUCTION

I. Purpose of Implementation Plan

The fundamental purpose of redevelopment agencies is to eliminate blight in areas where private enterprise is unable to do so (see section VIII below). The Implementation Plan is the Redevelopment Agency's (Agency) policy statement as to the type of projects and programs it intends to undertake over the five year period (2008 – 2013), as prescribed by law. It is prepared to assist the Agency in setting priorities and allocating resources during this period for redevelopment activities within the redevelopment project area. The Implementation Plan provides an explanation of how the goals, objectives, programs and expenditures for the next five years will promote revitalization, eliminate blight, foster economic development and develop affordable housing. The Plan is dynamic in nature, and as time passes adjustments can be made to reflect changing project conditions or other factors that may affect the five-year goals and objectives.

II. Legislative Requirements

AB 1290 and SB 732 were enacted by the California Legislature in 1993 and 1994 respectively, as a comprehensive reform of the California Redevelopment Law (CRL) and established regulations which required each redevelopment agency to adopt an Implementation Plan no later than December 31, 1994, and to update the plan every five years thereafter. In addition, redevelopment officials must hold a public hearing at least once during each five-year period to review Implementation Plan progress.

Implementation plans are required to contain four elements:

1. A description of the redevelopment agency's goals and objectives, including housing related goals and objectives for the redevelopment project area.
2. A description of the programs and expenditures proposed for the next five years.
3. An explanation of how these goals, objectives, programs and expenditures will eliminate blight within the project area.
4. An explanation of how the housing-related goals, objectives, programs and expenditures, including the use of housing set-aside funds and an annual housing program, will implement State affordable housing requirements and replacement housing obligations.

The Agency's first Implementation Plan was adopted in July 1999 and amended in May 2003. There have been no updates since then. This Implementation Plan will cover the period of 2008 through 2013. Review of the Implementation Plan by the Agency Board at a public hearing must occur sometime during 2011.

III. Citizen Participation

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

- Agency hosted community workshops regarding programs and projects within the Project Area on February 14, 2008, and April 17, 2008, and received comments via the City's website.
- Development of the Affordable Housing Policy included two City Council/Planning Commission Special Public Meeting Workshops on February 28, 2008 and April 29, 2008 that included public participation and one Public Workshop on March 5, 2008. The public was encouraged to submit questions and ideas throughout the process during meetings and through the City's website, which they did.
- Housing Programs are consistent with the Housing Element of the City's General Plan, which was adopted on June 25, 2002, following a process involving extensive public participation.

A public hearing on the 2008-2013 Implementation Plan was conducted by the Redevelopment Agency on June 10, 2008. Public notices were given in accordance with Section 33490(d) as follows:

- On May 16, 2008 and May 30, 2008, the Agency had notices of this public hearing published in *The Atascadero News*, a newspaper of general circulation in San Luis Obispo County.
- On May 14, 2008 notices of this public hearing were posted in the following locations within the Project Area:
 - (1) City Hall, 6907 El Camino Real;
 - (2) County Library, 6850 Morro Road;
 - (3) Chamber of Commerce, 6550 El Camino Real;
 - (4) Atascadero Main Street Office, 5901 East Mall;
 - (5) City Web Site: www.atascadero.org.
- These notices stated that copies of the draft Implementation Plan were available for review at City Hall, at the City Library, and on the City's web site at www.atascadero.org.

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

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

IV. Interpretation

This Plan has been prepared in accordance with Community Redevelopment Law (CRL), California Health and Safety Code Sections 33000 *et seq.*, and is intended to serve as a multi-year planning vehicle for projects in the Project Area, and to articulate the link between the projects undertaken (including the provision of affordable housing) and the elimination of blight in the Project Area. The Implementation Plan is a policy document meant to guide the implementation of the Redevelopment Plan for the City of Atascadero, but also to allow sufficient flexibility for the Agency to respond to specific redevelopment opportunities as they arise.

