COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SANTA ANA

FIVE-YEAR IMPLEMENTATION PLAN

July 1, 2010 – June 30, 2015

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TABLE OF CONTENTS

APPENDIX A – SUMMARY OF SUPPLEMENTAL JUDGMENTS

APPENDIX B – GLOSSARY OF TERMS

APPENDIX C – TIME AND FINANCIAL LIMITS (AS OF JUNE 2010)

I. INTRODUCTION

The following document is the five-year Implementation Plan for the Community Redevelopment Agency of the City of Santa Ana's Merged Project Area. It covers the fiscal year period beginning on July 1, 2010 and ending on June 30, 2015. It is designed and intended to meet all requirements as established by Assembly Bill 1290, and to provide city residents and other stakeholders with critical information regarding the Agency's future plans.

This Implementation Plan is a policy statement rather than an unalterable course of action. It has been prepared to set priorities for redevelopment activities within the Merged Project Area for the five-year period covered by the Implementation Plan and incorporates currently known financial constraints of the Agency in developing a program of activities to accomplish revitalization efforts for the Merged Project Area. New issues and opportunities may be encountered during the course of administering redevelopment within the Merged Project Area during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate its purposes.

BACKGROUND

Redevelopment is a tool created by state law to assist local governments in the long-term planning and improvement of areas where the private sector acting alone or with government action other than redevelopment has been unable to correct the deterioration and underutilization of an area. The physical and economic conditions that result in the deterioration and underutilization that qualify an area for inclusion in a redevelopment project area are defined as blighting conditions (see Appendix B for glossary terms). Through redevelopment, local governments can improve areas and eliminate blight by assisting the private sector in the development and reconstruction of residential, commercial and industrial uses, and providing needed infrastructure and community facility improvements. Through these efforts, redevelopment can assist in creating jobs and improving property values.

In order for redevelopment agencies to act, a jurisdiction must first adopt a redevelopment plan. A redevelopment plan is a legal document that describes the Agency's authorities and responsibilities. The redevelopment plan establishes financing methods to implement programs and projects to revitalize areas including the authority to collect tax increment. The redevelopment plan also indentifies the land uses and development standards to be implemented in the project area, which must be consistent with the General Plan. A required element of the redevelopment plan is a mandate to conserve, improve, and develop affordable housing.

The following is a list of some of the tools available to Redevelopment Agencies for revitalizing and redeveloping project areas:

- Buy land. (Sections 33391 & 33430).
- Buy improvements. For example, buy and demolish the building and let the owner rebuild on the land. Agency absorbs the value of the building and cost of demolition (Sections 33391 & 33430).
- Relocate a tenant including buying out a lease, if the space is to be substantially rehabilitated. The Agency cannot relocate a tenant for the purpose of moving a more desirable tenant into the same space if it is unchanged (Section 33394).
- Pay for curbs, sidewalks and street improvements (Section 33445).
- Make rehabilitation loans to either owners or tenants for commercial buildings or structures (Section 33444.5).
- Assist with the financing of facilities or capital equipment for the development or rehabilitation of property that will be used for industrial or manufacturing purposes (Section 33444.6).
- Pay for a publicly-owned parking structure (Section 33445).
- Lease land for public use such as a parking lot (Section 33430).
- Remedy hazardous substances (Section 33459.1).
- Pay for on-going services to attract businesses to an area such as marketing (Section 33678). However, agencies cannot pay for ongoing governmental services such as police services.

To the extent the following activities result in the provision or preservation of low and moderate income housing units, Section 33334.2(e) authorizes the Agency to exercise any of its powers:

- Acquire real property or building sites;
- Improve real property or building sites;
- Donate real property to private or public persons or entities;
- Acquire, construct and or rehabilitate buildings or structures;
- Provide subsidies to or for the benefit of very-low, low or moderate income households (Section 33334.15);
- Develop plans, pay principal and interest on bonds, loans, advances or other indebtedness, or pay financing or carrying charges;
- Maintain the community's supply of mobile homes;
- Preserve the availability of lower income units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates; and
- Satisfy replacement housing requirements (Section 33334.2(f)).

Implementation Plan

In 1993, the California State Legislature passed Assembly Bill 1290 (Stats. 1993, ch. 942), which amended the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., "CRL") to among other things increase the accountability of redevelopment agencies. One of the changes was the addition of Article 16.5 "Adoption of Implementation Plans" which requires that on or before December 31, 1993, and each five years thereafter, a redevelopment agency that has adopted a redevelopment plan prior to December 31, 1993, shall adopt a implementation plan that contains the specific goals and objectives of the agency for the project area, the specific programs, including potential projects, and estimated expenditures proposed to be made during the five year period. The Implementation Plan also includes an explanation on how the goals and objectives, programs and expenditures will eliminate blight within the project area and fulfill the agency's affordable housing requirements.

This Implementation Plan is composed of two separate components, a redevelopment component and an affordable housing compliance component. The redevelopment component describes the Agency's short-term goals and objectives for blight elimination and the programs and proposed projects to reach that goal. The Implementation Plan also identifies the anticipated expenditures for the programs which incorporate the specific projects. Finally, the redevelopment component of the Implementation Plan describes the relationship between the goals and objectives, programs, projects and blight elimination. The redevelopment component describes the Agency's activities planned for the five year period including affordable housing projects.

Article 16.5 of the CRL also requires that an Implementation Plan explain how the components of the Implementation Plan will implement various CRL requirements regarding low and moderate income housing. The affordable housing compliance component specifically demonstrates how the Agency will meet the statutory requirements for depositing the required 20% of gross tax increment revenues (Set-Aside) into the affordable housing fund (Affordable Housing Fund) and the expenditure for housing purposes.

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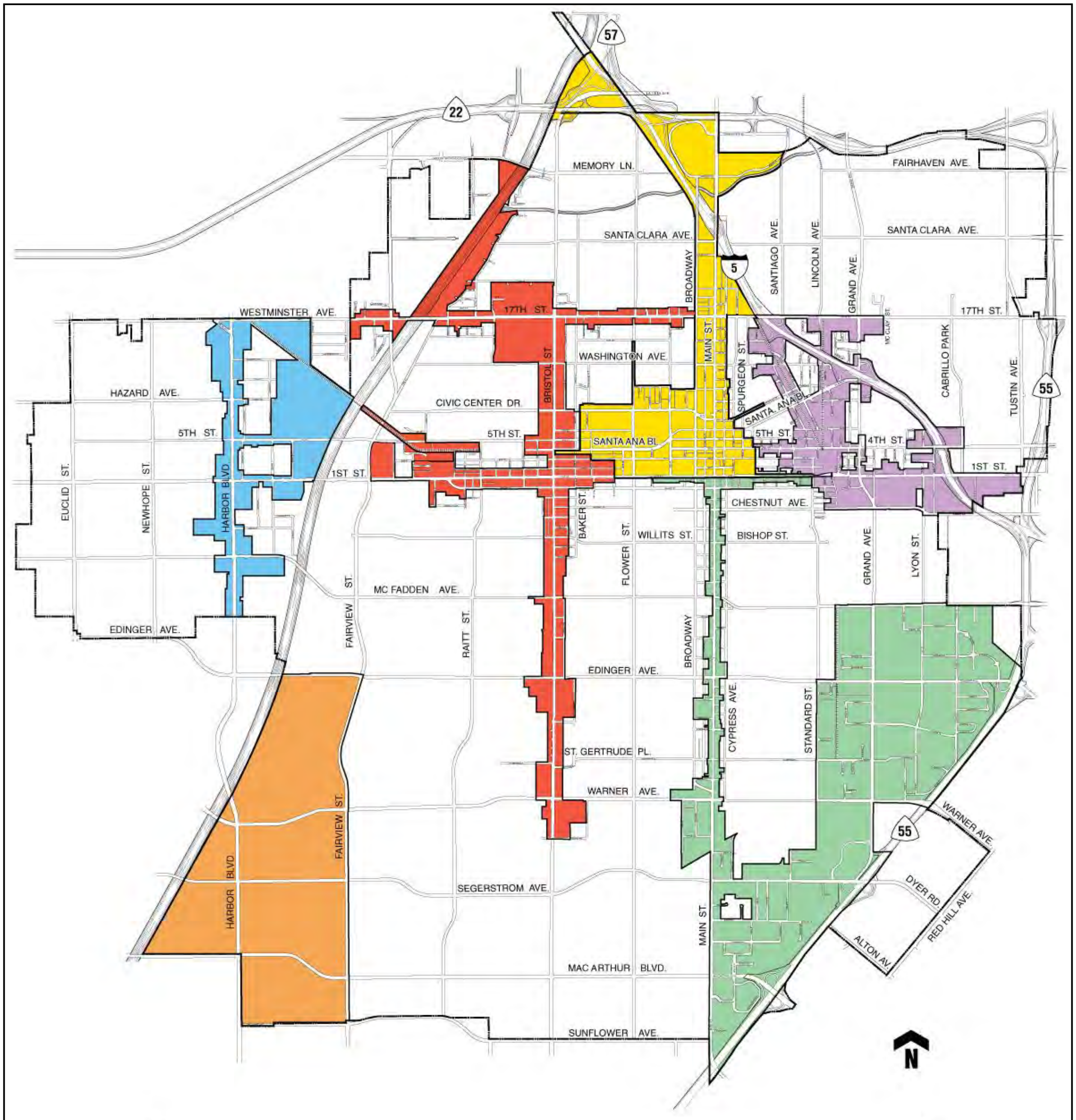
II. REDEVELOPMENT COMPONENT

The Community Redevelopment Agency of the City of Santa Ana (the "Agency") adopted six redevelopment project areas between 1973 and 1989, including the Central City Redevelopment Project Area, Inter-City Commuter Station Redevelopment Project Area, North Harbor Redevelopment Project Area, South Harbor Redevelopment Project Area, South Main Redevelopment Project Area, and the Bristol Corridor Redevelopment Project Area (the "constituent Project Areas" or "Project Areas"). To allow tax increment revenues to be shared between project areas and thereby facilitate redevelopment of the Project Areas, the Project Areas were merged in 2004. The Project Areas continue to retain their respective boundaries, time, and financial limits. The following map shows the boundaries of the Santa Ana Merged Project Area ("the Merged Project Area").



Merged Redevelopment Project Areas

Central City | North Harbor | Intercity
South Main | South Harbor | Bristol

A. Background

State law establishes time limits for the exercise of basic redevelopment activities. In accordance with CRL Section 33333.6 or redevelopment plans adopted on or before December 31, 1993, the following limits shall apply:

The time limit to establish loans, advances, and indebtedness to be paid with the revenue from property taxes may not exceed 20 years from the adoption date of the redevelopment plan or January 1, 2004, whichever is later.

The effectiveness of a redevelopment plan may not exceed 40 years from the adoption date or January 1, 2009, whichever is later. After the effectiveness of a redevelopment plan has expired, an agency has no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness and to enforce existing covenants and contracts. A redevelopment agency may receive property tax increment up to ten years from the termination of the redevelopment project area plan.

If provided by the redevelopment plans, an agency may commence eminent domain proceedings to acquire property within the Project Area for a period not to exceed 12 years from the adoption date.

If a redevelopment plan adopted prior to October 1, 1976 authorizes the issuance of bonds, the redevelopment plan should include a limit on the amount of bonded indebtedness that can be outstanding at one time. These times and financial limitations may be extended or increased only through an amendment to the redevelopment plan.

The following are the time limits incorporated within the redevelopment plans for the Project Areas.

Table 1: Merged Project Area Time Limits

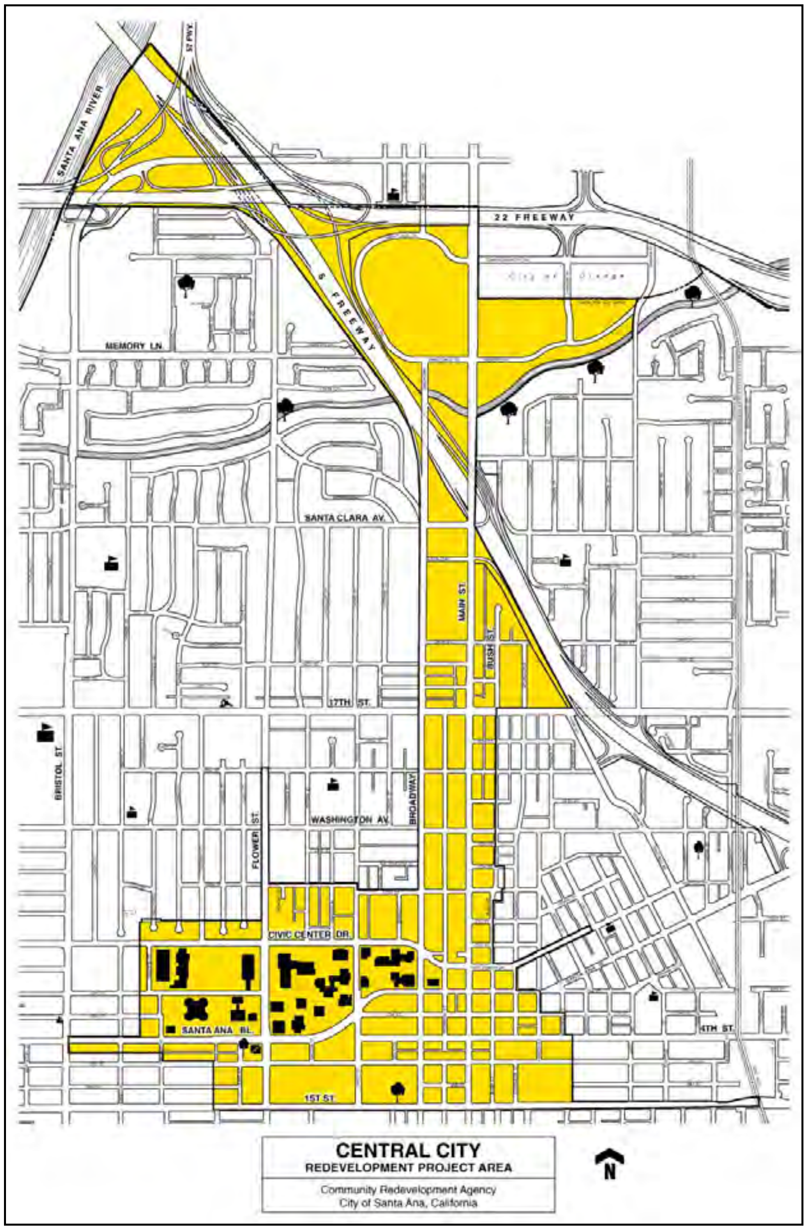
Redevelopment Project Area	Debt Establishment	Plan Effectiveness	Debt Repayment (Receipt of T.I.)	Eminent Domain
Central City (Adopted 7/2/73)	Expired 1/1/04	7/2/16	7/2/26	Expired 6/5/2008
Inter-City (Adopted 7/6/82)	Expired 1/1/04	7/6/25	7/6/35	Expired 6/5/2008
North Harbor (Adopted 7/6/82)	7/6/22	7/6/25	7/6/35	Expired 6/5/2008
South Harbor (Adopted 7/6/82)	7/6/22	7/6/25	7/6/35	Expired 9/2/04
South Main (Adopted 7/6/82)	7/6/22	7/6/25	7/6/35	Expired 8/16/07
Bristol Corridor (Adopted 12/4/89)	Expired 12/4/09	12/4/30	12/4/40	Expired 12/4/01

B. SANTA ANA PROJECT AREAS

The following is a history of redevelopment and project areas summary of the blighting condition within the Merged Project Area, presented by constituent Project Area.

Central City Redevelopment Project Area

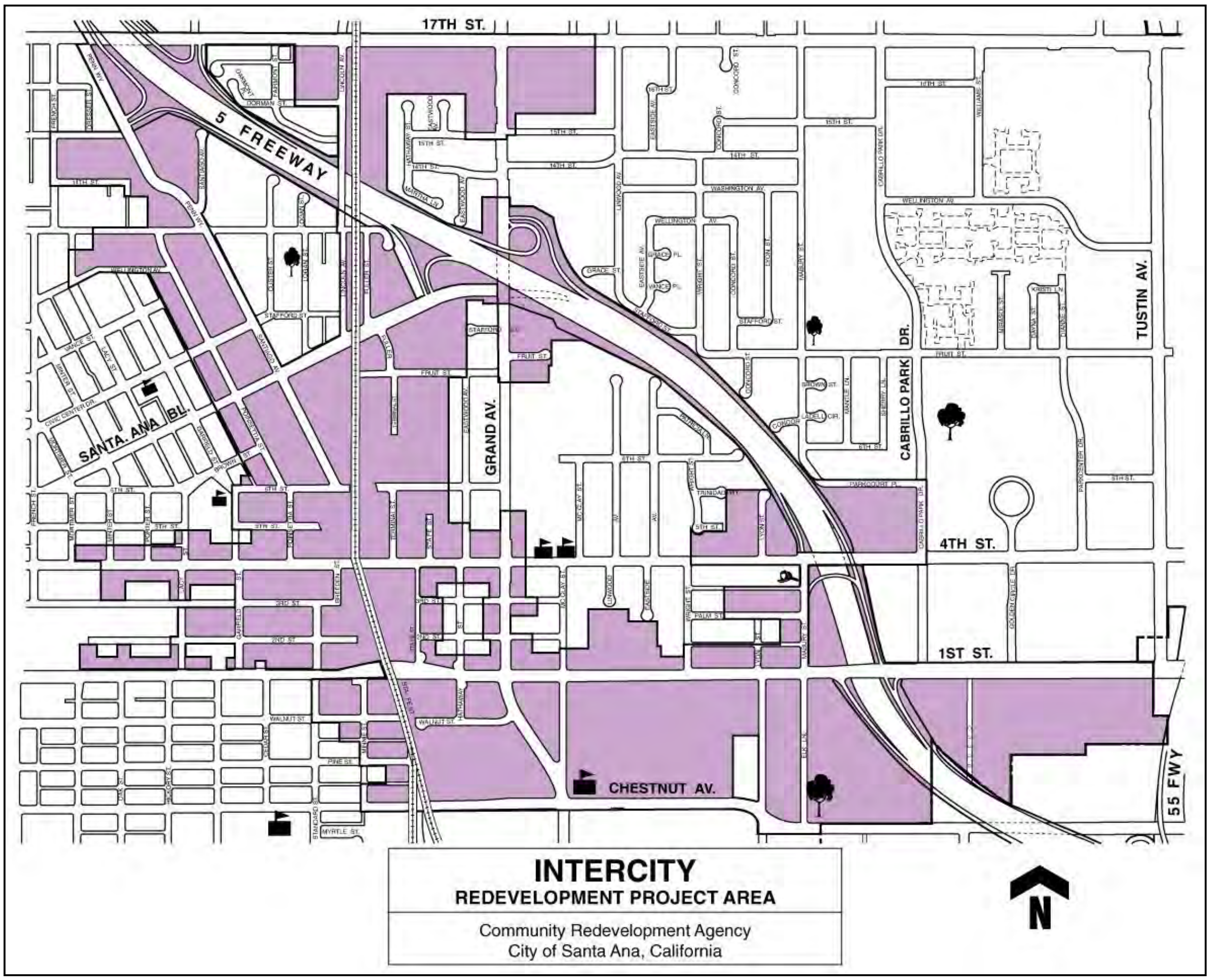
The Central City Redevelopment Project Area was adopted on July 2, 1973, by Ordinance No. NS-1173. Central City Redevelopment Project Area consists of 694 acres which encompasses the historic downtown area including retail, office and government uses. The project was adopted in response to deteriorating conditions in the downtown. The downtown began to decline in the 1960s when growth in the Orange County suburbs resulted in Santa Ana's displacement as the central marketplace for Orange County. At the time of project adoption, the downtown had a substantial number of deteriorated and obsolete buildings. Many of the retailers had left the downtown for more desirable locations, which in turn affected the vacancy rate, lease rates and variety of merchandise available to residents. The goal of the redevelopment plan was to reverse the decline of the downtown and re-establish the downtown as a vibrant area. Although the Agency has contributed significantly towards the improvement of the downtown, the Agency would like to continue to address revitalization needs through the assistance of the private sector by way of rehabilitation loans and marketing the downtown as a retail destination.