V. Description of Project Area

The City of Atascadero established the Project Area by Ordinance No. 362, enacted by the City Council of the City of Atascadero on July 13, 1999, as amended by Ordinance No. 415, enacted by the City Council of the City of Atascadero on April 22, 2003. The Redevelopment Plan, which addresses a single Project Area, seeks to establish a pattern of land use that will best promote the health, safety, convenience and welfare of all citizens of the community. The Redevelopment Plan strives to encourage private investment in industry, commerce and housing by providing needed public facilities and improvements and promoting an environment that reflects concern for architectural and urban design principles.

The Project Area was adopted under the provisions of the law enacted by California Assembly Bill 1290 in 1993. Under the law, as amended, project areas adopted after January 1, 1994 terminate their effectiveness not more than thirty (30) years from the date of their adoption. Loans, advances and other forms of indebtedness may not be repaid beyond 45 years following the date of adoption of the redevelopment plan. Except for certain expenditures from the Low and Moderate Income Housing Fund, redevelopment plans adopted after January 1, 1994, may not establish any new debt to be repaid from tax increment revenue beyond twenty (20) years from the date of adoption and eminent domain proceedings may not be initiated beyond twelve (12) years from the adoption date. Redevelopment plans adopted after January 1, 1994, are not required to have limits on the amount of tax

increment that may be received annually or over the life of the plan. The plan limitations for the Atascadero Project Area are as follows:

- Redevelopment Plan Expires: July 13, 2029
- Last Date to Establish Debt: July 13, 2019
- Last Date to Repay Debt: July 13, 2044
- Last Date to Commence Eminent Domain Proceedings: April 21, 2015
- Annual Limit Amount of Tax Increment: None
- Bonded Indebtedness Limit as set by the Agency: \$25,000,000

The California legislature recently enacted SB 1045, Chapter 260, Statutes of 2003 (“SB 1045”), as an urgency statute, relating to a requirement that all redevelopment agencies allocate specified amounts of tax increment to the County Controller for deposit into the Education Revenue Augmentation Fund (“ERAF”). In recognition of the loss of revenue to the agencies, SB 1045 authorizes amendments to redevelopment plans to extend by one year the life of the redevelopment plan and the time period in which to collect tax increment revenues. The legislative body of a redevelopment agency can adopt an ordinance without having to follow normal lengthy procedures to amend its redevelopment plans. The Agency has not adopted an ordinance to extend by one year the life of the Redevelopment Plan, and the time period in which to collect Tax Increment Revenues but may elect to do so in the future.

VI. Project Area Description

The Project Area is, for the most part, centrally located within the City comprising 1.72 square miles (approx. 1,110 acres), and hosts a mix of land uses to include about 188 acres of commercial activity along El Camino Real north and south, and Highway 41 west, and about 33 acres of industrial area along Traffic Way east and northeast. The rest of the Project Area hosts approximately 457 acres of residential. The downtown area has been designated by the City Council and Redevelopment Agency as the focal point of redevelopment activities and investment. The downtown has an eclectic architectural style, with a number of historic structures and points of historical interest.

VII. Historical Chronology

Date	Activity
March 27, 1986	City Council and Planning Commission holds joint meeting to discuss redevelopment, the process and implementation with a focus on downtown.
May 12, 1986	City Council adopted Ordinance 130 establishing the Redevelopment Agency and declaring that the City Council will act as the Agency.

March 16, 1990	City Council receives Redevelopment Feasibility Report by John Deweerd which discussed the basic law of redevelopment identification of specific areas in Atascadero that may qualify for redevelopment.
January 14, 1992	Land Use Element of the general Plan adopted with an implementation program that encourages the investigation of redevelopment as a "tool to implement the general plan". (Resolution 1-92)
December 1992	City's Economic Roundtable "Downtown revitalization Committee" completes Redevelopment Study that recommends that a redevelopment Agency should be pursued. And outlines a number of issues that would need to be addressed in the process.
December 14, 1993	City Council approves Fiscal Element of the General Plan which identifies an implementation program for the City to: consider the creation of a redevelopment district" to fund improvements "to City Hall, to streets and drainage infrastructure and to enhance commercial properties". (Resolution 115-93)
March 31, 1994	City Council holds Workshop to discuss the basics of redevelopment law and the advantages and disadvantages of redevelopment.
September 12, 1995	City Council approves Economic Development Element of the General Plan listing implementation of a redevelopment agency as a "mechanism to promote its (City) economic success and obtain funding for economic development programs".
February 26, 1997	City Council holds priority-planning workshop, which develops, as a vision statement, "an effective redevelopment program has been implemented, focusing on downtown and "Brownfield" areas".
February 17-18, 1998	City Council holds strategic planning session, which prioritizes downtown revitalization as a top priority of the council, and that implementation is an important tool for downtown revitalization and "funding city services".
May 12, 1998	City Council receives report on the establishment of the Redevelopment Agency and directs staff to complete the "activation" of the redevelopment agency.