Inter–City Commuter Station Redevelopment Project Area

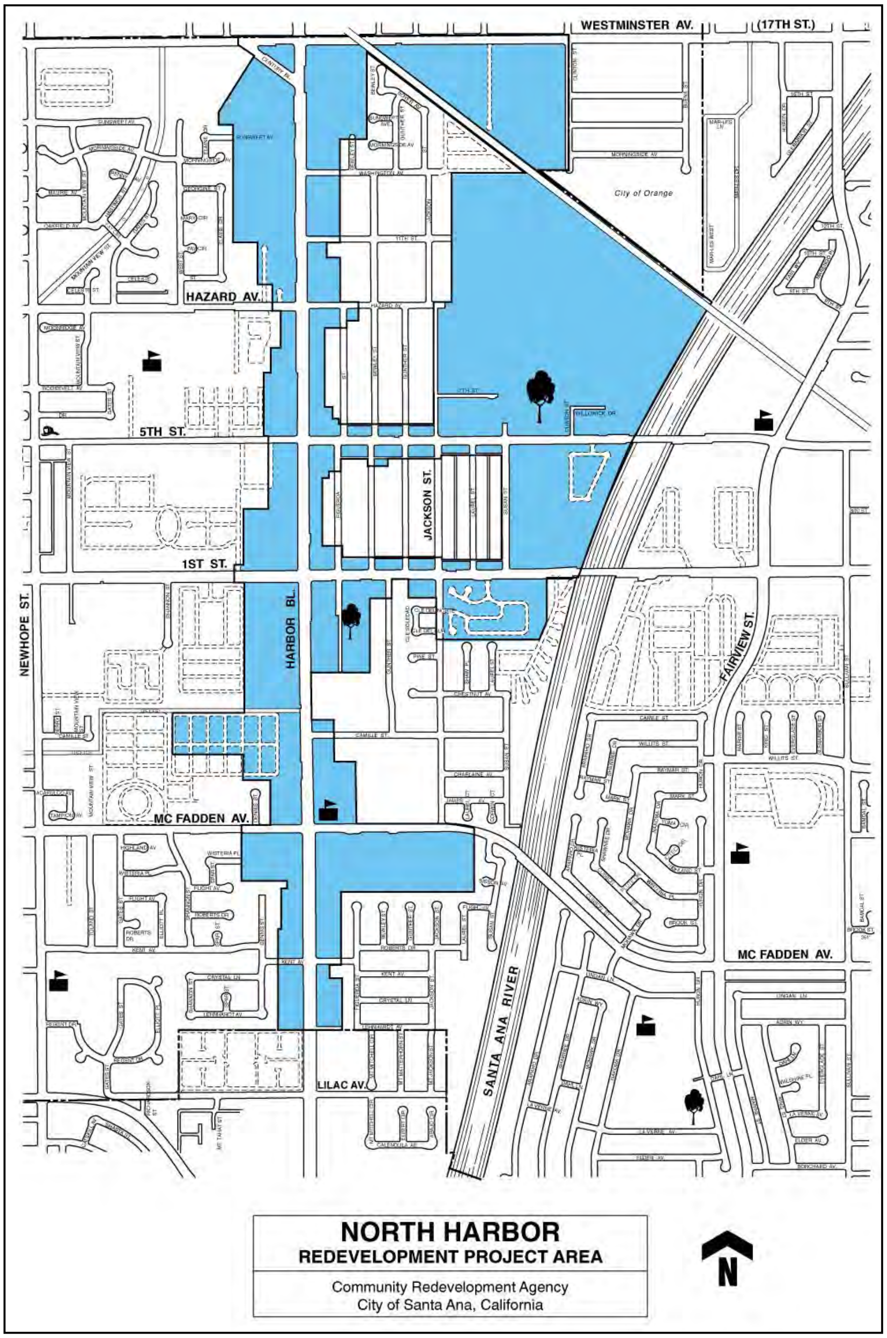
The Inter-City Commuter Station Redevelopment Project Area was adopted by the City Council on July 6, 1982, by Ordinance No. NS-1636, and contains 536 acres of land. Major roadways traversing this Project Area include the Interstate 5 Freeway, Grand Avenue, 1st Street and 4th Street. The focal point of the Inter-City Commuter Station Redevelopment Project Area is the Santa Ana Regional Transportation Center (SARTC), which the Agency participated in constructing and developing. This project area includes older industrial uses that originally developed in the area to take advantage of the rail access. However, residential uses are scattered throughout the area, and there is a node of commercial uses located at the intersection of 17th Street and Grand Avenue.

Although the initial SARTC improvements have been completed, the surrounding area continues to have a mix of incompatible and deteriorated residential and industrial uses and infrastructure deficiencies. The Agency plans to assist in projects, such as mixed use that will capitalize on the availability of public transportation, thereby providing additional housing opportunities and compatible industrial uses while eliminating deterioration and incompatible uses.



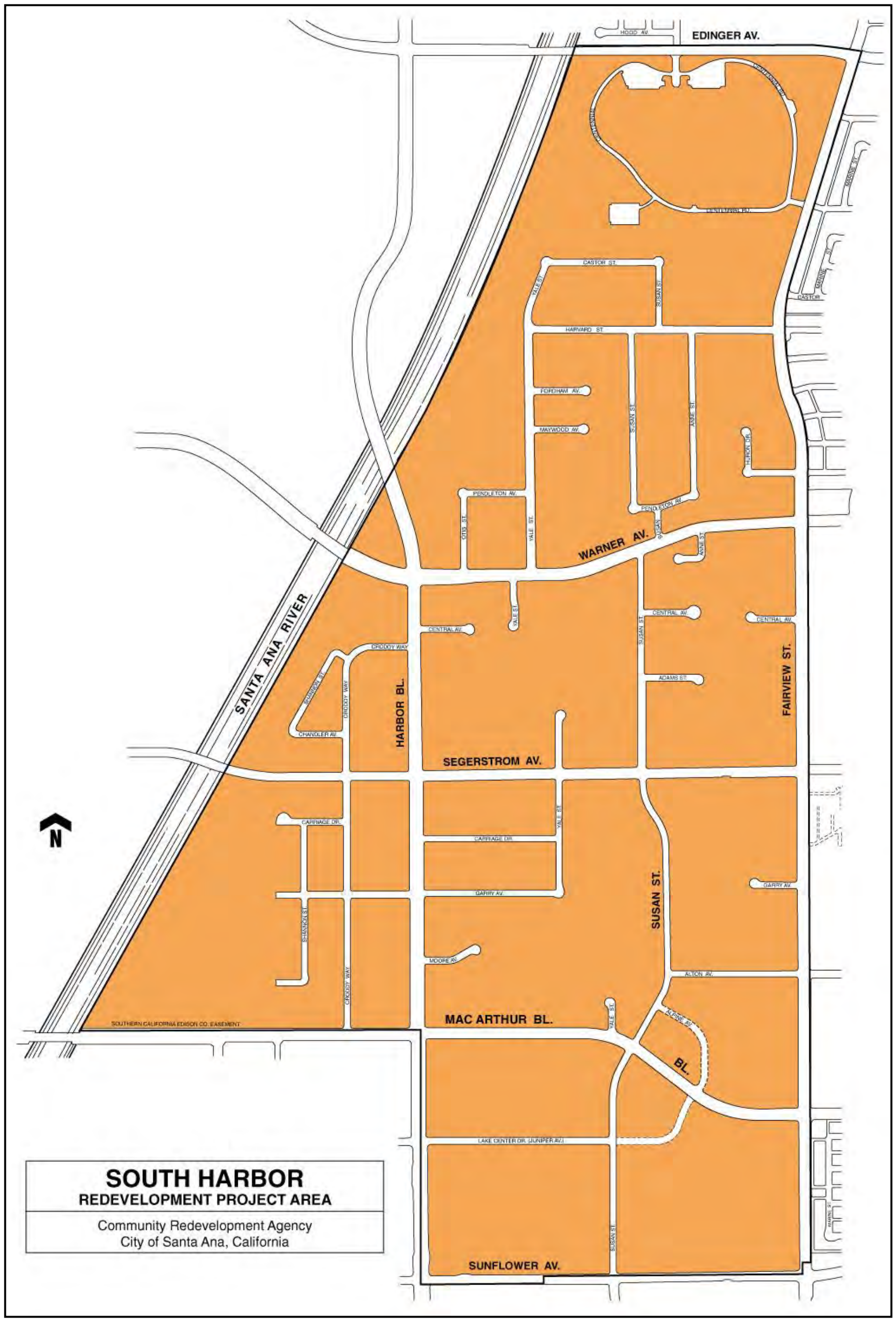
North Harbor Redevelopment Project Area

The North Harbor Redevelopment Project Area was adopted by the City Council on July 6, 1982, by Ordinance No. NS-1637, and contains approximately 428 acres of land. The North Harbor Redevelopment Project Area is generally located along Harbor Boulevard from Westminster Avenue to Kent Avenue and along 5th Street, 1st Street and McFadden Avenue from Harbor Boulevard to the Santa Ana River. This Project Area includes a mix of older residential and strip commercial uses fronting along Harbor Boulevard with newer commercial uses developed near 1st and 5th Streets. The Agency's plans for revitalization of Harbor Boulevard include modernizing or replacing obsolete commercial structures and deteriorated residential uses with commercial and mixed use projects that are compatible with a commercial corridor. The Agency's activities may range from site acquisition to provide parcels large enough for contemporary use to small business loans to enhance business activity thereby reducing vacancies and increasing property values.



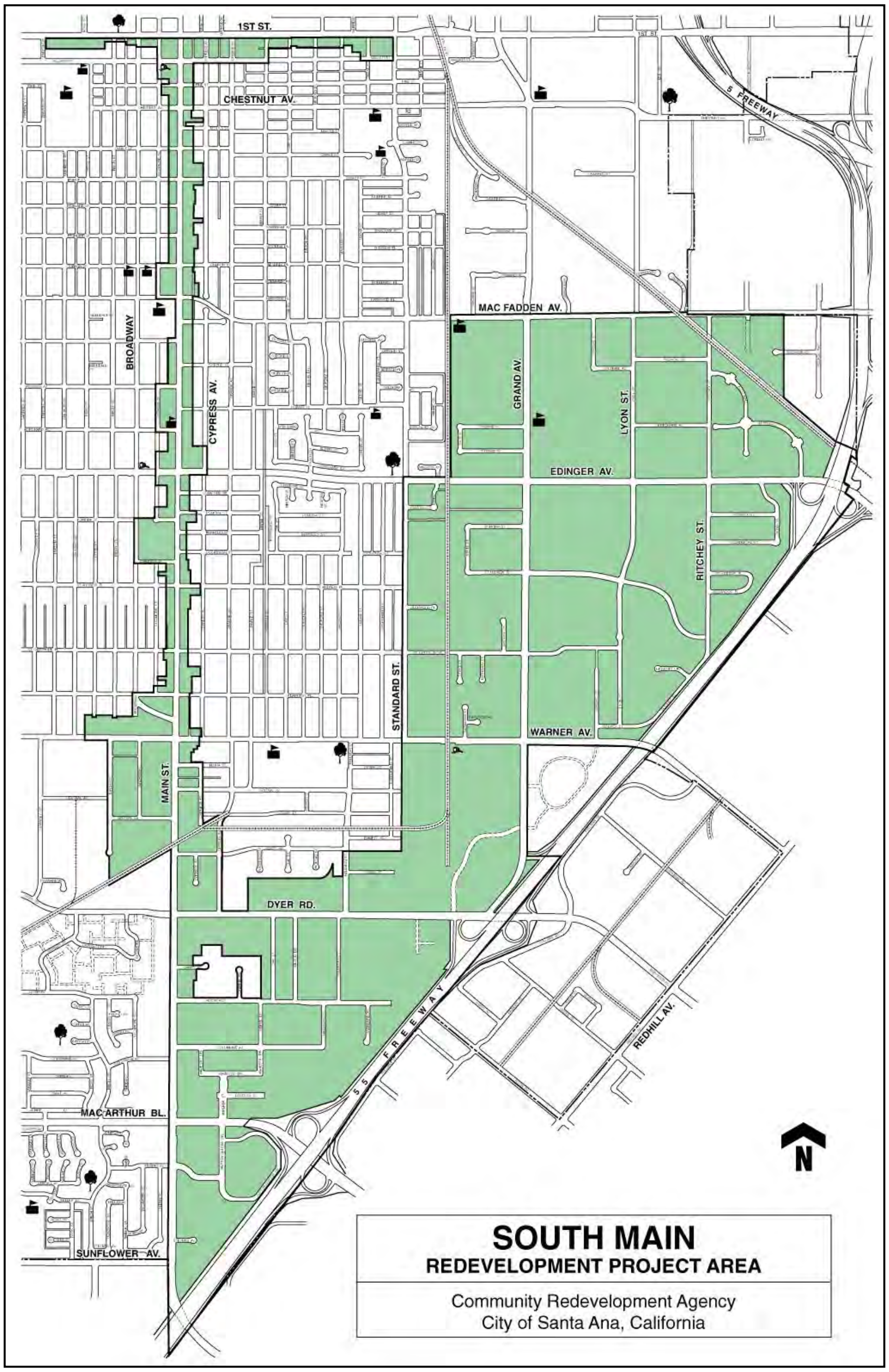
South Harbor Redevelopment Project Area

The South Harbor Redevelopment Plan was adopted by the City Council on July 6, 1982, by Ordinance No. NS-1638. The South Harbor Redevelopment Project Area encompasses approximately 1,050 acres primarily along Harbor Boulevard from Warner Avenue to MacArthur Boulevard and along the west side of Fairview Street from Edinger Avenue to Sunflower Avenue. The South Harbor Project Area is primarily developed with light industrial uses. The goal for the South Harbor area is to create a vibrant contemporary business park, thereby eliminating obsolete industrial uses and improving the underutilized character of the project area. Agency activities may include site acquisition and infrastructure improvements to attract new development and marketing industrial uses in the project area.



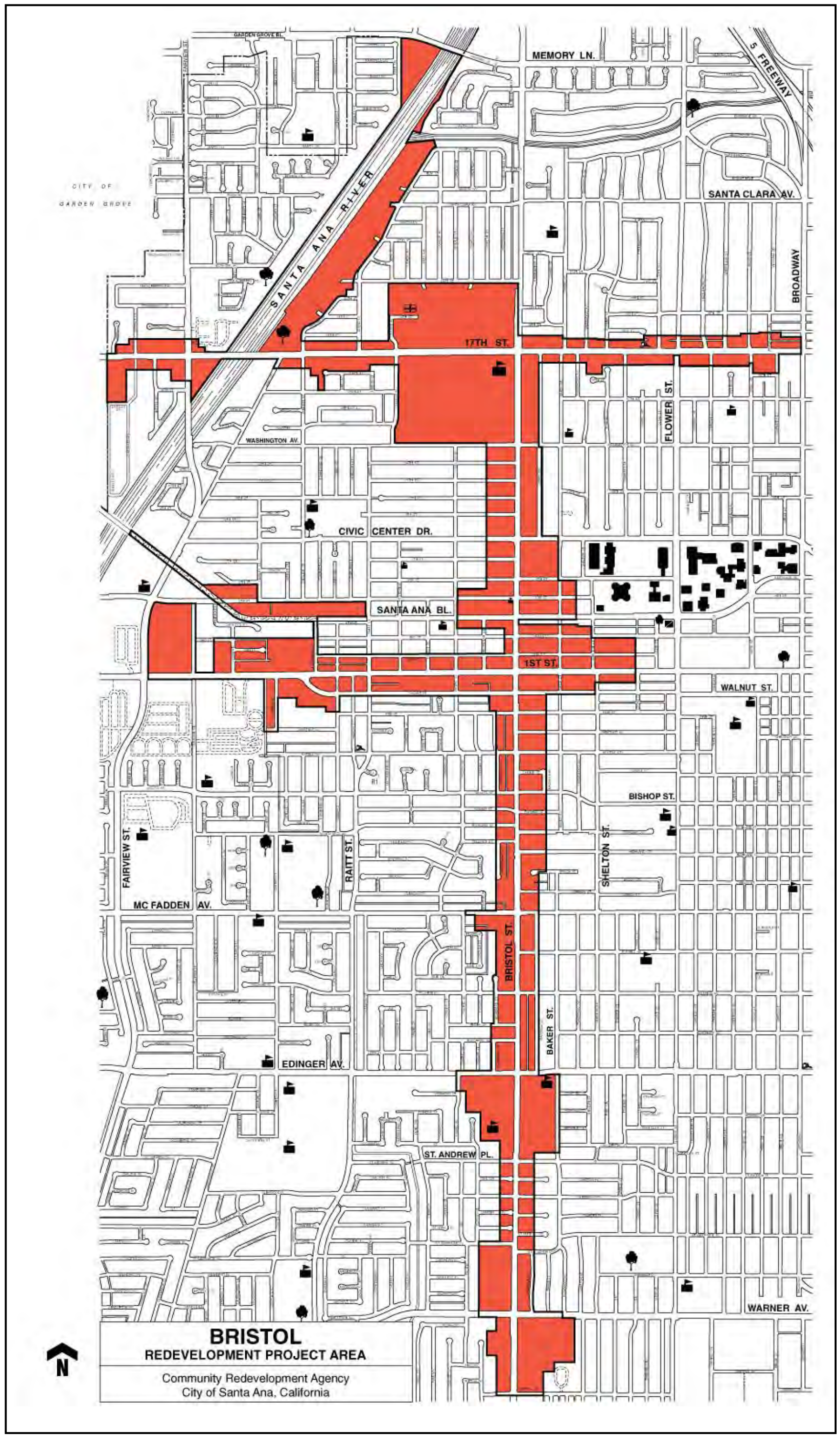
South Main Redevelopment Project Area

The South Main Redevelopment Project Area was adopted by the City Council on July 6, 1982, by Ordinance No. NS-1639. The South Main Redevelopment Project Area encompasses approximately 1,500 acres and is located along Main Street from 1st Street to Sunflower Avenue and the area west of the 55 Freeway along McFadden Avenue, Edinger Avenue, Warner Avenue, Dyer Road and MacArthur Boulevard. The Project Area includes older strip commercial uses interspersed with residential units radiating out from the downtown along Main Street and newer manufacturing and light industrial uses along the southeastern boundary of the City. Redevelopment has been most notable in the industrial and commercial areas along the southeastern boundary of the City. The Agency's primary focus is on the needed revitalization of the commercial corridors through street improvements, rehabilitation programs and assisting in private development that will eliminate obsolete and incompatible uses.



Bristol Corridor Redevelopment Project Area

The Bristol Corridor Redevelopment Project Area was adopted by the City Council on December 4, 1989, by Ordinance No. NS-2039. The Bristol Corridor Redevelopment Project Area consists of approximately 781 acres and is primarily located along Bristol Street from 17th Street to Central Avenue and the area east of Fairview Street along 17th and 1st Streets. Like many other north/south corridors in the City, the Bristol Corridor is developed primarily with older strip commercial uses. Bristol Corridor was the most recently adopted of the Agency's redevelopment projects and is still impacted by many of the blighting conditions identified at project adoption including deterioration, substandard design (obsolescence), and impaired investments (low retail sales and underutilized land). The Agency's program of activities includes infill construction and rehabilitation to eliminate deterioration, obsolescence and improving the economic viability of the corridor.



GOALS AND OBJECTIVES

The goals and objectives have been identified on the basis of the financial resources that are available, the priorities for addressing conditions in the Merged Project Area, and the limit of the five-year period to be covered by the Implementation Plan. The achievement of the Implementation Plan goals and objectives will result in the elimination of blighting conditions in the Merged Project Area and further the attainment of the redevelopment goals and objectives. The means for achieving the goals and objectives of the Implementation Plan are the programs, the specific projects implemented by the programs and expenditures to be undertaken by the Agency over the five-year term.

In general, the goals and objectives for the Merged Project Area include, but are not limited to:

- Eliminate physical blight.
- Create new employment opportunities.
- Encourage uniform and consistent land use patterns.
- Encourage private commercial/industrial rehabilitation, development, and capital investment.
- Implement the City's General Plan.
- Encourage highest and best use of available land consistent with the General Plan.
- Provide or replace public streets, alleys, parks, sidewalks, sewers, storm drains, traffic signals, lighting systems, and other public facilities and improvements as necessary.
- Develop vacant or underutilized industrial land.
- Provide for increased sales, business license, and other fees, taxes, and revenues to the City of Santa Ana.
- Expand the community's supply of housing, including opportunities for low and moderate income housing.
- Comply with the affordable housing requirements imposed by the CRL.

AGENCY ACCOMPLISHMENTS

As noted, the Agency has been in operation since 1973. During the 37 years that have followed, it has carried out numerous projects and programs that, both individually and collectively, have contributed substantially to the elimination of blight as well as the improvement of social, cultural and economic conditions in Santa Ana. The following is a list of its more significant activities in each project area.

<u>Central City Redevelopment Project Area</u>

- Constructed Artist Village Second Street Promenade improvements including tree lighting, benches, trash cans and bollards
- Facilitated the development of the Olson Live-Work lofts (86 total for-sale units of which six are affordable)
- Renovated Festival Hall
- Implemented Facade Rebate Program
- Assisted in the relocation and expansion for the Discovery Science Center
- Facilitated historic renovation of Parker Garage as new home for Orange County Center of Contemporary Art (OCCCA)
- Completed the California State University, Fullerton Grand Central Art Center
- Assisted in the Town Square Condominium Housing Project
- Completed Fourth Street Streetscape Improvements
- Assisted in the development of Rosswood Villas (senior housing)
- Assisted in the development of Main Place Mall
- Assisted in the development of Santa Ana Towers (senior housing)
- Developed and implemented a streetscape and parking plan for the Main Street Corridor
- Facilitated the construction of Memphis Restaurant in Artist Village
- Facilitated Bowers expansion including the Bowers Kidseum
- Facilitated the development of the St. Joseph Ballet Project and relocated to the Museum District
- Coordinated construction of the Sycamore Parking Structure
- Completed pedestrian signage for the Artist Village
- Assisted with the renovation of the historic Phillip Hutton Building
- Assisted with the renovation and reuse of the Fiesta Market Place
- Coordinated development of the Artist Village

Bowers Museum

<u>North Harbor Redevelopment Project Area</u>

- Assisted with public infrastructure improvements
- Facilitated the development of the Harbor Square commercial center
- Facilitated the development of Riverview West Shopping Center (including Wal-Mart)
- Assisted with the development of Riverview Apartments and single-family homes
- Assisted with the development of the La Bonita condominium project

- Assisted with the development of the California Colony homes
- Funded the Commercial/Industrial Rebate Program

South Harbor Redevelopment Project Area

- Facilitated the development of Waxie Janitorial Supplies Company
- Provided a catalyst for street improvements and underground utilities
- Assisted with the relocation of Laguna Cookie Co.
- Assisted in the relocation of The Art Institute of California – Los Angeles (Orange County campus)
- Funded the Commercial/Industrial Rebate Program

South Main Redevelopment Project Area

- Assisted with the development of Hutton Centre/Griffin Tower
- Facilitated the construction and expansion of new dealerships at the Auto Mall
- Assisted in the development of the Doubletree Hotel
- Implemented Commercial/Industrial Rebate Program
- Provided a catalyst for street improvements, including McFadden realignment
- Facilitated Ingram Micro's expansion plans for PacifiCenter and coordinated efforts between Ingram, McDonnell Douglas and Catellus to extend their development rights
- Facilitated the relocation of First American Title Company to MacArthur Place

Historic South Main Business District Archway

- Facilitated the development of the Nexus project at Hutton Center
- Provided assistance to ITT Cannon
- Funded construction of the archway sign on South Main
- Developed and implemented a storefront façade improvement program

Inter-City Redevelopment Project Area

- Assisted with the development of the Business Enterprise Center
- Assisted in the development of the Santa Ana Regional Transportation Center (SARTC)
- Funded the Commercial and Industrial Rebate Program
- Partnered with developer on the construction of the 108 live/work Santiago Street loft project
- Provided a catalyst for street improvements
- Assisted Burke Industrial Development
- Provided Station District property acquisition and master developer selection

Bristol Redevelopment Project Area

- Assisted with development of Bristol Marketplace

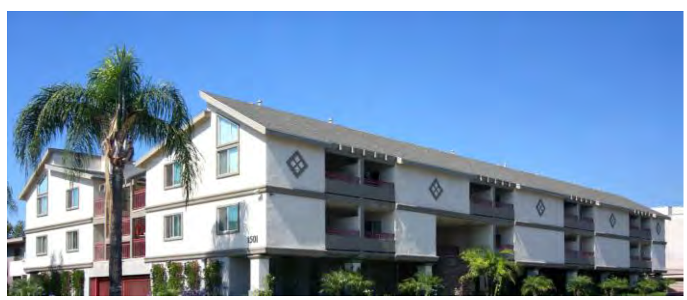
- Facilitated the construction of the Digital Media Center
- Provided a catalyst for street improvements

Santa Ana College – Digital Media Center

<u>Citywide Affordable Housing Projects</u>

- Mercy House – The Agency and City assisted in the rehabilitation of transitional housing units for homeless persons and persons with HIV/AIDS. The projects provide housing for seven families and 20 individuals.
- Wilshire-Minnie – The Agency and the City assisted a limited partnership comprised of a non-profit and a for-profit entity to purchase and rehabilitate seventeen apartment buildings containing 164 one-bedroom units. As reconfigured, the project contains 143 affordable units and a manager's unit. The units are a mix of one, two, three and four bedrooms and are affordable to very-low and low income households.
- City Gardens – the Agency and the City assisted a non-profit owner to obtain critical bond financing for the purpose of refinancing and rehabilitating a 274-unit apartment complex. Twenty percent of the units are restricted to occupancy by very-low income households for a period of 55 years.
- Logan Neighborhood New Construction – The Agency assisted a non-profit corporation to construct three single-family homes on Agency-owned lots located in the historic Logan neighborhood. The non-profit developer contracted with the construction arm of another non-profit to carry out the construction. As a consequence of this partnership, construction-related training was made available to low-income City residents. The homes are restricted to occupancy by low income households for a period of 45 years.
- Ross & Durant – The Agency and the City assisted a limited partnership comprised of a non-profit and a for-profit entity to purchase and rehabilitate two apartment buildings, each containing 24 units. Of the 48 total units, 21 units are restricted to occupancy by very-low income households and the remaining 27 units are restricted to low income households. The length of the restrictions is perpetuity.

Ross Street Apartments



- Townsend & Raitt – The Agency and City assisted a limited partnership comprised of a nonprofit and a for-profit entity to purchase and rehabilitate five apartment buildings and developed a new community center in the troubled Townsend and Raitt area of Santa Ana.

Of the 51 total units in the five buildings, 50 are restricted to be occupied by very-low income households, with the remaining unit restricted to occupancy by moderate income households. The length of the restrictions is 55 years.

Townsend and Raitt Apartments and new community center

- Lacy & Raitt – the Agency and City assisted a limited partnership to purchase and rehabilitate two apartment buildings with a total of 34 units. All of the units are restricted to occupancy by very-low income households, and the length of the restrictions is 45 years. One of the two buildings is located in the Townsend and Raitt area and the Agency's assistance represents a continuation of its commitment to assist the low income people residing in the area. The Lacy building is located in the Station District.
- Santa Ana Boulevard – The Agency has acquired properties in the City's Station District. The City has selected a master developer for the area, and the Agency will work with the developer to insure that its properties are developed in a manner that is consistent with other development in the area, and in a manner that services the diverse housing needs of Santa Ana's residents.
- Infill Development – The Agency has acquired properties throughout the City for residential development. The Agency utilized a Request for Proposals process to select qualified developers interested in working with the Agency on these properties. All will be developed for residential use, and will offer a mix of bedroom sizes and prices suitable to the diverse needs of Santa Ana residents. While the majority will be developed for owner occupancy, four properties will be developed as affordable rental properties that also offer a mix of bedroom sizes and rents suitable to the diverse needs of Santa Ana residents.
- Neighborhood Stabilization – The City has been awarded $15.8 million in federal Neighborhood Stabilization Program grant funds for the purpose of facilitating the acquisition, rehabilitation and resale of abandoned and foreclosed homes and apartments. The City estimates it will be able to produce approximately 194 affordable units with these funds. Of these, approximately 54 units will be rental units carrying 55-year very-low income affordability covenants.
- Rehabilitation Loan Programs – The Agency and the City offer a variety of loans to income eligible owners of both conventional and mobile homes to make necessary repairs. Mobile home funds are offered as forgivable loans with no interest rate, while single-family loans are offered at below market interest rates. For owners of historic homes, the interest rate

is 1%. Single-family homeowners are also eligible to receive grants for all but $2,500 of the funds necessary to eliminate hazardous materials such as lead-based paint and asbestos. During the 2005-09 planning period, more than 80 single-family and mobile homes were rehabilitated.

- Mobile Home Replacement Program – Seven mobile homes were replaced after staff determined they were not suitable for rehabilitation.
- Cornerstone Village – The *Cornerstone Village* Improvement Program was a partnership effort between area residents, property owners, the City of Santa Ana and the Santa Ana Redevelopment Agency. In addition to being visually and physically blighted, *Cornerstone Village* suffered from high rates of crime and poverty. A combination of CDBG, HOME and Tax Increment resources were utilized to reconstruct public infrastructure and to assist with the rehabilitation of 46 apartment buildings. Property owners formed an association that remains responsible for the maintenance of common areas while residents formed an association designed to educate and support area households.
- Townsquare – The Townsquare Program involved the utilization of City and Redevelopment Agency resources to assist a nonprofit corporation to purchase and rehabilitate 70 condominium units in the Townsquare Condominium Project. The Program assisted in the elimination of blight by reducing the number of abandoned, foreclosed and substandard units in the area.
- RSI New Construction – The Agency assisted a for-profit enterprise to construct two single-family homes on Agency-owned lots. The project gave the developer an opportunity to demonstrate how new approaches to home construction can substantially decrease the time and costs associated with such activities, and to make home ownership more affordable to low and moderate income households. The homes are restricted to occupancy by low income households for a period of 45 years.

Two new homes constructed by RSI McFadden, LLC

PROPOSED PROJECTS AND PROGRAMS

To gain public input for the implementation plan, a comprehensive survey* of the City's needs was distributed in three languages to more than 9,000 stakeholders comprised of residents, social service providers, and businesses. The survey was also made available on the City's website and was advertised through public notices in three different languages. From October 15, 2009 to January 15, 2010, the surveys were presented at numerous neighborhood association meetings and laptops were available to enable residents to enter their survey responses online. More than 1,500 responses were received.

*This survey was also used for the City's Consolidated Plan, a Federal-mandated plan that describes needs, resources, priorities and proposed activities to be undertaken with respect to federal programs.
The survey had seven categories: 1) Business and Jobs; 2) Community Facilities; 3) Community Services; 4) Housing; 5) Neighborhood Infrastructure; 6) Special Needs Housing; and 7) Special Needs Services; for the participants to rank in importance from lowest to highest.

The results from the survey concluded that the number one priority of the community is job creation followed by affordable housing. The following summarizes the community priorities by category:

- Business and Jobs – Employment opportunities for unemployed or underemployed persons;
- Housing – Affordable rental housing for large households;
- Special Needs Housing – Housing for seniors;
- Community Facilities – Accessibility improvements for the disabled;
- Community Services – Anti-crime programs; and
- Neighborhood Infrastructure – Intersection and pedestrian safety.

The following is a list of desired City improvements identified during the community information outreach process (in no particular order) and the Agency program that can assist in addressing the community's needs.

Table 2: Summary of Community Priorities

COMMUNITY PRIORITY	RELATED AGENCY PROGRAM
Affordable Housing and Special Needs Housing	Affordable Housing Program
Business and Jobs	Economic and Community Development Program
Community Facilities and Neighborhood Infrastructure	Infrastructure Improvements Program
Community Services and Special Needs Services	Public Facility Development Program

As discussed in more detail later in the Implementation Plan under the heading of "Expenditures", most of the Agency's tax increment, other than Set-Aside deposits, is committed to paying obligations and existing bond debt, the proceeds of which have been expended on projects that have been completed or are committed to projects previously approved by the Agency or City Council. The Agency will be focusing most of its efforts in the next five years on meeting its affordable housing obligations. However, some discretionary revenue is projected to be available or if projected tax increment is greater than anticipated. Therefore, the Agency has identified four programs which the Agency hopes to implement, possibly in conjunction with other City programs and funds. The programs are as follows:

- Economic/Community Development Program
- Public Facility Development Program
- Infrastructure Improvement Program
- Affordable Housing Program

These programs can address the community's priorities for the betterment of Santa Ana and address blighting conditions within the Merged Project Area. However, it must be stressed that given the limited redevelopment revenues and existing obligations, many of the community's priorities may not be addressed during the next five-year period and those projects and programs that are implemented may be funded with revenues other than redevelopment tax increment.

The programs and projects that follow are designed to address the most significant blighting conditions in the Merged Project Area, and provide additional housing opportunities. Typically, when the most significant blighting conditions are reduced, private sector investment will occur leading to additional removal of blight. The Agency's redevelopment programs will therefore serve as a catalyst to remove blighting conditions and spur private investment and the preservation, improvement, creation and maintenance of affordable housing.

Projects and programs are often initiated in response to stakeholders, including developer and owner requests. The Agency also proactively plans for blight elimination, which may involve soliciting proposals for specific development sites. When the Agency participates in a project, the Agency and developer/owner enter into either a Disposition and Development Agreement or Owner Participation Agreement to assure that the project is implemented in accordance with the agreed upon plan, and that the Agency's goals and objectives for blight elimination are attained. In some instances, such as affordable housing, the agreements specify the affordability restrictions to be placed on the affordable units.