May 26, 1998	City Council, acting as the Agency, adopts By-laws that set the meeting date and other organizational functions. (Resolution RA 1998-001)
June 23, 1998	City Council establishes a survey area, consisting of all property in the USL and all property within the City east of Highway 101, for the purpose of establishing a project area (Resolution 1998-029). City Council approves City Budget for Fiscal Year 1998-99 that allocates a "loan" from the Wastewater Fund to the redevelopment Agency. Agency Board adopts Agency Budget for Fiscal Year 1998-99 (Resolution RA 1998-002)
July 28, 1998	Agency Board adopts CEQA Guidelines (RA 1998-003). Agency Board authorizes a contract with Quad Knopf for the preparation of the Redevelopment Plan.
September 8, 1998	Agency Board receives report on the scheduling of the redevelopment process and the items involved in the plan creation process. Board directs staff to provide public education so residents understand the redevelopment law.
December 1, 1998	Planning Commission selects the redevelopment project area boundaries and approves Preliminary Redevelopment Plan. (Resolution PC 1998-040)
December 8, 1998	Agency Board adopts Preliminary Redevelopment Plan (Resolution RA 1998-003).
July 13, 1999	Designation of Project Area - Redevelopment Plan and initial Implementation Plan adopted.
April 22, 2003	Amended Redevelopment Plan adopted.
November 1, 2004	Issue of \$12,490,000 Redevelopment Bonds.

VIII. Blight Analysis

The Agency's primary roles are to eliminate blighting influences and stimulate new private and public investment in the Project Area. The Agency can help to stimulate investment through land assembly, construction of upgraded public improvements, incentive programs for building renovation and business expansion, participation in catalyst projects aimed at spurring other

complementary private investment, and expenditure of its low and moderate income housing funds.

A blight assessment was made in conjunction with the designation of the Project Area in 1999. According to that report, “[t]o be considered “blighted,” an area must have parcels of irregular shape or form (P-4), or exhibit at least one physical condition and one economic condition of blight. Each physical and economic condition of blight is identified below through the use of a letter and number code (P-1, P-2, etc.).

Physical conditions which constitute blight include:

- P-1 Unsafe or unhealthy buildings that may result from code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- P-2 Conditions preventing or substantially hindering the effective use or capacity of buildings or lots, which may be caused by substandard design, inadequate size given present market conditions, lack of parking, or similar factors.
- P-3 Adjacent or nearby uses that are incompatible with each other and prevent economic development of the area.
- P-4 The existence of subdivided lots in multiple ownership of irregular forms and shape and inadequate size for proper development.

Economic conditions which constitute blight include:

- E-1 Depreciated or stagnant property values or impaired investments, including, but not limited to properties containing hazardous waste and requiring redevelopment remediation authority.
- E-2 Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots in an area developed for urban use and served by utilities.
- E-3 Lack of necessary commercial facilities found in neighborhoods (e.g. grocery stores, drug stores, banks/lending institutions).
- E-4 Residential overcrowding that has led to public safety and welfare problems.
- E-5 An excess of bars, liquor stores, or other businesses catering exclusively to adults that has led to public safety and welfare problems.

E-6 A high crime rate constituting a serious threat to public safety and welfare.

The following are projects that have been facilitated by the Agency to reduce blight within the Project Area:

- Downtown Revitalization Design Guidelines
- Downtown Streetscape Improvements and Landscape Maintenance
- Façade Improvement Grants
- Sunken Gardens Improvements
- Downtown Parking Study
- Visitor/Tourism Assessment
- Lewis Avenue Bridge Funding
- Community Center Funding
- Wayfinding Signage Program Development and Funding
- Graffiti Abatement Program
- Tourism Support Funding
- Financial Support of Atascadero Main Street
- Atascadero Creek Improvement Funding

A number of blighting conditions remain to be addressed in the Project Area to include, but not to be limited to, inadequate infrastructure, pedestrian circulation, parking, housing, inappropriate or dysfunctional land use/parcel configuration, and open space. These blighting conditions impact both the economic viability of the Project Area and the quality of life for residents.

IX. Agency Objectives, Accomplishments, and Expenditures: 2003-2008

Objectives	Accomplishments	Exp.
Financial and technical assistance to Main Street program, Business Improvement District or other merchant/owner based downtown improvement organization.	The Agency provides annual financial support. In addition, the City contracts with Main Street to administer BPIA funds.	RDA Support \$ 249,743 BPIA Funds \$ 52,500
Improvement of El Camino and Traffic Way intersection.	The Agency has completed a portion of the streetscape planned for the area.	\$ 600,000
Improvement of public parking facilities in the downtown.	The Agency has completed the Downtown Parking Study.	\$ 50,293
Expansion of entertainment facilities in the downtown including the expansion of the existing movie theater.	The Colony Square Project is slated to provide a state-of-the-art movie theater. The Agency provided technical assistance.	Private Project \$ 50,000
Redevelopment of the Junior High School Site to enhance employment in the downtown.	Discussions continue with school district officials.	

Addition of anchor tenants to increase activity in the downtown.	A 52-room boutique hotel, The Carlton, opened in 2005.	Private Project
Improvement of and additions to the downtown streetscape.	Streetscape has been installed in proximity to the Carlton Hotel and the Sunken Gardens.	\$ 2,469,640
Façade Improvements in the downtown to capitalize on Atascadero's character and improve the retail/pedestrian atmosphere.	The Façade Program successfully completed four projects, and three fast façade projects.	\$ 48,000
Elimination of incompatible land uses that detract from the downtown.	While more work is required, the private sector has rehabilitated two buildings, and constructed new buildings on vacant lots.	
Aggregation of sites and buildings for a major employment, office or retail user.	This has occurred within the Project Area at the intersection of El Camino Real and Del Rio via private investment.	Private Project
Elimination or relocation of residential uses which are not consistent with development of downtown area in the long run.	There has been none.	
Location of a major additional public activity center (e.g. medical center, county offices, or other such facilities).	The Community Center project included baseball, soccer fields, play areas and gymnasium. Purchase of Creekside Lanes, demolition and building rehabilitation for use as City Hall.	\$ 500,001 \$ 2,074,044
Development of Palma as a retail/pedestrian corridor to connect City Hall to Traffic Way downtown corridor.	This feature is to be completed following the rehabilitation of the historic City Hall building damaged in the 2003 earthquake.	
Enhance the Sunken Gardens area and encourage entertainment, eating and pedestrian uses surrounding the area that would promote its unique character.	This project was completed in 2006. The Sunken Gardens is host to a number of Main Street events and the Farmer's Market since project completion.	\$ 1,242,767
Atascadero Creek Pedestrian Crossing/Lewis Avenue Bridge.	Lewis Avenue Bridge.	\$ 2,000,003

X. Bond Funds - Projects:

In 2004 the Agency issued a bond in the amount of \$12,555,830 that provided approximately \$9.7 million dollars for public projects within the Redevelopment Project Area pursuant to the Redevelopment Plan and State law.