The following describes the projects currently associated with each of these four programs that are anticipated to be carried out during this Implementation Plan period.

Economic/Community Development Program

The Economic/Community Development program will consist of the Agency enhancing the Merged Project Area by assisting in the commercial and industrial rehabilitation/development through business retention/attraction, rehabilitation loans, tax allocation bond financing and site assemblage. The Agency's efforts in this program will provide new and expanded opportunities to existing businesses as well as encourage the revitalization of the proposed Merged Project Area through new commercial and industrial development/rehabilitation. Rehabilitation loans provided by the Agency could also assist in the preservation of historic structures through rehabilitation, relocation and reuse. The Agency will primarily assist private developers in the development/redevelopment of vacant, underutilized and blighted properties.

***Grand Central Building*[1]**

The Grand Central Building is a historic building that has been readapted as a live/work place for students attending California State University, Fullerton. The Agency will continue to contribute toward the renovation of the building including replacing the HVAC.

State Enterprise Zone

The Agency administers a State Enterprise Zone program (boundaries significantly overlap Merged Project Area) that assists businesses in securing sales, use and hiring tax credits for employing disadvantaged individuals, as well as other tax advantages. Through the Enterprise Zone, approximately 20,000 jobs have been "vouchered" for Santa Ana businesses. Other incentives included tax-exempt bond financing.

***Station District Development*[1]**

The District incorporates a 94-acre area that will link neighborhoods and businesses with public transit along Santa Ana Boulevard from the I-5 freeway into the Downtown area. Related California/Griffin Realty were selected as master developer in 2009. Extensive community meetings, site and market analysis have resulted in a concept plan for the 6.8-acre first phase, which is going through the entitlement process. This project will replace deteriorated buildings, incompatible uses and underutilized sites with new residential units and potentially, a school and park.

Expansion and Improvement at the Westfield MainPlace Shopping Center

Regional malls such as MainPlace are always looking at innovative new ways of doing business in order to thrive in a highly competitive marketplace. Therefore, MainPlace continues to look at possible expansion and remodeling plans to the mall.

Santa Ana Auto Mall Expansion

This is a business expansion and retention effort. There are currently eight new car dealerships in the mall. The Agency is assisting the expansion of the BMW showroom and service area. Honda's expansion is in the planning phase. A renovation to the mall's interior including new signage and landscaping is complete.

[1] Included in the "Capital Projects" and as identified as an existing obligation and shown in Table 5 "Anticipated Expenditures (FY 2010/11-FY 2014/15)". These are projects for which funding was previously allocated in the Agency's FY 2010-11 budget.

South Main Façade Improvement Program

This program is available to property owners and tenants interested in rehabilitating commercial and retail properties located within the South Main Business District, which runs from First Street to Warner. The program was created to fund exterior façade and other on-site property improvements to improve the appearance of the buildings and properties. The program comes in the form of a cash rebate.

Downtown Storefront Façade Improvement Program

Similar to the South Main Façade Improvement Program the Downtown Façade Improvement Program provides a cash rebate for tenants and property owners who wish to improve the appearance of their properties through façade treatments and other property improvements.

Public Facility Development Program

Public facility-based projects focus on the need for new or improved public facilities such as recreation uses, community centers, cultural centers and facilities that may include police substations. This program will enhance the Merged Project Area as a place to conduct business and live. The construction of certain recreation facilities and police substations will also have the benefit of reducing crime and increasing public safety.

Expansion of the Discovery Science Center (Museum District[1])

The Agency entered into an agreement with the Discovery Science Center for the expansion of their facility. Current efforts are focusing on helping DSC obtain financing for the next state of this multi-phase expansion. The Discovery Science Center is Orange County's largest non-profit education resource dedicated to educating young minds in the appreciation of science, math and technology through interactive exhibits and programs.

Regional Transportation Building[1]

The Santa Ana Regional Transportation Building (train depot) is proposed for renovation and expansion. The expanded facility with be the home for the "60 Local" which will be light rail that will service the City of Santa Ana.

YMCA Building[1]

The YMCA Building is a National Register historic building. The building is currently vacant and in a state of disrepair. The Agency proposes to fund the rehabilitation of the structure for reuse. A possible tenant is the Orange County High School for the Arts.

OCTA Building[1]

The Orange County Transportation Authority (OCTA) building is a former bus terminal. The Agency, in partnership with OCTA, will be soliciting proposals for a food/retail court on the property to serve visitors and employees of the Downtown and surrounding area.

Bowers Museum of Cultural Arts

The Agency has worked with the Bowers Museum over the past years in providing rehabilitation of existing and expansion of facilities to allow for cultural growth in the community. The Agency continues to partner with Bowers to achieve these endeavors.

Improvements of Public Parking Garages

During the next five years, the Agency will assist with enhancing our public parking garages consisting of five in the downtown area and one adjacent to the Santa Ana Regional Transportation Center. These garages provide much needed support to the continued success of the Downtown and the SARTC.

Infrastructure Improvements Program

Infrastructure improvements include projects that will assist with the future development of the Merged Project Area. By facilitating new development the Agency will eliminate deterioration and obsolescence. Traffic improvements and street lighting will also enhance public safety and reduce crime. Infrastructure improvements may include, but are not limited to, the following:

- Transportation and circulation improvements which may entail street widening, construction of street medians, land configuration, street maintenance, improved traffic signalization and signage;
- Sewer improvements to alleviate infrastructure inadequacies, meet flow requirements and ensure public safety;
- Storm drain improvements including capacity for existing and new development to ensure proper drainage and on-going street improvements of Merged Project Area streets; and
- Public infrastructure improvements including sidewalks, curbs and gutters, streetscape/landscape improvements, public transit improvements, public parking structures, creating pedestrian links and developing enhanced parkways and sidewalks, and providing access to the disabled.

Downtown Wayfinding Signage Program[1]

This program funds the development of signs to direct cars and pedestrians to shopping, cultural and service destinations within the Merged Project Area. This program will evaluate existing vehicular and pedestrian way finding signs in downtown Santa Ana and provide input for a potential redesign and enhancement of current way finding sign program.

Parking Lot Improvements[1]

The Agency plans on making major upgrades to the City-owned parking lots including repaving, adding energy efficient lighting, replacing landscaping, repainting, and upgraded security measures.

Affordable Housing Program

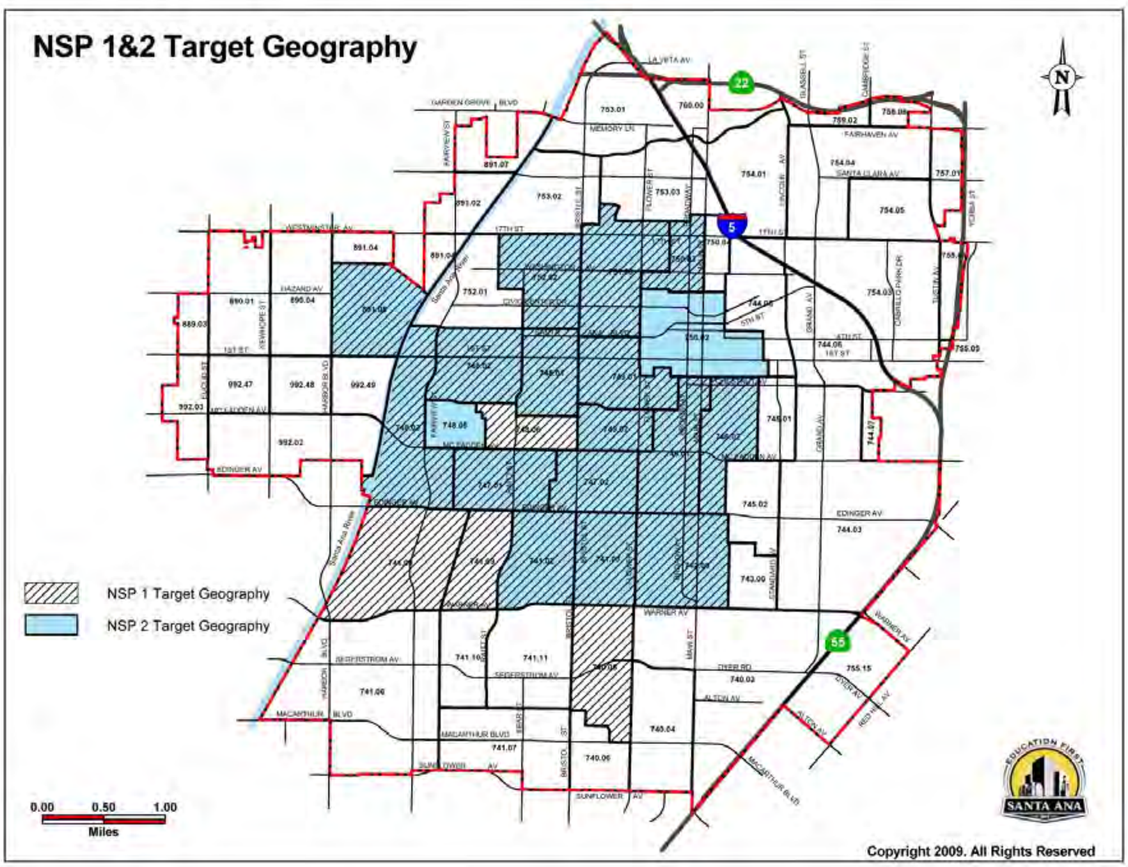
The Agency's Affordable Housing Program includes the following components:

Multi-family Acquisition Rehabilitation

In partnership with various non-profit and for-profit developers, the Agency anticipates continuing an acquisition and rehabilitation program for multi-family properties. The selected developers will be responsible for the rehabilitation and ongoing management of these projects, and the projects will be subject to income and affordability covenants that will remain in place for a minimum of 55 years. The Agency will provide assistance to the projects to fill the gap created by the covenants.

Neighborhood Stabilization Program (NSP 1 & 2)

This program stabilizes transitional neighborhoods through the improvement of existing residential structures and preservation of existing stock. The Program provides assistance to low and moderate income households throughout Santa Ana and also eliminates blighting conditions in targeted neighborhoods by increasing on-site management, reducing overcrowding and rehabilitating rental housing units. The following map reflects both NSP 1 and NSP 2 geographical target areas.



This program will utilize Federal funds to acquire and redevelop foreclosed residential properties that might otherwise become sources of blight within their communities. The single-family homes are sold to households that are 120% of the area median income (AMI) or less. The City is using 25% of the grant as required to create affordable rental units for families at 50% of the AMI or below.

Single-family Residential Rehabilitation

The City's Community Development Agency administers rehabilitation programs funded with HOME and CDBG funds provided by the United States Department of Housing and Urban Development (HUD), CalHOME Program funds provided by the California Department of Housing and Community Development, and Set-Aside funds. The Program is available citywide to very-low, low and moderate income households. The majority of the assistance is provided to households in the very-low and low income range. These loans are typically in the amount of $20,000 to $30,000.

New Residential Construction

The Agency plans to undertake a large scale specific plan development in the Station District area. It is currently anticipated that this area will be developed with a mix of for-sale and rental projects that will serve very-low, low and moderate income households. It is also anticipated that this project will be implemented in multiple phases over the Implementation Plan period. A developer has been selected, and they are currently working with the community to identify the most appropriate developments for each available site.

The Agency has entered into partnerships with several developers to develop 12 vacant parcels located throughout Santa Ana that are currently owned by the City or Agency. It is anticipated that these projects will be a mix of single-family homes and rental units affordable to low and moderate income households.

Eight sites will accommodate the development of approximately 20 single-family homes. The remaining four sites will accommodate the development of up to 20 rental units.

Rendering of Birch Street Project Proposal

Mobile Home Rehabilitation

The 29 mobile home parks in Santa Ana serve a substantial number of very-low income seniors. To meet their needs, the Agency plans to continue offering its Mobile Home Hardship Loan Program that offers seniors and disabled households forgivable loans of up to $5,000 to pay for essential repairs.

Preservation of Affordable Units

There are several affordable housing complexes with expiring affordable housing covenants in Santa Ana that the Agency will consider assisting in order to preserve affordable housing.

The following summarizes the total affordable housing development projected by the Agency for the period between FY 2011 and FY 2015.

Table 3: Projected Affordable Housing Development (FY 2010/11 – FY 2014/15)

PROJECTED PROJECTS	NUMBER OF UNITS	ANTICIPATED YEAR OF COMPLETION
Station District	75	2011
1410 Durant	14	2010
Vista Del Rio	41	2011
Infill Development – Rental	20	2011
Infill Development Site – For-Sale	20	2011
Other Rental Projects	60	2013
Total Affordable Units	230	

REDEVELOPMENT EXPENDITURES

BACKGROUND

The Agency has the legal authority and flexibility to implement the revitalization of the Merged Project Area utilizing any or all of the following revenue sources: (1) city; (2) state; (3) federal government; (4) tax increment funds in accordance with provisions of the existing CRL; (5) new tax allocation bonds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; (10) developer payments, and (11) any other legally available public or private sources.

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

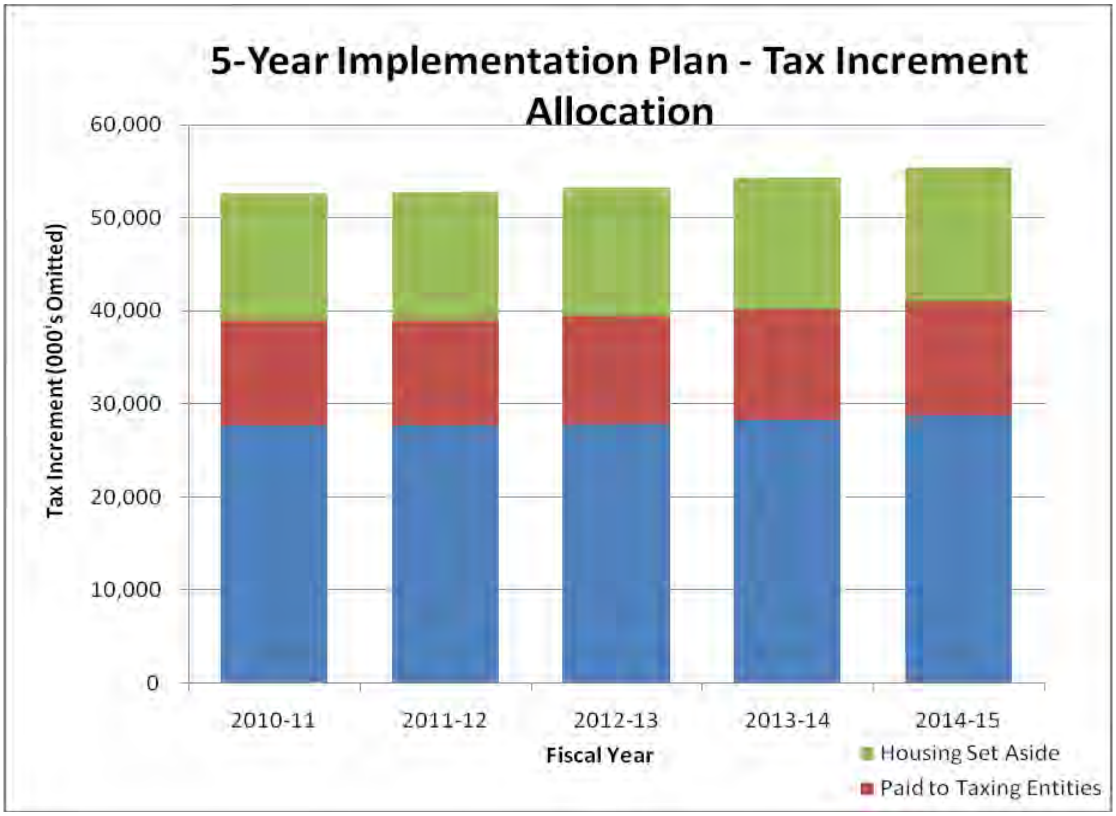
The redevelopment programs described previously in this section outline a set of activities to be implemented by the Agency for the purpose of facilitating private reinvestment in the Merged Project Area, eliminating physical and economic blighting influences. For purposes of this analysis, Affordable Housing Fund revenues and their related expenditures are presented in the Housing Component section.

The Goals and Objectives and Projects, Programs and Expenditures included in this Implementation Plan reflect the financial constraints of the Agency to implementing the Redevelopment Plan over the five-year term of the Implementation Plan. As mentioned earlier and shown below, over the next five-year period the Agency's revenues have been committed to paying existing debt. As a result, the Agency has very little latitude with the discretionary actions that it may undertake. Agency discretionary actions will be primarily limited to assisting developers or owners that can front the costs for development on projects that are not financially feasible with the agreement that the developer will be repaid from tax increment generated from the proposed development. Should substantial new development occur or property sales that exceed current trends, there may be additional discretionary revenues available to fund projects.

REVENUES

At the time a Redevelopment Plan is adopted for a project area, the taxes generated from taxable value of property in the area (often referred to as the base year value) continue to be distributed to each of the taxing entities, which levy a property tax in the Merged Project Area. The property taxes that occur due to growth in taxable value above the base year value are allocated to the redevelopment agency. This amount is commonly referred to as tax increment revenues.

Over the five-year period from FY 2010-11 to FY 2014-15, the Gross Tax Increment Revenue is projected to total $268.4 million. From this amount, the Agency is required under Redevelopment Law to set aside 20 percent of the Gross Tax Increment Revenue to be spent on affordable housing. The Agency sets asides more than the required 20 percent and the projected deposit to the Housing Fund amounts to $69.7 million for the period. Additional contractual and statutorily mandated pass through allocations to various affected taxing agencies are also made and are projected to amount to $56.9 million for the period. The County is projected to collect an additional $1.5 million for County administrative overhead expenses allowed under SB 2557 for the period. The resulting Net Tax Increment Revenue remaining for Agency debt payments, administration and capital improvement expenditures is projected to total $140.3 million.