The Agency Board set project priorities as follows:

Source of Funds	Funds
Bond Proceeds	\$ 12,490,000
Premium on Bond Sale	\$ 50,390
Interest Earned	\$ 926,554
Total	\$ 13,466,947
Use of Funds	
Cost of Issuance	\$ 372,539
Debt Service & Reserves	\$ 2,409,012
Downtown Lighting Projects	\$ 150,000
Downtown Parking Study	\$ 50,293
Sunken Gardens Project	\$ 1,242,767
Purchase of Creekside Lanes Building	\$ 1,308,173
Creekside Building Rehabilitation	\$ 765,871
Creek Bank Stabilization Project	\$ 1,000,266
Downtown Streetscape Project II	\$ 2,469,640
Community Center Project	\$ 500,001
Maiden Statue Restoration	\$ 301,287
Lewis Avenue Bridge Project	\$ 2,000,003
Creek Master Plan	\$ 100,000
Downtown Sidewalks	\$ 183,495
Wayfinding Project	\$ 613,600
Total	\$ 13,466,947

XI. Goals and Objectives of the Agency: 2008 - 2013

In order to continue to address the conditions of blight needing public improvements, the Agency has established four (4) goals for this plan.

The goals were developed with community input. During the update process for the Implementation Plan, the Agency hosted community outreach workshops on February 14, 2008 and April 17, 2008. At the workshops, participants were asked to identify projects and programs that will achieve those goals.

Based upon the goals of the City Council and the discussion and the public input received, the goals for the Agency for the next five years include (1) Repair of the City Hall Building, (2) Revitalization of the Downtown Area, (3) Improve Public Infrastructure and Overall Appearance of the Project Area, and (4) Improve Economic Development Opportunities in the Project Area. Methods for achieving these goals are delineated below:

Goal 1:

Repair of the City Hall Building (aka, Veteran's Memorial Building):

Objective:

- A. The historic City Hall building is the heart of Atascadero's downtown, the pride of the community, and the central feature of the City seal. After the building incurred extensive damage from the San Simeon earthquake in 2003, the City began working with consultants and with FEMA to determine the extent of damage that FEMA will fund in order to restore the building and return it to use. Currently, the City is awaiting a determination on a first level appeal to FEMA. In the meantime, the City's architecture and engineering consultants have begun the process that will ultimately result in the construction documents that will be used in the restoration of this historic building. It is anticipated that the repair and mitigation phase of construction would begin in October 2009 and all phases of construction would be complete by December 2011. While the total cost of this project is unknown at this time, as is the future result of the first level appeal to FEMA in obtaining additional FEMA funding, the cost of the restoration could reach approximately \$35 million or more if materials and construction costs continue to rise. It is anticipated that the Redevelopment Agency will be asked to make a significant financial contribution toward the restoration of this historic icon.

Goal 2:

Revitalization of the Downtown Area, which is generally bounded by Highway 101, Highway 41, Bajada Avenue and Rosario Avenue (see map attached).

Objectives:

- A. **Atascadero Creek Pedestrian Crossing:** The Atascadero Creek Advisory Group was formed to provide City Staff with input on projects near Atascadero Creek. The Group consists of members of City Staff, a project designer, a biologist, and members of the Chamber of Commerce, Main Street, Historical Society, Atascadero Unified School District and the Upper Salinas Resource Conservation Group. This group had several meetings and recommended a bridge design as follows:

The Atascadero Creek Pedestrian Bridge will be a 160 foot long, 8 foot wide steel bowstring truss bridge. The bridge will be located on the west end of City Hall on the south side of Atascadero Creek and land at Creekside Park on the north side of Atascadero Creek. The project is

70% complete in design, and estimated to cost between one million (\$1,000,000) and one and a half million (\$1,500,000) dollars.