Redevelopment law requires 20 percent of the gross tax increment, which is referred to as Set-Aside, to be spent on affordable housing. However, as a result of a settlement agreement in the South Main Project Area (Peebler settlement), the Agency sets aside a larger percentage of the gross tax increment; this amounts to \$69.7 million set aside for low and moderate income housing, plus \$12.1 million from the Peebler settlement, out of the \$268.4 million gross tax increment projected over the next five years.

Under the terms of a 1982 settlement resulting from litigation entitled Gerald Peebler, et.al. vs. City of Santa Ana, OCSC No. 38-58-59, the Agency agreed to annually set aside 20% of non-housing tax increments generated by the South Main Project Area, to be dedicated to the improvement and support of the commercial areas within the corridor along Main Street between First and Warner and the south side of First Street between Parton and Standard. Such improvements may include various public improvements, public parking funding and other commercial financial incentives. The annual set aside is deposited into what is referred to as the South Main 20% Commercial Corridor Fund.

The Merged Project Area's net tax increment revenues are estimated at $30.1 million for FY 2009-10 (net of County administrative fees, Set-Aside, and contractual and statutory pass through obligations). Over the five-year period, the Agency is projected to receive approximately $140.3 million in net tax increment revenues, the majority of which is obligated to repay debt. The revenues anticipated to be generated in the Merged Project Area over the next five years are identified in Table 4.

Table 4: Anticipated Revenues (FY 2011 – FY 2015)

Net Tax Increment	$140,276,000
Interest Earnings	1,881,000
Carry-Over Funds for SERAF [2]	3,680,000
Total Revenues	$145,837,000

EXISTING OBLIGATIONS

Agency Bond Debt Service

The Agency will continue to make principal and interest payments on the 1989 Tax Allocation Refunding Bonds (Central City, Inter-City and South Harbor Project Areas) and the 2003 Tax Allocation Bonds (South Main Project Area). Over the next five years the amount of 1989 bond debt service will total approximately $47.7 million and the amount of 2003 bond debt service will total approximately $21.1 million.

Transfers In (Credit)

The Santa Ana Financing Authority issued 1998 Refunding Revenue Bonds, Series A, B, C and D for the purpose of using the net proceeds to purchase the Agency's 1989 Tax Allocation Refunding Bonds, Series A, B, C and E referenced above. This enabled the Agency to realize a savings of $1.2 million in annual debt service payments by utilizing the leverage of pooling funds permitted by Mello Roos bonds. Over the next five years, the Financing Authority bond debt service will total approximately $41.5 million, providing the Agency with a cumulative savings of approximately $6.2 million over the same period.

Supplemental Educational Revenue Augmentation Fund (SERAF)

The California State Legislature adopted Assembly Bill 26-4x to take $1.7 billion from local redevelopment funds in FY 2009-10 and an additional $350 million in FY 2010-11, and shift the tax increment funds to the SERAF to offset State deficits to K-12 schools. On May 10, 2010, the Agency paid the state $17,889,256. For FY 2010-11, the Agency's exposure is estimated to be $3,680,000.

A lawsuit filed with the Sacramento Superior Court by the California Redevelopment Association challenging the constitutionality of AB 26-4x was denied by the court. The FY 2009-10 SERAF payment was funded from a $3,680,000 borrowing of the FY 2009-10 Housing Set-

[2] To make the required SERAF payment to the State of California in FY 2010-11, the Agency intends to fund the demand from anticipated carry-over funds available to the Merged Project Area.

Aside and the balance of $14,209,000 funded from other Agency resources, including the South Main 20% Commercial Corridor Fund. The amount borrowed from the FY 2009-10 Housing Set-Aside Fund and prior year Affordable Housing Fund borrowings for previous ERAF obligations is anticipated to be repaid on a basis subordinate to Agency debt obligations by FY 2015-16. The repayment to the Housing Fund over the next five years is projected to total $8,036,000. Future year demands from the State are not assumed in the projection.

In order to fund the FY 2009-10 SERAF demand from the State, it was necessary for the Agency to borrow $6,302,827 from the South Main 20% Commercial Corridor Fund. The Agency intends to repay the amount borrowed commencing in FY 2011-12 through FY 2016-17. Based upon this plan, the Fund is scheduled to receive $3.3 million over the next five years.

Administration

The projected cost to administer the redevelopment program for the Merged Project Area over the next five years is based on the Agency's budget of $4,932,000 for FY 2010-11 (based on Agency administrative costs that are funded solely from tax increment revenue). Subsequent year administrative costs are projected to increase by an assumed three percent cost of living factor over the term of the projection. The tax increment funded administrative costs over the next five years are anticipated to total approximately $26.2 million.

Contractual Obligations and Subsidies

The Agency annually budgets for various existing contractual obligations unique to specific Project Areas as well as those of the Agency as a whole. These annual obligations include trustee fees, economic development obligations, debt service on Certificates of Participation, and debt repayments related to site-specific projects. In all, the Agency's contractual obligations amount to approximately $21.8 million over the next five years.

Capital Projects

Existing budgeted capital improvement projects identified in the Agency's FY 2010-11 budget reflects various anticipated capital improvements of the Agency, including budgeted costs associated with capital funding of the Grand Central Building, Regional Transportation building, Downtown, Museum District, Downtown Wayfinding Signage program, OCTA building, Station District, YMCA building and various parking lot improvements. An additional $750,000 is budgeted in FY 2010-11 for commercial façade rehabilitation rebates in the Downtown area. The total cost for these FY 2010-11 budgeted capital improvements is approximately $2.4 million. Specific costs for other subsequent projects have not been identified other than what have been reflected in the FY 2010-11 budget.

To the extent annual resources, in excess of the noted expenditures, become available to the Merged Project Area, such discretionary resources may be used to fund other capital improvement opportunities that may arise in subsequent fiscal years or may be used for ongoing commercial façade improvement assistance Downtown. Based upon the forecast and inclusive of the $2.4 million already budgeted for specific capital improvements in FY 2010-11, over the next five years up to $8 million may be available for capital project improvements in the Merged Project Area.

Future Loan Repayments

Although not projected during the five-year Implementation Plan period, there is the potential for cash deficits, requiring short-term loans.

However, to the extent unforeseen declines in tax increment revenue occur, future deficits may be funded from other Agency financing sources as necessary, with such loans advanced to the Agency to meet any future cash deficits, and repaid on a pay-as-you-go basis in subsequent fiscal years.

The anticipated projects, programs or activities that the Agency may undertake as future resources, were presented above.

Table 5: Anticipated Expenditures (FY 2010/11 – FY 2014/15)

Bond Debt Service	$68,889,000
Transfers In (1998 vs. 19889 DS Credit)	(6,203,000)
SERAF 2010-11 Payment	3,680,000
ERAF & SERAF Housing Fund Repayment	8,036,000
ERAF & SERAF So. Main Comml Corridor Fund Repayment	3,303,000
Administration	26,186,000
Contractual Obligations	21,803,000
Capital Projects	8,030,000
So. Main 20% Commercial Corridor Fund	12,113,000
Total Expenditures	145,837,000

A summary of the cash flow of the Agency over the term of this Implementation Plan is shown in Table 6.

Table 6: Projected Agency Cash Flow (FY 2010/11 – FY 2014/15)

Tax Increment & Interest Earnings	$142,157,000
Carry-Over Funds for SERAF 2010-11 Payment	3,680,000
Total Revenues	145,837,000
(Less) Total Expenditures	(145,837,000)
Revenues Available for Discretionary Projects	$0

Relationship between Goals and Objectives, Programs, Projects and Expenditures

The achievement of the Implementation Plan Goals and Objectives (through the specific projects, programs and expenditures) will partially eliminate blighting conditions within the Merged Project Area. This Implementation Plan does not attempt to outline a plan to eliminate all blight in the Merged Project Area, but rather addresses how the Agency intends to contribute to the elimination of blight within the Merged Project Area.

In summary, the Agency proposes to focus its activities on eliminating physical and economic blight conditions through the construction of public improvements and assisting the private sector in developing vacant and/or underutilized properties. It is the Agency's hope and intent that the Redevelopment Implementation Plan as proposed, if fully implemented, will encourage further private sector investment in commercial designated areas. Table 7 shows the relationship between the Agency's goals and objectives, and projects and programs for the elimination of Blight.

Table 7

Goals and Objective Economic / Community Development	Programs to Implement Projects that will Attain Goals	PHYSICAL BLIGHTING CONDITIONS	Unsafe/Unhealthy Buildings	Factors Preventing or Substantially Hindering Viable Use / Capacity	Incompatible Uses	Irregularly Shaped / Sized Parcels	ECONOMIC BLIGHTING CONDITIONS	Depreciated / Stagnant Property Values or Impaired Investments	Abnormally High Business Vacancies, Abnormally Low Lease Rates, and High Turnover Rate	Lack of Necessary Commercial Facilities	Residential Overcrowding	High Crime Rate	Inadequate Public Facilities and Infrastructure
		Blighting Conditions Addressed by Programs											
Eliminate physical Blight	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		
Create new employment opportunities	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		
	Public Facilities Development											X	X
Encourage uniform and consistent land use patterns	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		
Encourage private commercial/industrial rehabilitation, development and capital investment	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
Implement the City's General Plan	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		
	Public Facilities Development		X		X						X	X	X

Goals and Objective Economic / Community Development	Programs to Implement Projects that will Attain Goals	Blighting Conditions Addressed by Programs											
		PHYSICAL BLIGHTING CONDITIONS	Unsafe/Unhealthy Buildings	Factors Preventing or Substantially Hindering Viable Use / Capacity	Incompatible Uses	Irregularly Shaped / Sized Parcels	ECONOMIC BLIGHTING CONDITIONS	Depreciated / Stagnant Property Values or Impaired Investments	Abnormally High Business Vacancies, Abnormally Low Lease Rates, and High Turnover Rate	Lack of Necessary Commercial Facilities	Residential Overcrowding	High Crime Rate	Inadequate Public Facilities and Infrastructure
Encourage highest and best use of available land consistent with the General Plan	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		
Provide or replace public streets, alleys, parks, sidewalks, sewers, storm drains, traffic signals, lighting systems and other public facilities and improvements as necessary	Infrastructure Improvement		X	X								X	X
Develop vacant or underutilized industrial land	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
Provide for increased sales, business license and other fees, taxes and revenues to the City of Santa Ana	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
Expand the community's supply of housing, including opportunities for low and moderate income housing	Economic and Community Development		X	X	X	X		X	X	X	X		
	Infrastructure Improvement		X	X								X	X
	Affordable Housing Programs		X		X						X		

III. AFFORDABLE HOUSING COMPONENT

The Agency's primary goal is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. The affordable housing activities identified in the Implementation Plan will be undertaken over the duration of the Redevelopment Plan for the Merged Project Areas, and will ensure that the Agency is in compliance with the CRL.

The CRL requires that certain housing requirements be fulfilled during five- and 10-year increments; and over the remaining Merged Project Area life. Specifically, the inclusionary housing production requirement must be met every 10 years, and over the life of the Merged Project Area. Comparatively, the proportionality tests must be achieved between January 1, 2002 and December 31, 2014, and then again in 10-year increments throughout the Merged Project Area life.

A. Applicable Affordable Housing Requirements

California Redevelopment Law Requirements

A California redevelopment agency has three primary responsibilities relative to affordable housing:

- To deposit and expend a percentage of tax increment revenue for the provision of affordable housing (Housing Set-Aside Requirement) into a separate fund (Affordable Housing Fund).
- To cause specified percentages of new or rehabilitated housing units in a Merged Project Area to be available at affordable housing cost (Inclusionary Housing Production Requirement).
- To replace affordable housing units removed from the housing stock as a result of redevelopment activities (Replacement Housing Requirement).

B. Affordable Housing Fund Status

A five-year implementation plan must address the redevelopment agency's performance relative to each of these responsibilities in enough detail to evaluate the Agency's performance for each of the five years. This includes the following:

- Plans for using annual deposits into the Housing Set-Aside Fund.
  - Affordable Housing Funds must be spent on very-low, low and moderate income housing projects in proportion to the unmet need for housing as defined in Government Code Section 65584 (Income Targeting Requirement)
  - A cap is applied to the amount of Affordable Housing Funds that can be spent on housing that is subject to age restrictions (Age Restriction Requirement)

- Identification of planned projects that will result in the destruction of existing affordable housing and identification of proposed locations for housing to replace units removed for project activities (Replacement Housing Requirement).
- Estimates of new housing units to be constructed within the Merged Project Area if adopted after 1975 and both a five-year and a 10-year plan to produce affordable housing in response to new housing production (Inclusionary Housing Production Requirement).
- Many affordable housing practitioners in California have concluded that redevelopment agencies can use one unit to fulfill both the replacement housing and the inclusionary housing production requirements imposed by Section 33413. However, in the interest of a conservative approach, the Agency has made the policy decision not to double count units toward the defined replacement housing and inclusionary housing production requirements.
- An explanation of how the goals, objectives, projects and expenditures will implement the low and moderate income affordable housing fund and housing production requirements.
- A new requirement of the law, Section 33490(a)(2)(C)(iv) of the CRL is to identify the amount of Affordable Housing Funds used to assist extremely-low, very-low, and low income units during the previous implementation plan period:

Affordable Housing Fund Assistance (FY 2005 – FY 2009)	
Extremely Low Income Units	$93,241
Very-Low Income Units	14,254,304
Low Income Units	8,467,420
Total Assistance	$22,814,965

The law also requires agencies to identify the amount of Affordable Housing Funds used to:

- Assist units available to families with children: $24,299,855
- Identify the family units assisted (location, number of units, affordability level and assistance amount):

Location	Number of Units				Assistance Amount
	Ex. Low	Very-Low	Low	Total	
1205 E. Wilshire Blvd	0	58	85	143	$8,100,000
1411 N. Durant St	0	11	13	24	2,043,924
1501 N. Ross St	0	18	6	24	3,006,890
1505 N. Bush St	0	0	3	3	31,361
701 S. Townsend St	0	10	0	10	1,200,326
702 S. Raitt St	1	7	0	8	806,265
703 N. Lacy St	1	25	0	26	1,556,217
709 S. Townsend St	0	10	0	10	1,063,898
817 S. Townsend St	0	10	0	10	1,333,201
821 S. Townsend St	0	10	0	10	1,436,203
834 S. Raitt St	0	9	0	9	1,365,662
1006 N. Logan	0	0	1	1	616,954
1012 N. Logan	0	0	1	1	772,223
1015 N. Logan	0	0	1	1	744,223
1112 S. Orange	0	0	1	1	111,239
118 S. Orange	0	0	1	1	111,239
Totals	2	168	112	282	$24,299,855

- Identify the extremely-low, very-low and low income units, restricted with 55-year (rental) or 45-year (ownership) affordability restrictions, produced with local subsidy other than Affordable Housing Funds:

Location	Number of Units				Assistance Amount
	Ex. Low	Very-Low	Low	Total	
2901 N. Bristol St.	0	55	0	55	$1,633,942
1410-1412 Durant	0	14	0	14	1,429,262
Totals	0	69	0	69	$3,063,203

Affordable Housing Fund Deposits

The Affordable Housing Fund revenues shown in Table 7 include the following:

- The estimated gross property tax increment generated within the Merged Project Area allocated to the Affordable Housing Fund.
- Interest income from balances in the Affordable Housing Fund.

- Rental income and lease income.
- Repayments on existing residual receipts and individual loans.
- Repayments of previous SERAF Payments from the Affordable Housing Fund.

The projected revenue streams for the Affordable Housing Fund can be summarized as follows:

Table 8: Projected Affordable Housing Fund Revenues (FY 2010/11 – FY 2014/15)

	FY -10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
Set-Aside Deposits	$13,573,000	$13,691,000	$13,835,000	$14,120,000	$14,411,000	$69,630,000
Interest Income	500,000	500,000	500,000	500,000	500,000	2,500,000
Rental/Lease Income	85,000	85,000	85,000	85,000	85,000	425,000
Loan Repayments	633,000	633,000	633,000	633,000	633,000	3,165,000
SERAF/ERF Repayments	1,500,000	1,634,000	1,634,000	1,634,000	1,634,000	8,036,000
Total Revenues	$16,291,000	$16,543,000	$16,687,000	$16,972,000	$17,263,000	$83,756,000

USE OF AFFORDABLE HOUSING FUND DEPOSITS

The Agency is projected to incur the following costs during the Implementation Plan period:

Housing Rehabilitation
The Agency anticipates expending $4.8 million on the Housing Rehabilitation Program during the Implementation Plan period.

Land Purchase / Other / Relocation Costs
The Agency has budgeted $6.5 million for land acquisition costs during the five-year period.

Projects & Programs
A total of $54.0 million is budgeted during the Implementation Plan period for various projects and programs.

Administrative Expenses
Costs such as salaries; overhead; consultant and legal fees; and supplies will be incurred to implement the Affordable Housing Program. The cash flow projection includes annual estimates through Fiscal Year 2014/15 which total to $14.7 million during the Implementation Plan period. The actual expenditures must be determined each year and may differ from this plan's projections.