- B. **Redevelopment of the Junior High School site to enhance commercial and employment opportunities:** The School District has from time to time contemplated relocating the Junior High School away from its current site; the City also has a goal of relocating this facility. The property is in the downtown area, generally flat, with utilities and good access. The Agency could participate to assure that the property was strategically planned to enhance the downtown experience. Agency participation in addition to planning may include needed public improvements, strategic investment or involvement, hiring of consultants, providing technical assistance to stimulate private investment in a way that will enhance downtown.
- C. **Financial and technical assistance to Main Street program, Business Improvement District or other merchant/owner based downtown improvement organization:** The Agency will continue to support the Main Street program and assist the community in its involvement. Main Street has been a broad-based community effort aimed at revitalizing downtown. The Agency will provide reasonable financial support as deemed necessary by the Agency Board to stimulate community involvement.
- D. **Addition of major tenants and entertainment facilities to increase activity in the downtown:** This project will include the Agency assisting in the attraction of major downtown tenants to stabilize the retail mix, and encourage entertainment facilities to locate into the downtown. The Agency may assist in marketing, planning, technical assistance, public improvements, and investment consistent with the Redevelopment Plan to capture tenants that will attract people to downtown. These tenants would include restaurants, entertainment and retail that tend to attract people.
- E. **Improvement of El Camino and Traffic Way intersection:** This project includes the development of downtown zone compatible uses at each corner.
- F. **Improvement of public parking facilities in the downtown:** In August 2005, the Agency Board commissioned a Parking Study of the Downtown Area. The study was completed and received by the Agency Board in May 2006. This project includes implementation of the Parking Study recommendations consistent with the Redevelopment Plan.
- G. **Elimination of incompatible land uses:** Through this project the Agency may relocate or assist in the relocation of land uses that detract from the downtown and pedestrian atmosphere. The Agency may assist businesses in finding more suitable locations including the development of

nodes where businesses could benefit from a common location. Certain uses in proximity to the downtown may be targeted for relocation.

- H. **Aggregation of sites and buildings for a major employment, office or retail user**: The Agency may assist major employers in locating suitable sites. This may include joining multiple properties to provide an appropriate sized parcel. The Agency will first look to the Downtown Area.
- I. **Elimination or relocation of residential uses which are not consistent with development of downtown area in the long run**: The Agency may assist in the relocation of residential uses away from the first floor in downtown. Residential uses on the first floor block pedestrian movement in retail areas. The Agency will provide for relocation benefits consistent with the Redevelopment Plan and assist property owners with developing strategic plans for property usage that will enhance the downtown experience.

Goal 3:

Improve public infrastructure and overall appearance of the Project Area.

Objectives:

- A. **Develop Streetscape Standards**: This project would consider and develop standards for streetscape development to include, but not be limited to, the appearance of curb, gutter and sidewalk; types of trees and locations; street furniture; bus stops; trash receptacles; use of pavers and locations; wayfinding signage; and, the use and type of landscaping. This project may require between \$25,000 and \$35,000.
- B. **Expand streetscape and street tree plantings along Traffic Way, north and south El Camino Real and Morro Road**: During our outreach workshops we learned that the community supports continuing streetscape improvements and planting street trees on Traffic Way between El Camino Real to the Community Center; and, North and South El Camino Real between Curbaril and San Anselmo. Morro Road between US 101 and Curbaril was also identified as a priority. This objective would primarily involve the planting, irrigation and maintenance of street trees along these corridors.
- C. **Beautification and maintenance**: Possible future programs may include commercial building façade improvement in select areas; street tree planting and increased use of landscaping in appropriate areas; Highway 101 corridor appearance enhancement to include, but not be limited to the use of trees and landscape; curb and sidewalk repair/development, and repair of common area drainage problems and minor street damage in the Project Area to include residential neighborhoods.

- D. **Encourage better business and wayfinding signage:** The public workshops produced a recommendation that quality business signage be emphasized, and that the use of banners be discouraged. Possible future programs to be supported with Redevelopment funds may include development of business signage design guidelines, a small business signage assistance program, code enforcement, and expansion of the Wayfinding Signage Program.

Goal 4:

Improve Economic Development opportunities in the Project Area.

Objectives:

- A. **Encourage Economic Development in the Project Area:** During the term of the Implementation Plan, the Agency plans on aggressively pursuing opportunities to improve the economy of the area. Efforts are anticipated to include:
- Development assistance when it is warranted;
 - Business attraction and retention programs;
 - Support community efforts to acquire and develop property within the Project Area in order to further the policies of the Redevelopment Plan;
 - Continue to encourage local tourism through support of the Atascadero Committee on Tourism and the San Luis Obispo County Visitor and Conference Bureau, and implement where and when practical the recommendations of the September 2005 Visitor/Tourism Assessment;
 - Work with the Atascadero Chamber of Commerce and Atascadero Main Street to establish a Business Recognition Program that acknowledges businesses that contribute significantly to the local economy and community.
 - Membership in California Association for Local Economic Development;
 - Membership in the International Conference of Shopping Centers;
 - Participation in organizations such as the Economic Vitality Corporation, Chamber of Commerce, Atascadero Main Street, and other entities involved in the economic development of the City of Atascadero and San Luis Obispo County;
 - Consider participation in special projects and events;
 - Consider a marketing campaign.