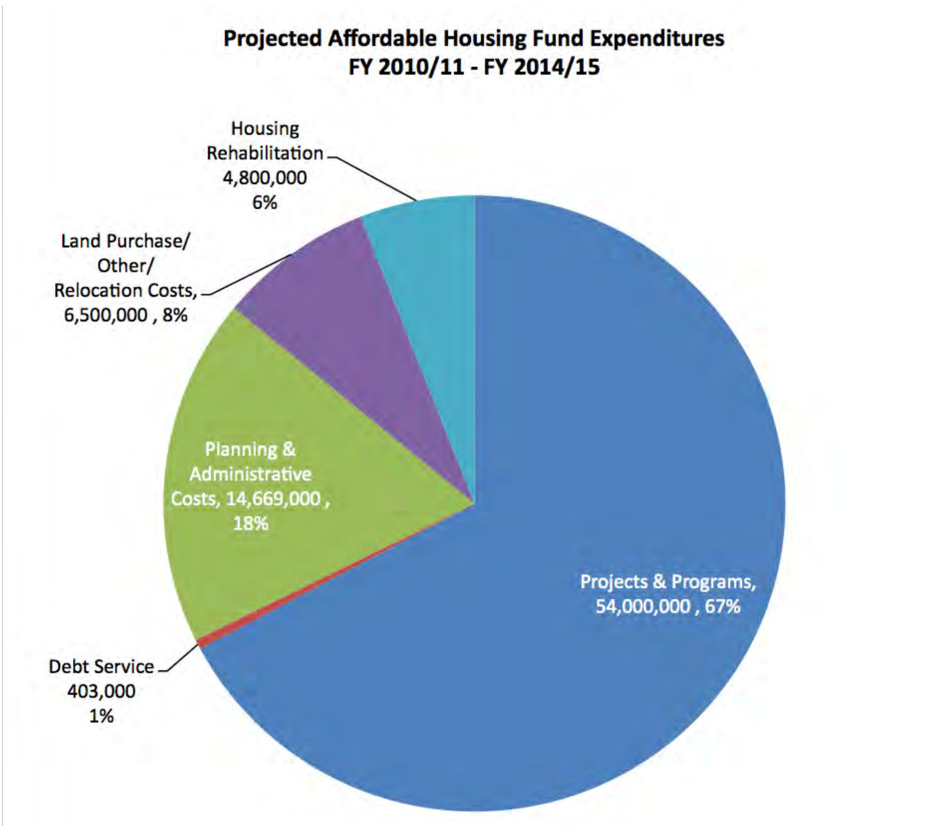
Debt Service
The Agency obtained a HELP Loan from the California Housing Finance Agency. The remaining balance on this loan is $403,000 and the Agency expects to repay it in FY 2010-11. The Agency will continue to evaluate funding mechanisms, which may include issuing housing bonds.

The projected Affordable Housing Fund expenditures during the Implementation Plan period can be summarized as follows:

Table 9: Projected Affordable Housing Fund Expenditures (FY 2011 – FY 2015)

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
Housing Rehabilitation	$300,000	$500,000	$1,000,000	$1,500,000	$1,500,000	$4,800,000
Land Purchase	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	6,500,000
Projects & Programs	12,000,000	12,000,000	10,000,000	10,000,000	10,000,000	54,000,000
Planning & Administration	2,763,000	2,846,000	2,931,000	3,019,000	3,110,000	14,669,000
Debt Service	403,000	0	0	0	0	403,000
Total Expenditures	$17,966,000	$16,749,000	$14,931,000	$15,519,000	$15,610,000	$80,372,000

The Affordable Housing Fund expenditures are projected to total $80.4 million for the five-year period and are summarized in **Figure 1**:



AFFORDABLE HOUSING FUND CASH FLOW ANALYSIS

This Implementation Plan provides an illustrative example of how the Affordable Housing Program could be financed on an annual basis over the remaining term of the Merged Project Area. However, the timing and specific amounts of both revenues and expenditures may be adjusted over time. Specific decisions on each of these items will be made as part of the Agency's annual budget process.

The cash flow projected to be generated by the Affordable Housing Fund is summarized below:

Table 10: Projected Affordable Housing Fund Cash Flow (FY 2010/11 – FY 2014/15)

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Beginning Balance	$50,301,000	$48,626,000	$48,823,000	$50,579,000	$52,032,000
Total Revenues	16,291,000	16,543,000	16,687,000	16,972,000	17,263,000
(Less) Expenditures	(17,966,000)	(16,346,000)	(14,931,000)	(15,519,000)	(15,610,000)
Ending Balance	$48,626,000	$48,823,000	$50,579,000	$52,032,000	$53,685,000

PROPORTIONAL EXPENDITURES OF AFFORDABLE HOUSING FUND

The Merged Project Area is subject to the Section 33334.4 requirement that a redevelopment agency expend Affordable Housing Funds in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 31, 2014, and then again through the termination of the Merged Project Area. The results of the proportionality test are described in the following sections.

Income Targeting Proportionality Test

The income targeting proportionality test requires a redevelopment agency to expend Affordable Housing Funds in proportion to the unmet housing needs that have been identified for the community pursuant to Government Code Section 65584. The proportionality test used in this report is based on the 2006 - 2014 Regional Housing Needs Assessment (RHNA) figure prepared by the Southern California Association of Governments (SCAG), which covers the time period of this Implementation Plan.

The RHNA established the following unmet need for affordable housing in the City of Santa Ana.

Table 11: Income Targeting Requirements

Income Category	Total Units	% of Total	Expenditure Proportionality
Very-Low Income	2,710	39%	At Least 39%
Low Income	1,639	23%	At Least 23%
Moderate Income	2,625	38%	At Most 38%
Totals	6,974	100%	

To comply with the Section 33334.4 requirements, the Agency must spend at least 39% of the Affordable Housing Funds on projects and programs dedicated to very-low income households, and no more than 38% of the Housing Funds on projects and programs dedicated to moderate income households. Section 33334.4 provides the Agency with the flexibility to allocate Affordable Housing Funds in any way that complies with the defined minimum for very-low income expenditures and the defined cap for moderate income expenditures.

Section 33334.4 allows the Agency to expend a disproportionate amount of the Housing 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 moderate income households. In no case can the expenditures for moderate income households exceed the established threshold.

The following summarizes the actual expenditures incurred by the Agency between January 1, 2002 and June 30, 2010:

Table 12: Actual Expenditures (1/1/2002 – 6/30/2010)

Income Category	Actual Expenditures	% of Total Expenditures
Very-Low Income	$32,057,000	47%
Low Income	16,031,000	26%
Moderate Income	8,126,000	27%
Totals	$56,214,000	100%

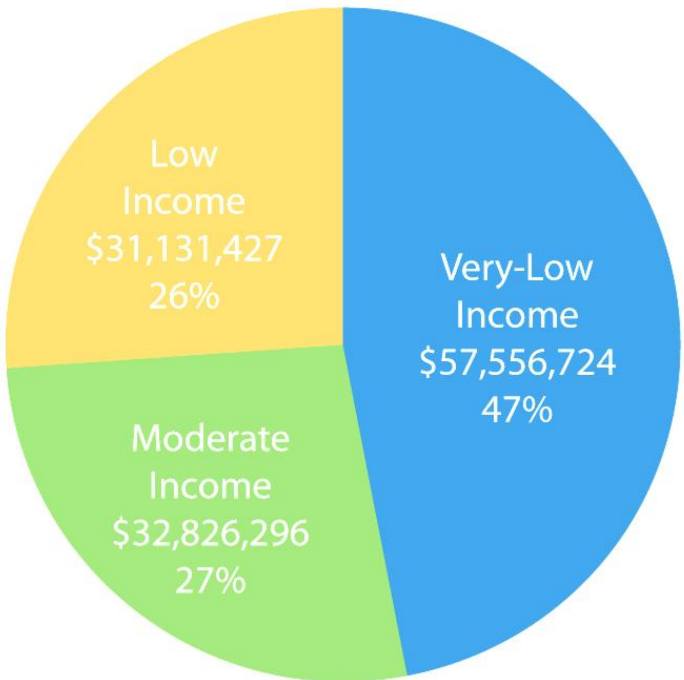
The following summarizes the income category allocations of the proposed expenditures for July 1, 2011 through December 31, 2014:

Table 13: Proposed Expenditures (7/1/2010 – 12/31/2014)

	Very-Low Income	Low Income	Moderate Income	Total Expenditures
FY 2011	$5,805,000	$3,485,000	$5,510,000	$14,800,000
FY 2012	5,265,000	3,105,000	5,130,000	13,500,000
FY 2013	4,680,000	2,760,000	4,560,000	12,000,000
FY 2014	4,875,000	2,875,000	4,750,000	12,500,000
July 1 – Dec. 1, 2014	4,875,000	2,875,000	4,750,000	12,500,000
Total Expenditures	$25,500,000	$15,100,000	$24,700,000	$65,300,000
% of Total Expenditures	39%	23%	38%	100%

By the end of the obligation period, it is anticipated that the Agency expenditures, totaling $121.5 million, will have allocated 47% of the Affordable Housing Fund's project and program expenditures to very-low income households, 26% of the funds to low income households and 27% of the funds to moderate income households, summarized below:

Figure 2: Income Targeting Proportionality Test
(1/1/2002 – 12/31/2014)



These expenditures match the current proportionality requirements, and thus, the Agency is anticipated to meet the income targeting standards imposed by Section 33334.4.

Age Restricted Proportionality Test

Section 33334.4 also requires redevelopment agencies to cap assistance for age-restricted housing based on the percentage of very-low and low income senior citizens within the very-low and low income households in the community. In the City of Santa Ana, very-low and low income senior citizens account for 12% of the City's total very-low and low income population. Therefore, the following summarizes the maximum amount of Affordable Housing Fund expenditures that can be spent on age restricted projects.

Table 14: Age Restriction Requirements

Project Type	% of Total Expenditures
Age Restricted	At Most 12%
Non-Age Restricted	At Least 88%

The following summarizes the actual expenditures incurred by the Agency between January 1, 2002 and FY 2010:

Table 15: Actual Expenditures (1/1/2002 – 6/30/2010)

Age Restriction Category	Actual Expenditures	% of Total Expenditures
Age Restricted	$919,000	2%
Non-Age Restricted	55,295,000	98%
Totals	$56,214,000	100%

The following summarizes the income category allocations of the proposed expenditures for July 1, 2010 through December 31, 2014:

Table 16: Projected Expenditures (7/1/2010 – 12/31/2014)

	Age Restricted	Non-Age Restricted	Total Expenditures
FY 2011	$1,740,000	$13,060,000	$14,800,000
FY 2012	1,620,000	11,880,000	13,500,000
FY 2013	1,440,000	10,560,000	12,000,000
FY 2014	1,500,000	11,000,000	12,500,000
July 1 – December 31, 2014	1,500,000	11,000,000	12,500,000
Total Expenditures	$7,800,000	$57,500,000	$65,300,000
% of Total Expenditures	12%	88%	100%

By the end of the obligation period, it is anticipated that the Agency expenditures will have allocated 7% of the Affordable Housing Fund's project and program expenditures to age restrict projects and 93% of the funds to non-age restricted projects, summarized below:

Table 17: Age Restriction Proportionality Test (1/1/2002 – 12/31/2014)

Project Type	Projected Expenditures	% of Total Expenditures
Age Restricted	$8,719,000	7%
Non-Age Restricted	112,795,000	93%
Totals	$121,514,000	100%

These expenditures match the current proportionality requirements, and thus, the Agency is anticipated to meet the age restricted targeting standards imposed by Section 33334.4.

Excess Surplus Calculation

The Affordable Housing Fund is also subject to the "excess surplus" requirements imposed by Section 33334.12. Excess surplus is defined as any unexpended and unencumbered funds in the Affordable Housing Fund that exceeds the greater of $1 million or the aggregate amount deposited into the Affordable Housing Fund during the Merged Project Area's preceding four fiscal years. Based on the Section 33334.12 requirements, the Agency has three years to encumber any excess surplus funds.

The Agency does not currently have an excess surplus balance, and as is illustrated below, Agency does not expect to have an excess surplus through FY 2015:

Table 18: Excess Surplus Calculation (FY 2011/12 – FY 2014/15)

	FY 10-11	FY 11-12	FY 12-13	FY 2013-14	FY 14-15
Ending Balance	$48,626,000	$48,823,000	$50,579,000	$52,032,000	$53,685,000
(Less) Encumbered Funds	0	0	0	0	0
Adjusted Ending Balance	$48,626,000	$48,823,000	$50,579,000	$52,032,000	$53,685,000
Max. Allowable Fund Balance	$63,592,000	$64,285,000	$61,328,000	$56,316,000	$55,219,000
Excess Surplus	$0	$0	$0	$0	$0

C. Inclusionary Housing Production Status

Legal Requirements

For the purposes of this Implementation Plan, inclusionary housing production refers to a redevelopment agency's obligation to cause a specified percentage of new or rehabilitated housing produced in a Merged Project Area to be available at affordable housing cost. It does not matter whether the housing is market rate or cost restricted, nor does it matter if the housing is privately or publicly produced.

Applicability of Inclusionary Housing Production Requirements

Redevelopment project areas adopted prior to January 1, 1976, are not subject to this legal requirement. All of the subareas in the Merged Project Area were adopted after December 31, 1975, with the exception of the Central Project Area. Thus, all of the Merged Project Area, excluding the Central Project Area, has inclusionary housing obligations.

Method of Calculation of Inclusionary Housing Production Requirements

The percentage of housing units that must be available at an affordable housing cost varies by whether the housing constructed or rehabilitated was developed by a redevelopment agency or by another party. The Agency has not produced housing per the definition contained in Section D above. A written agreement with the Agency requiring affordable housing covenants does not meet the definition of agency-produced housing.

The definition of substantial rehabilitation changed as of January 1, 2002. Prior to that time, any substantially rehabilitated units counted if they were in complexes of three or more units (triplexes or larger).

For housing constructed or substantially rehabilitated by persons or entities other than a redevelopment agency, at least 15% of the units developed within the Merged Project Area must be available to households of low or moderate income. Of this number, not less than 40% must be available to very-low income households. For example, for every 100 units produced, 15 must be affordable. Of these 15 units, at least six units must be available to households with very-low income and the remaining nine units can be available to households of low or moderate income. Any fraction is rounded up, so for 101 units produced, 16 must be affordable and of that total, seven must be available to very-low income households.

Inclusionary Housing Production Requirements

The following summarizes the new construction and substantial rehabilitation units created in the Merged Project Areas since adoption:

Table 19: Residential Units Created (Project Area Adoption – FY 2010)

	Residential Units
Plan Adoption – FY 1999 [3]	881
FY 2000 – FY 2004 [4]	260
FY 2005 – FY 2010	
Third Street	1
Skyline (Hutton Center)	349
Total Units Developed in Merged Project Areas	1,491

[3] This assumption is based on previous Implementation Plan.

[4] This assumption is based on previous Implementation Plan.

A total of 745 new residential units are expected to be developed in the Merged Project Area during the next five years. The projects that are in planning are summarized as follows:

Table 20: Projected Residential Unit Development (FY 2010/11 – FY 2014/15)

	Number of Units	Anticipated Year of Completion
Vista del Rio	41	2011
Geneva Commons/Promenade Point	278	2015
Montage @ MacArthur	279	2015
Skyline Phase II	150	2015
Total Units to be Developed in Merged Project Areas	745	

An additional 25 units are anticipated to be developed within the Merged Project Area between FY 2016 and FY 2020 and 100 units between FY 2021 and the termination of the Project Areas. The following summarizes the current and potential inclusionary housing obligation for the Agency:

Table 21: Inclusionary Housing Production Requirements

	Units Created in Merged Project Area	Very-Low Income Units	Low/Mod Income Units	Total Units
Through FY 2010	1,491	90	134	224
FY 2011 – FY 2020	770	47	69	116
FY 2021 – Termination	100	6	9	15
Total Units	2,361	143	212	355

INCLUSIONARY HOUSING PRODUCTION FULFILLMENT

The following inclusionary housing units have been produced:

Table 22: Inclusionary Housing Production Fulfillment (1983 – 2008)

Project	Fiscal Year Completed	Covenant Terms	Total Units Produced	Countable Units: Very-Low Income	Countable Units: Low/Mod Income	Countable Units: Total
Various Projects	1983 – 2005	Various	358	161.5	38.5	200.0
Outside Merged Project Areas [5]						
Wilshire – Minnie / 1205 E. Wilshire	2007	55 Years	143	29.0	42.5	71.5
City Gardens / 2901 Bristol Street	2006	55 Years	59	29.5	0.0	29.5
Ross / 1501 N. Ross Street	2006	55 Years	24	5.5	6.5	12.0
Durant / 1411 N. Durant Street	2006	55 Years	24	5.0	7.0	12.0
Lacy & Raitt / 702 S. Raitt Street	2009	55 Years	8	4.0	0.0	4.0
Lacy & Raitt / 703 N. Lacy Street	2009	55 Years	26	13.0	0.0	13.0
Logan / 1006 N. Logan	2008	45 Years	1	0.0	0.5	0.5
Logan / 1012 N. Logan	2008	45 Years	1	0.0	0.5	0.5
Logan / 1015 N. Logan	2008	45 Years	1	0.0	0.5	0.5
RSI / Orange & McFadden	2009	45 Years	1	0.0	0.5	0.5
RSI / Orange & McFadden	2009	45 Years	1	0.0	0.5	0.5
Regina House / 1505 N. Bush	2006	45 Years	3	0.0	1.5	1.5
Joseph House / 210 E. 16th Street	2006	45 Years	4	0.0	2.0	2.0
Townsend & Raitt / 701 S. Townsend	2008	45 Years	10	5.0	0.0	5.0
Townsend & Raitt / 709 S. Townsend	2008	45 Years	10	5.0	0.0	5.0
Townsend & Raitt / 817 S. Townsend	2008	45 Years	10	5.0	0.0	5.0
Townsend & Raitt / 821 S. Townsend	2008	45 Years	10	4.5	0.5	5.0
Townsend & Raitt / 834 S. Townsend	2008	45 Years	11	5.5	0.0	5.5
Total Units			705	273.0	101.0	373.5

[5] Units developed outside of the Project Areas are counted on a one for two basis.

While the Agency plans to produce affordable housing units during the Plan period, the affordability mixes have not yet been determined. As is illustrated in the next section, the previously developed affordable units enable the Agency to be in compliance through the termination of the Project Areas would be in compliance with the Inclusionary Housing obligations if the Agency anticipates that the following inclusionary housing production units will be completed between July 1, 2010 and June 30, 2015:

Table 23: Projected Inclusionary Housing Production (FY 2010/11 – FY 2014/15)

Project	Fiscal Year Completed	Covenant Terms	Total Units Produced	Countable Units*		
				Very-Low Income	Low/Mod Income	Total
Station District	2011	55 Years	75	37.5	0.0	37.5
1410 Durant	2010	55 Years	14	7.0	0.0	7.0
Vista Del Rio	2011	55 Years	41	40.0	0.0	40.0
Scattered Site Dev. – Rental	2011	55 Years	20	7.5	2.5	10.0
Scattered Site Dev. – Ownership	2011	45 Years	20	0	10.0	10.0
Other New Construction - Rental	2013	55 Years	60	30	0.0	30.0
Total Units			230	122.0	12.5	124.0

*Units produced outside the Merged Project Area will be counted on a two-for-one basis, in accordance with the CRL.