XII. HOUSING REQUIREMENTS

Affordable Housing Production Plan:

California Community Redevelopment Law, Health and Safety Code Sections 33000 et. seq., states that one of the fundamental purposes of redevelopment is to increase and improve the community's supply of low and moderate income housing. This is accomplished in part through three different but interrelated requirements imposed on the Agency by California law. These three requirements provide for the production, improvement, and preservation of housing for low and moderate-income persons. These requirements are:

- State law requires that 20% of the tax increment revenues received by the Agency be placed in a Low and Moderate Income Housing Fund (LMIHF). The funds are to be used to increase, improve and preserve the supply of low and moderate income housing in the Project Area and within City of Atascadero city limits (H&S 33334.2);
- The Agency must replace low and moderate income housing which is removed as a result of a redevelopment project (the replacement rule, H&S 33413(a)); and
- A fixed percentage of all housing constructed in a redevelopment project area must be affordable to low and moderate-income persons and families (the inclusionary rule, H&S 33413(b)).

The Health and Safety Code requires that each redevelopment agency shall adopt a Housing Production Plan, in conjunction with its Implementation Plan, which is consistent with the governing General Plan Housing Element. In addition, Sections 33413.5 and 33334.5 require replacement housing plans for any units which will be demolished within the Project Area.

Low and Moderate Income Housing Fund (H&S Code 33490(a)(2)(i):

Not less than twenty percent (20%) of all taxes allocated to the Agency pursuant to Section 33670 of the California Health and Safety Code shall be used by the Agency for the purposes of increasing, improving and preserving the City's supply of housing for persons and families of low or moderate income.

Currently the Low/Mod Housing Fund has on hand two million eighty-eight thousand eight hundred and twenty-one (\$2,088,821) dollars for the provision of affordable housing pursuant to the Redevelopment Plan, City's General Plan, and state law. Real property values have been in decline in recent years, and the County Tax Assessor has been reassessing values downward. As a result, it is not known to what extent all taxes allocated to the Agency will be reduced. However, given what is known at this time, the table below represents a best estimate.

**Community Redevelopment Agency of Atascadero
Five (5) Year Projection of Low/Moderate Annual Increment**

<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
Estimated	Estimated	Estimated	Estimated	Estimated
\$ 885,000	\$ 942,000	\$ 1,011,000	\$ 1,064,000	\$ 1,146,000

Housing Element Compliance:

The Community Redevelopment Agency’s Housing Production Plan furthers the City of Atascadero’s Housing Element of the General Plan by:

- a. Providing technical assistance to organizations involved in the County, City, and Redevelopment Project Area; and
- b. Using its authority to allocate and administer the Agency’s housing set-aside funds, issue bonds, and use tax increment funds and other loans and grants to provide financial assistance to suitable affordable housing projects within and outside the Redevelopment Project Area.
- c. Developing appropriate partnerships with affordable housing developers to support “infill” housing.

City of Atascadero’s Share of the Regional Housing Needs Allocation (RHNA):

“The Regional Housing Needs Allocation (RHNA) is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan. The RHNA quantifies the need for housing within each jurisdiction during specified planning periods. The current planning period is January 1, 2006 to June 30, 2014. Communities use the RHNA in land use planning, prioritizing local resource allocation, and in deciding how to address identified existing and future housing needs resulting from population, employment and household growth. The RHNA does not necessarily encourage or promote growth, but rather allows communities to anticipate growth, so that collectively the region and sub-region can grow in ways that enhance quality of life, improve access to jobs, promotes transportation mobility, and addresses social equity, fair share housing needs.” (Southern California Association of Governments.)