Inclusionary Housing Production Obligation Surplus / (Deficit) Calculation

The Agency is required to measure inclusionary housing production as of June 30, 2010, June 30, 2020 and at the end of the Merged Project Area's life. The following table illustrates the production obligations and fulfillment anticipated to be generated at each point in time:

Table 24: Inclusionary Housing Production Obligation Surplus / (Deficit)

As of June 30, 2010	Very-Low Income Units	Low/Mod Income Units	Total Units
Total Inclusionary Housing Fulfillment	272.5	101.0	373.5
Adjustment	(33.0)	33.0	0.0
(Less) Inclusionary Housing Obligation	(90.0)	(134.0)	(224.0)
Inclusionary Housing Surplus / (Deficit)	149.5	0.0	149.5

As of June 30, 2020	Very-Low Income Units	Low/Mod Income Units	Total Units
Inclusionary Housing Surplus / (Deficit)	149.5	0.0	149.5
Total Inclusionary Housing Fulfillment	102.0	12.5	114.5
Adjustment	(56.6)	56.6	0.0
(Less) Inclusionary Housing Obligation	(47.0)	(69.0)	(116.0)
Inclusionary Housing Surplus / (Deficit)	148.0	0.0	148.0

As of June 30, 2030	Very-Low Income Units	Low/Mod Income Units	Total Units
Inclusionary Housing Surplus / (Deficit)	148.0	0.0	148.0
Total Inclusionary Housing Fulfillment	0.0	0.0	0.0
Adjustment	(9.0)	9.0	0.0
(Less) Inclusionary Housing Obligation	(6.0)	(9.0)	(15.0)
Inclusionary Housing Surplus / (Deficit)	133.0	0.0	133.0

Thus, the Agency is expected to surpass the CRL inclusionary housing obligations.

D. Replacement Housing Status

Legal Requirements

The Agency is required to meet replacement housing obligations pursuant to Section 33413(a). This Section requires the Agency to replace, on a one-for-one basis, all units removed from the inventory as a result of Agency actions that are occupied by low and moderate income households. In addition to matching the income levels of the removed units, the Agency must also replace an equal or greater number of bedrooms.

Article 16.5 requires that if an implementation plan contains projects that could result in the removal of low and moderate income housing units, the plan must identify locations suitable for the replacement of such housing. The homes that are removed from the inventory may be replaced with fewer units as long as an equal or greater number of bedrooms are provided in the replacement units. Replacement housing units do not have to match tenure (i.e., rental vs. ownership, family vs. senior housing) as the units removed from inventory. Also, replacement units can be developed anywhere within the City limits.

Past Removal of Low and Moderate Income Units

With the exception of one very-low income five-bedroom unit that was removed in 2005, the Agency has fulfilled all the replacement housing obligations for units that were removed during the previous Implementation Plan periods. To fulfill this outstanding requirement, the Agency has identified a site that will be developed by a non-profit corporation that will accommodate a five-bedroom unit. The project is currently in its preliminary stages.

Future Removal of Low and Moderate Income Units

The Agency anticipates that 20 very-low income units will be removed from the low and moderate income housing stock in 2010. The location and Agency estimates of the number of bedrooms and income levels of the existing households are identified in Table 25. As shown in Table 25, the Agency will replace these units with units developed through a mix of already completed projects and projects to be completed in the next several years.

Table 25: Replacement Housing Analysis

Removed Project	Very-Low Income Units				Replacement Units	Very-Low Income Units			
	0/1-Bdrm	2-Bdrm	3-Bdrm	Total Units		0/1-Bdrm	2-Bdrm	3-Bdrm	Total Units
812 E. Santa Ana Blvd	2	0	0	2	1410 N. Durant	2	0	0	2
812 E. Santa Ana Blvd	0	2	0	2	703 N. Lacy	0	2	0	2
611 N. Garfield	4	0	0	4	817, 821 S. Townsend	4	0	0	4
611 N. Garfield	0	3	0	3	821 S. Townsend / 703 N. Lacy	0	3	0	3
911 Brown Street	0	1	0	1	703 N. Lacy	0	1	0	1
617 E. Sixth Street	0	01	0	1	703 N. Lacy	0	01	0	1
613 E. Sixth Street	0	2	0	2	703 N. Lacy	0	2	0	2
609 E. Sixth Street	0	1	0	1	817 S. Townsend	0	1	0	1
607 E. Sixth Street	0	0	1	1	1410 N. Durant	0	0	1	1
515 E. Fifth Street	0	1	0	1	702 S. Raitt	0	1	0	1
519 E. Fifth Street	0	0	3	3	817 S. Townsend	0	0	3	3
609 E. Fifth Street	1	0	0	1	1439 S. Minnie	1	0	0	1
706 E. Sixth Street	1	0	0	1	817 S. Townsend	1	0	0	1
701 E. Sixth Street	26	0	0	26	821 S. Townsend / 901 E. Sixth / 1410 N. Durant	26	0	0	26
713 E. Fifth Street	8	0	0	8	821 S. Townsend / 1410 N. Durant	8	0	0	8
602 E. Fifth / 409 Minter	1	0	0	1	817 S. Townsend	1	0	0	1
602 E. Fifth / 409 Minter	0	1	0	1	703 N. Lacy	0	1	0	1
708 E. Fifth Street	0	1	0	1	1410 Durant	0	1	0	1
716 E. Fifth Street	1	0	0	1	1410 Durant	1	0	0	1
720 E. Fifth Street (aka 416 N. Lacy)	8	0	0	8	817 S. Townsend	8	0	0	8
610 E. Sixth Street	2	2	0	4	821 S. Townsend	2	2	0	4
Totals	54	15	4	73	Totals	54	15	4	73

E. Ability to Comply with Obligations Prior to Time Limit of Effectiveness of Redevelopment Plan

Section 33490(a)(4) of the CRL requires a Merged Project Area that is within six years of the time limit of effectiveness of the Redevelopment Plan to explain how the Agency will meet the housing obligations.

The Central City subarea will reach the end of the Plan effectiveness on July 2, 2017. As previously discussed, the Agency will be in compliance with all of the affordable housing obligations.

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Appendix A

Summary of Supplemental Judgments

Inter City Commuter Station Redevelopment Project Area (1984) [6]

Thirty percent (30%) of the tax increment generated or related revenue or moneys repayable from property tax increment from the project area are to be set aside for low and moderate income housing.

North Harbor Boulevard Redevelopment Project Area (1984) [7]

Thirty percent (30%) of the property tax increment generated or related revenue or moneys repayable from property tax increment from the project area are to be set aside for low and moderate income housing.

South Main Street Redevelopment Project Area (1984) [8]

Twenty percent (20%) of the property tax increment generated or related revenue or moneys repayable from property tax increment from the project area are to be set aside for low and moderate income housing.

South Harbor Boulevard Fairview Street Redevelopment Project Area (1984) [9]

Sixty percent (60%) of the property tax increment generated or related revenue or moneys repayable from property tax increment from the project area must be set aside for low and moderate income housing.

Bristol Corridor Redevelopment Project Area (1994) [10]

Thirty (30) percent of the property tax increment generated by the Bristol Corridor Project Area must be allocated to the Affordable Housing Fund. These funds must be separately accounted for in the Agency's Annual Report.

The following summarizes the Affordable Housing Fund use requirements:

- Off-site improvements must be directly related to a specific housing development;
- Affordable Housing Funds cannot be used for relocation benefits;
- No more than 15% of the Affordable Housing Funds can be used to provide rent subsidies for low and very-low income households;
- Existing affordable units can be acquired as long as the covenants are extended by at least 15 years for rental units and 10 years for for-sale units.
- Units developed with the Bristol Corridor Project Area Affordable Housing Funds must be restricted in accordance with the RHNA proportionalities.

[6] Edwards, et al. v. City of Santa Ana, etc., et al

[7] Rodrigues, et al. v. City of Santa Ana, etc., et al

[8] Peebler, et al. v. City of Santa Ana, etc., et al

[9] Gibson v. City of Santa Ana, etc. et al

[10] Robert P. Gonzales and Evangelina Avalos vs. City of Santa Ana, etc. et al

Appendix B

Glossary of Terms

GLOSSARY OF TERMS

The following glossary (or definition of terms) is provided to assist the public to better understand and evaluate the Implementation Plan. Terms are applicable to redevelopment activities and to community development in general.

Absentee Owner - Property owner who owns property at one location but lives or operates a business at another location.

ADA – The Americans with Disabilities Act of 1990.

Adaptive Reuse - The rehabilitation of older properties for a new purpose.

Affordability Gap - The extent to which gross housing costs, including utility costs, exceed 30% of gross household income.

Affordable Housing – As defined in California law, housing that is affordable to households earning at or below 120 percent of area median income.

Affordable Housing Cost – As described in Section 50052.5 of the California Health and Safety Code (which see for more detail), the term applies to owner-occupied housing. For very low-income families it means a cost that does not exceed 30 percent of the monthly income of a very low-income household of appropriate size for the unit. For low-income families it means a cost that does not exceed 30 percent of the monthly income of an appropriately sized household at 70 percent of monthly income. For moderate-income households it means a cost that is not less than 28 percent or more than 35 percent of the monthly income of an appropriately sized household at 110 percent of monthly income.

Affordable Rent – As described in Section 50053 of the California Health and Safety Code (which see for more detail), the term applies to rental housing. For very low-income families it means a cost that does not exceed 30 percent of the monthly income of a very low-income household of appropriate size for the unit. For low-income families it means a rent that does not exceed 30 percent of the monthly income of an appropriately sized household at 60 percent of monthly income. For moderate-income households it means a rent that does not exceed 30 percent of the monthly income of an appropriately sized household at 110 percent of monthly income.

Affordable Owner-Occupied Housing – Housing units meant for sale and occupancy by owners, and carrying affordability covenants that conform to Section 50052.5 of the California Health and Safety Code (which see for more detail).

Affordable Renter-Occupied Housing – Housing units meant for long-term occupancy by tenant households,

Affordability Restrictions - The requirements imposed by a redevelopment agency or other public agency that housing units remain affordable to low- and moderate-income households for a specified number of years.

Amenity - An aspect of a property that enhances its value. Examples, off-street reserved parking within a condominium community, the nearness of good public transportation, tennis courts or a swimming pool.

Area Median Income (AMI)-The median income for a geographic area such as a county that may be established by the U.S. Department of Housing and Urban Development (HUD) or the State of California. AMI tables commonly provide income numbers for households from one to eight persons.

Assessed Value – The amount used by the county tax assessor to value real property for tax purposes. Assessed value multiplied by the tax rate determines property tax.

At-Risk Units - In general, any affordable unit that may convert to market rate because the affordability restrictions are about to expire, the owner can opt-out of the Section 8 program, or the owner can prepay a federal mortgage.

Base Year – The year in which the redevelopment plan is adopted.

Base Year Assessed Value, Base Value or Frozen Base – The total assessed value of property within a project area in the year in which the redevelopment plan is adopted.

Blight – Current definitions of blight identify both physical and economic blighting conditions.

<u>Physical</u>
Buildings that are unsafe or unhealthy for persons to live or work in
Conditions such as substandard design or construction that hinder the utility of buildings
Adjacent or nearby incompatible uses that prevent development
Subdivided lots of irregular shapes or inadequate size and in multiple ownership
<u>Economic</u>
Depreciated or stagnant property values, or property values impaired by the presence of hazardous waste
High business vacancy or abandonment rates, abnormally low lease rates
Absence of necessary, neighborhood oriented commercial facilities such as grocery stores and banks
Serious residential overcrowding
An excess of bars, liquor stores or adult-oriented businesses

Bond - An interest bearing promise (bond) to pay a specified sum of money, the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes, such as housing.

California Community Redevelopment Law – Redevelopment law contained in California Health and Safety Code, Division 24, Part 1 (Section 33000 et seq.).

CEQA - California Environmental Quality Act. Requires the assessment of projects for environmental impacts and establishes procedures for preparing and processing environmental documents.

Condominium - A form of ownership of real property in which the purchaser receives title to a particular unit and a proportionate interest in certain common areas. Each unit is a separately owned space to the interior surfaces of the perimeter walls, floors and ceilings. Title to the common areas is in terms of percentages and refers to the entire project less the separately owned units.

Construction Costs - Broadly, all costs incurred in bringing a building to completion, not including land acquisition, financing or sales costs.

Construction Loan - A short-term interim loan for financing the cost of construction. The lender makes payments to the builder at periodic intervals as the work progresses.

Cost Burden - The extent to which housing costs, including utilities, exceed 30% of gross income, based on data published by the U.S. Census Bureau.

Deed Restriction - A limitation placed in a deed limiting or restricting the use of the real property.

Deferred Loan - A loan whereby payment of part or all of the loan is deferred until a later time as specified in the loan.

Density Bonus - A provision to permit a residential developer to construct more dwellings on a site than would normally be allowed, provided the developer includes certain amenities or public benefits.

Disabled Household - Households in which at least one of the residents is an adult with a disability. A person is considered to have a disability if s/he has a physical, mental, or emotional impairment that (1) is expected to be of indefinite duration, (2) substantially impedes his or her ability to live independently, and (3) is of such nature that the ability could be improved by more suitable housing conditions (federal definition).

Economic Development – A general term indicating projects to stabilize and enhance an area's economy and to create or maintain jobs.

Elderly Person – There is no universally accepted definition, but an individual must be at least 62 years of age to qualify as elderly.

Emergency Shelter - A building in which emergency temporary lodging is provided, with or without meals, to families and individuals who are homeless, where on-site supervision is generally provided whenever such shelter is occupied.

Eminent Domain – Authority of a government agency to acquire property for public purposes, with payment of just compensation. In the case of redevelopment agencies, public purposes include the elimination of blight. Often referred to as condemnation.

Equity - The interest or value which an owner has in real estate over and above the current indebtedness; sometimes referred to as the owner's interest.

Equity Sharing - The generic term for various forms of home financing in which a homeowner shares his property appreciation with another party. Public agencies offering first time homebuyer programs often require that they receive an equity share from homebuyers who sell their homes before the required period of affordability has ended.

Extremely Low-Income Household - A household earning between 0% and 30% of the area median income.

Fair Housing Act – Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair Market Rents (FMR) - Estimates of the rent plus utilities that would be required to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities.

Fair Market Value - The price that would be paid for property offered on the open market for a reasonable period of time with both buyer and seller knowing all the uses to which the property could be put, and with neither party under pressure to buy or sell.

Family – All persons living in the same household who are related by birth, marriage, or adoption.

FAR (Floor Area Ratio) - The ratio of square feet of floor space to the square feet of the site on which a building is located.

FHA - Federal Housing Administration. A division of the U.S. Department of Housing and Urban Development; main activity is insuring residential mortgage loans made by approved lenders to qualified borrowers in accordance with its regulations.

First-Time Homebuyer – Under federal law, an individual or family who has not owned a home during the three-year period preceding the publicly assisted purchase of a home.

FNMA - Federal National Mortgage Association, popularly known as "Fannie Mae"; a federally chartered corporation whose primary function is to buy and sell FHA and VA mortgages in the secondary market.

Foreclosure - An authorized procedure taken by a mortgagee or lender, under the terms of a mortgage or deed of trust for the purpose of applying the property toward the payment of a defaulted debt.

Gap Financing – As used in the Consolidated Plan, gap financing represents the amount of public subsidy required to make a project financially feasible.

General Plan - An adopted statement of policy for the physical development of a community, required by State law.

GNMA - Government National Mortgage Association (Ginnie Mae); created in 1968 to take over special assistance and liquidation functions of FNMA. Participates in the secondary market through its mortgage-backed securities pools.

Grantee – Person or legal entity to which a grant is awarded and that is accountable for the use of the funds available.

Group Quarters - A facility housing groups of persons not living in households (U.S. Census definition). Examples of group quarters include prisons, dormitories, shelters, and military quarters.

HCD - California Department Housing and Community Development. Provides housing and planning information and guidance, State bond funds, low-interest loans and grants for housing development and rehabilitation. Oversees the Housing Element review process to ensure that Housing Elements are in compliance with State law.

HOME - The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act.

Homeless Family with Children – A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

Homeless Person – A youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

(1) An individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) An individual who has a primary nighttime residence that is:

  (i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

  (ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or

  (iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Homeless Subpopulations – Include but are not limited to the following categories of homeless persons: severely mentally ill, alcohol/drug addicted, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.

Household -- All persons, whether related or unrelated, living in a housing unit.

Householder - Includes, in most cases, the person or one of the persons in whose name the home is owned or rented. If there is no such person in the household, any household member 15 years old and over could be designated as the householder.

Housing Code - Local standards that ensure that maintenance and improvements of housing meets accepted standards and is adequate for occupancy.

Housing Element - Mandatory component of local General Plans required by the State. The Element contains information on housing, population, household characteristics, assessment of current and projected housing need, government and non-government constraints, energy conservation, publicly held lands, and planning housing supply.

Housing Problems - A non-duplicative estimate of the number of units that have physical defects, are overcrowded, or whose occupants pay greater than 30% of household income for rent (U.S. Census definition).

Housing Production/Inclusionary Housing – Within a redevelopment project, a specified percentage of housing units built or substantially rehabilitated, and required by law to be available at an affordable housing cost to very low-, low- and moderate-income persons. Within cities or counties, a specified percentage of new housing that is required to be affordable pursuant to ordinance or policy.

HUD - The U.S. Department of Housing and Urban Development. Established by the Housing and Urban Development Act of 1965 to supersede the Housing and Home Finance Agency. Responsible for the implementation and administration of government housing and urban development programs includes community planning and development, housing production and mortgage credit (FHA), equal opportunity in housing, research, and technology.