City of Atascadero’s Current Share of Regional Housing Needs Allocation:

SINGLE-FAMILY UNITS BY INCOME CATEGORY										
YEAR	VERY LOW		LOW**		MODERATE***		ABOVE MODERATE		TOTALS	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2001	46	0	34	5	41	0	61	94	182	99
2002	45	0	34	4	41	91	61	177	181	272
2003	46	0	33	6	40	3	60	132	179	141
2004	45	0	33	1	40	2	60	131	178	134
2005	46	0	33	26	40	34	61	61	180	121
2006	46	0	34	27	40	78	60	125	180	230
2007	46	0	34	0	40	0	61	0	181	0
2008 (6 Months)	25	0	19	0	22	0	33	0	98	0
TOTAL	345	0	254	69	304	208	456	720	1,359	997

Affordable Housing Policy:

The City and Agency initiated a process to develop a new “affordable housing policy” in December of 2007. The process included over five months of community outreach and education regarding affordable housing issues, legal requirements, and potential affordable housing projects appropriate for the City of Atascadero. The policy, which is scheduled for adoption in the summer of 2008, will provide specific direction for the City and Agency regarding involvement with affordable housing projects and programs. The policy will also serve as a tool for the development community to better understand and more appropriately propose affordable housing projects within the Project Area and City of Atascadero.

Replacement and Inclusionary Housing Plans:

Replacement Housing: Section 33413(a) of the Health and Safety Code requires that whenever affordable housing is destroyed or removed in conjunction with a redevelopment project, the agency shall construct replacement housing. The Agency has no plans to remove existing housing located within the Project Area. None of the development projects developed pursuant to an agreement with the Agency, or contemplated, is expected to result in the displacement of affordable housing units. Consequently, if no displacement occurs, the Agency would not be required to replace any housing.

Inclusionary Housing: Health and Safety Code Section 33413(b) (1) & (2) establishes affordability requirements for project development by a redevelopment agency, and by other organizations.

For projects developed by a redevelopment agency, the Health and Safety Code requires that at least thirty (30%) percent of all new or substantially rehabilitated housing be affordable to low or moderate income households and that at least

fifty (50%) percent of these units shall be affordable to very low income households.

For projects developed by other entities, the Health and Safety Code requires that at least fifteen (15%) percent of all housing built within a project area be affordable at low or moderate income levels, and that at least forty (40%) percent of the affordable units be affordable to very low income households. To illustrate, in a hundred (100) dwelling unit project developed or rehabilitated by entities other than the agency within the Redevelopment Project Area, fifteen (15) total units shall be affordable. Nine (9) of the affordable units will be affordable to persons of low or moderate income, and six (6) of the affordable units will be available to persons of very low income.

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

Since the adoption of the Redevelopment Project Area, the following affordable housing activities have occurred and projects have been assisted:

1. Outside the Project Area: Senior Housing Project – nineteen (19) units for very-low income, with affordable covenant for fifty-five (55) years in the amount of \$142,918 paid from the Agency Low/Mod Housing Fund.
2. Within the Project Area: Habitat for Humanity Project – Four (4) Single Family Homes for very-low income, with affordable covenant for forty-five (45) years in the amount of \$370,000 paid from the Agency Low/Mod Housing Fund.
3. Community Outreach and Educational efforts regarding the provision of affordable housing in the City to address “NIMBY” (Not in My Back Yard) issues.
4. Development of an Affordable Housing Policy to guide projects and programs – adoption expected summer 2008.

XIII. CONCLUSION

This Implementation Plan for the City of Atascadero Community Redevelopment Agency, detailed above, describes the programs that have been undertaken since adoption of the plan and which may be undertaken during the next five-year term in order to assist in the alleviation of blighting conditions existing in the Project Area, and to increase the community's supply of affordable housing.

Redevelopment is, however, a fluid process subject to changing issues and the forces of market dynamics. This plan reflects the progress made through May 2008. The Agency may review and amend plans, goals, objectives, and programs and expenditures following a noticed public hearing at any time conditions require such an amendment.

In addition, “[a]doption of an implementation plan shall not constitute an approval of any specific program, project, or expenditure and shall not change the need to obtain any required approval of a specific program, project, of expenditure from the agency or community.” (Health & Safety Code Section 33490(B))