Inclusionary Zoning - In general, a local ordinance requiring that a developer of new housing produce a specified number of affordable dwelling units as a condition of the right to develop.

Infrastructure – Public improvements which support development, including street improvements, lighting, sewers, flood control facilities, water lines, and gas lines.

Jurisdiction – A State or unit of general local government.

Large Household - A household with five or more members.

Lead-based Paint Hazards – A lead-based paint hazards as defined in part 35, subpart B of Title X.

Leverage – Funds from non-public sources that are contributed to a project. For example, Redevelopment Agency funds invested in a project would be said to be leveraged by private donations or conventional loans contributed to that same project.

LIHTC - Low Income Housing Tax Credit.

Loan Guarantee - A commitment to a lender that the guaranteed portion of a loan will be repaid if the borrower defaults. VA loans are guaranteed loans.

Low-Income Household - Defined as a household earning between 51% and 80% of the area median (as adjusted for household size by HUD).

Low Income Housing Tax Credits - Program established by the Federal and California State governments that provides income tax reduction for investors in the low-income housing.

Low- and Moderate-Income Households - Households whose incomes are between 0% and 120% of the median income for the area, or as adjusted by HUD. The income range varies by program.

Market Value – What a willing seller could reasonably expect to receive if he/she were to sell his/her property on the open market to a willing buyer.

MCC - Mortgage Credit Certificate Program, a federal program to assist first time homebuyers.

Median Income - The level above which 50% of the households have a higher income and 50% of the households have a lower income.

Mixed-Use Project – Developments that combine uses, such as retail on the ground floor and residential above.

Moderate-Income Household - Defined as a household earning between 81% and 120% of the area median income, or as adjusted by HUD.

Neighborhood Revitalization Strategy - A multi-departmental effort to focus on a variety of neighborhood needs by combining "crackdown" strategies (to address the social problems of drugs, crime, and gangs) with blight improvement efforts. An important component includes increasing efforts to organize communities and build public awareness and responsibility for solving the problems that exist.

Negotiated Sale – When the price to be paid for land and improvements is mutually agreed upon b the buyer and seller.

NIMBY - "Not in My Backyard." An expression used to refer to individual and community-wide fears about affordable housing and other locally unwanted land uses, such as fears that such development will lower property values and increase crime.

Notice of Funding Availability (NOFA) - A notice to inform potential project sponsors of the availability of funding.

Offsite Improvements - Improvements outside the boundaries of a property that enhance its value.

Onsite Improvements - Any construction of buildings or other improvements within the boundaries of a property which increases its value.

Overcrowded - A housing unit containing more people than is permitted by various laws. HUD defines an overcrowded household as one in which there is more than one person per room. State law allows for much higher occupancy before overcrowding is said to exist.

Poverty Level Family – Family with an income below the poverty line, as defined by the Office of Management and Budget and revised annually.

Private Sector - Non-government, private, for-profit businesses and nonprofit organizations.

Project Area – The area that is designated in the redevelopment plan for redevelopment and revitalization.

Project Area Committee (PAC) – Elected committee composed of project area residents, businesses and representatives of other organizations who consult with and advise the redevelopment agency.

Project-Based Rental Assistance - Rental assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.

Public Housing - Housing for lower-income households that is owned and managed on a long-term basis by a public agency, normally a local housing authority.

Property Tax – The amount of tax which a property owner pays on the assessed value of his/her property. The tax is calculated by multiplying the assessed value of the property by the tax rate, which is one percent plus any voter-approved rate.

Redevelopment – Planning, development, redesign, site preparation and improvement, reconstruction and/or rehabilitation of all or part of a project area.

Redevelopment Agency Board – The governing body created to designate redevelopment project areas, supervise and coordinate planning for a project area and implement the revitalization program.

Redevelopment Plan – Plan for revitalization and redevelopment of land within the project area in order to eliminate blight and remedy the conditions that caused it.

Regional Housing Needs Assessment (RHNA) – In California, a periodic assessment of regional housing needs conducted by regional councils of government. These assessments include an identification of each local jurisdiction's share of the regional housing need.

Rehabilitation – To improve, alter, modernize and/or modify an existing structure to make it safer and healthier, bring it up to building code standards and create more usable space.

Relocation – The provision of new housing and/or business locations for residents, businesses or organizations that must move as a result of redevelopment or other governmental activities.

Relocation Assistance – Aid for those who relocate, including assistance in finding and paying for a new location, payments to cover moving costs, and additional payments for certain other costs.

Replacement Housing - Housing that a public agency must cause to be produced to replace housing destroyed by public action.

Section 8 Rent Voucher (a.k.a. Housing Choice Voucher) - Vouchers subsidize the rent based on the difference between 30% of the tenant's income and a Rent Payment Standard.

Senior Household - One- or two-person households containing a person at least 62 years of age.

Service Needs - The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severely Cost Burden - The extent to which housing costs, including utilities, exceed 50% of gross income, based on data published by the U.S. Census Bureau.

Sheltered - Families and persons whose primary nighttime residence is a publicly supervised or privately operated shelter (e.g., emergency and transitional shelters or commercial hotels/motels used to house the homeless). "Sheltered homeless" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or State Law.

Small Household - A household having fewer than 3 members.

Single Room Occupancy Housing (SRO) - Generally, one-room housing units such as boarding houses, rooming houses and motels and hotels. SROs are often situated in older downtown buildings, typically rented on a short- or long-term basis by lower income working and retired individuals, and mentally and physically disabled people.

Subrecipient – A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program

Substandard Unit - In general, any unit that suffers from some type of physical defect, such as electrical wiring that is not up to Code or lack of plumbing. There is no common definition of "substandard" housing among the federal, State, or local levels.

Supportive Housing - Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a planned service component.

Supportive Services - Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation, and job training.

Tax Allocation Bond – A bond or financial obligation issued by a redevelopment agency in order to generate funds to implement the redevelopment plan. The bond is repaid with tax increment revenues flowing to the agency.

Tax Exempt Bond – A bond on which interest payments made to the bondholder are not subject to federal taxation.

Tax Increment Funds - Additional tax funds that result from increases in property values occurring within a specified Redevelopment Area. State law permits these funds to be earmarked for redevelopment purposes and requires that at least 20% be used to increase and improve the community's affordable housing supply.

Tenant-Based Rental Assistance - A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing – A project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months, or a longer period approved by HUD.

Unsheltered - Families and individuals whose primary night-time residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings).

Very Low-Income – Defined by HUD as a household earning between 31% and 50% of the median area income.

Year-Round Housing - All occupied units and vacant units available for/or intended for year-round use.

Zoning - The act of city authorities specifying the type of use to which property may be put in specific areas.

Zoning Ordinance - The regulations of a municipality for controlling the character and use of property.

Appendix C

Time and Financial Limits

(as of June 2010)

TIME AND FINANCIAL LIMITS	***Santa Ana Community Redevelopment Agency***			***Draft 5/21/10***
PROJECT ADOPTION DATE [1]	**DEBT ESTABLISHMENT**	**PLAN EFFECTIVENESS**	**DEBT REPAYMENT (RECEIPT OF T.I.)**	**EMINENT DOMAIN**
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later plus 10 years with amendment (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290) + 1-year for ERAF payment (SB1045) + 1 year for ERAF payment (SB 1096) [2]	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290) + 1-year for ERAF payment (SB1045) + 1 year for ERAF payment (SB1096)	12 years maximum
Central City *Adopted 7/2/73 by Ordinance No. NS-1173* Amended 6/2/75 by Ordinance No. NS-1258 Amended 12/1/86 by Ordinance No. NS-1877 Amended 10/3/94 by Ordinance No. NS-2234 Amended 5/6/96 by Ordinance No. NS-2290 Amended 8/2/99 by Ordinance No. NS-2396 Amended 5/17/04 by Ordinance No. NS-2652 Amended 9/20/04 by Ordinance No. NS-2663 Amended 5/16/05 by Ordinance No. NS-2685 Amended 6/18/07 by Ordinance No. NS-2745 Amended 6/16/07 by Ordinance No. NS-2751	Expired	7/2/16	7/2/26	6/5/08 (Expired)
Inter-City Adopted 7/6/82 by Ordinance No. NS-1636 *Amended 10/3/94 by Ordinance No. NS-2234* Amended 5/6/96 by Ordinance No. NS-2289 *Amended 8/2/99 by Ordinance No. NS-2296* Amended 5/17/04 by Ordinance No. NS-2652 Amended 9/20/04 by Ordinance No. NS-2663 Amended 5/16/05 by Ordinance No. NS-2685 Amended 6/18/07 by Ordinance No. NS-2746 Amended 6/18/07 by Ordinance No. NS-2751	Expired	7/6/25	7/6/35	6/5/08 (Expired)
North Harbor Adopted 7/6/82 by Ordinance No.NS-1637 Amended 10/3/94 by Ordinance No. NS-2234 Amended 5/6/96 by Ordinance No. NS-2291 Amended 8/2/99 by Ordinance No. NS-2396 Amended 1/20/04 by Ordinance No. NS-2641 Amended 5/17/04 by Ordinance No. NS-2652 Amended 9/20/04 by Ordinance No. NS-2665 Amended 5/16/05 by Ordinance No. NS-2685 Amended 6/18/07 by Ordinance No. NS-2747 Amended 6/18/07 by Ordinance No. NS-2751	7/6/22	7/6/25	7/6/35	6/5/08 (Expired)

TIME AND FINANCIAL LIMITS	***Santa Ana Community Redevelopment Agency***			***Draft 5/21/10***
PROJECT ADOPTION DATE [1]	**DEBT ESTABLISHMENT**	**PLAN EFFECTIVENESS**	**DEBT REPAYMENT (RECEIPT OF T.I.)**	**EMINENT DOMAIN**
South Harbor Adopted 7/6/82 by Ordinance No. NS-1638 Amended 8/3/92 by Ordinance No. NS-2167 Amended 10/3/94 by Ordinance No. NS-2234 Amended 8/2/99 by Ordinance No. NS-2396 Amended 1/20/04 by Ordinance No. NS-2641 Amended 5/17/04 by Ordinance No. NS-2652 Amended 9/20/04 by Ordinance No. NS-2666 Amended 5/16/05 by Ordinance No. NS-2685 Amended 6/18/07 by Ordinance No. NS-2748 Amended 6/18/07 by Ordinance No. NS-2751	7/6/22	7/6/25	7/6/35	9/2/04 (Expired)
South Main Adopted 7/6/82 by Ordinance No. NS-1639 *Amended 10/3/94 by Ordinance NS-2234* *Amended 7/17/95 by Ordinance NS-2256* *Amended 8/2/99 by Ordinance NS-2396* Amended 1/20/04 by Ordinance No. NS-2641 Amended 5/17/04 by Ordinance No. Ns-2652 Amended 9/20/04 by Ordinance No. NS-2667 Amended 5/16/05 by Ordinance No. NS-2685 Amended 6/18/07 by Ordinance No. NS-2749 Amended 6/18/07 by Ordinance No. NS-2751	7/6/22	7/6/25	7/6/35	8/16/07 (Expired)
Bristol Corridor Adopted 12/4/89 by Ordinance NS-2039 *Amended 10/3/94 by Ordinance No. NS-2231* Amended 10/3/94 by Ordinance No. NS-2234 *Amended 8/2/99 by Ordinance No. NS-2396* Amended 5/17/04 by Ordinance No. NS-2652 Amended 9/20/04 by Ordinance No. NS-2662 Amended 6/18/07 by Ordinance No. NS-2750	12/4/09	12/4/30 [2]	12/4/40	12/4/01 (Expired)

1 The amendments to each of the redevelopment projects have been listed in order by the date of adoption and, therefore, do not necessarily correspond with the amendment reference numbers (i.e. First Amendment) described in the ordinances.
2 The extension for two additional years (2004-05 and 2005-06) as a result of ERAF payments per SB 1096 is permitted only if the Agency is in full compliance with all affordable housing obligations and is more than 10 years, but less than 20 years from the last day of the fiscal year in which the payment is made. The adoption of Ordinance No. NS-2685 is for fiscal year 2004-05 and Ordinance No. NS-2751 is for fiscal year 2005-06. Bristol Corridor is not eligible since this area is more than 25 years from expiration.

SANTA ANA BRISTOL CORRIDOR REDEVELOPMENT PLAN LIMITS

Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 12/4/89 by Ordinance No. NS-2039	12/3/24 (35 years)	12/3/24 (35 yrs from adoption)		12/4/01
1st Amendment adopted 10/3/94 by Ordinance No. NS-2231 limited eminent domain authority by excluding specific properties				
2nd Amendment adopted 10/3/94 by Ordinance No. NS-2234 per AB 1290 established debt incurrence time limit of 12/4/09, Plan effectiveness of 12/4/24 and receipt of T.I. of 12/4/34.	12/4/09	12/4/24	12/4/34	
3rd Amendment adopted 8/2/99 by Ordinance No. NS-2396, extended duration to 12/4/29 and receipt of T.I until 12/4/39		12/4/29	12/4/39	
4th Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF Per SB1045 extension for FY 2003-04		12/4/30	12/4/40	
5th Amendment 9/20/04 by Ordinance No. NS-2662 - Merger				
6th Amendment adopted 6/18/07 by Ordinance No. NS-2750 describing eminent domain authority				
CURRENT LIMITS	Expired	12/4/30	12/4/40	Expired

SANTA ANA CENTRAL CITY REDEVELOPMENT PLAN LIMITS Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 7/2/73 by Ordinance No. NS-1173		7/2/98 (25 yrs from adoption)		
1st Amendment adopted 6/2/75 by Ordinance No. NS-1258 Restated the Plan & amended certain provisions including adding territory, simplifying land use standards and establishing a Plan effectiveness limit of 35 years (7/2/08)		7/2/08 (35 yrs from adoption)		
2nd Amendment adopted 12/1/86 by Ordinance No. NS-1877- Per SB690 established T.I. limit of ($3,000,000,000), established debt incurrence limit of 7/2/08 and eminent domain proceedings on 12/1/98	7/2/08			12/1/98
3rd Amendment adopted 10/3/94 by Ordinance No. NS-2234- reduced time limit on incurring debt (1/1/04) and established limit for receipt of T.I. (7/2/18)	1/1/04		7/2/18	
4th Amendment adopted 5/6/96 by Ordinance No. NS-2290 – extended eminent domain until 5/6/08				6/5/08 (4th Amendment sometimes called 2nd Amendment)
5th Amendment adopted 8/2/99 by Ordinance No. NS-2396 – Per AB1290 & AB 1342 extended Plan effectiveness (7/2/13) & receipt of T.I (7/2/23)		7/2/13	7/2/23	
6th Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF - Per SB1045 extension for FY 2003-04		7/2/14	7/2/24	
7th Amendment adopted 9/20/04 by Ordinance No. NS-2663 - Merger				
8th Amendment adopted 5/16/05 by Ordinance No. NS-2685 ERAF Per SB 1096 extension for FY 2004-05		7/2/15	7/2/25	
9th Amendment adopted 6/18/07 by Ordinance No. NS-2745 describing eminent domain authority				
10th Amendment adopted 6/18/07 by Ordinance No. NS-2751 ERAF Per SB 1096 extension for FY 2005-06		7/2/16	7/2/26	
CURRENT LIMITS	Expired	7/2/16	7/2/26	Expired

SANTA ANA INTER-CITY COMMUTER STATION REDEVELOPMENT PLAN LIMITS

Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 7/6/82 by Ordinance No. NS-1636		7/6/12 (30 yrs from adoption)		7/6/94
1st Amendment adopted 10/3/94 by Ordinance No. NS-2234 per AB 1290 established debt incurrence time limit of 1/1/04 and receipt of T.I. of 7/6/22.	1/1/04		7/6/22	
***2nd Amendment adopted 5/6/96 by Ordinance No. NS-2289**- extended eminent domain authority until 5/6/08*				6/5/08
3rd Amendment adopted 8/2/99 by Ordinance No. NS-2396- Per AB 1290 and AB1342 extended Plan effectiveness until 7/6/22 and receipt of T.I until 7/6/32		7/6/22	7/6/32	
4th Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF Per SB1045 extension for FY 2003-04		7/6/23	7/6/33	
5th Amendment adopted 9/20/04 by Ordinance No. NS-2664 - Merger				
6th Amendment adopted 5/16/05 by Ordinance No. NS-2685 ERAF Per SB 1096 extension for FY 2004-05		7/6/24	7/6/34	
7th Amendment adopted 6/18/07 by Ordinance No. NS-2746 describing eminent domain authority				
8th Amendment adopted 6/18/07 by Ordinance No. NS-2751 ERAF Per SB 1096 extension for FY 2005-06		7/6/25	7/6/35	
CURRENT LIMITS	Expired	7/6/25	7/6/35	Expired

SANTA ANA NORTH HARBOR BOULEVARD REDEVELOPMENT PLAN LIMITS

Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later plus 10 years with amendment (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 7/6/82 by Ordinance No. NS-1637		7/6/12 (30 yrs from adoption)		7/6/94
1st Amendment adopted 10/3/94 by Ordinance No. NS-2234 per AB 1290 established debt incurrence time limit of 1/1/04, Plan effectiveness of 7/6/12 and receipt of T.I. of 7/6/22.	1/1/04		7/6/22	
2nd Amendment adopted 5/6/96 by Ordinance No. NS-2291*- extended eminent domain authority until 5/6/08*				6/5/08
3rd Amendment adopted 8/2/99 by Ordinance No. NS-2396- Per AB 1290 and AB1342 extended Plan effectiveness until 7/6/22 and receipt of T.I. until 7/6/32		7/6/22	7/6/32	
4th Amendment adopted 1/20/04 by Ordinance No. NS-2641 established new debt establishment limit.	7/6/22 (text of ordinance says repealed but includes a date to coincide with Plan effectiveness on 7/6/22			
5h Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF Per SB1045 extension for FY 2003-04		7/6/23	7/6/33	
6th Amendment 9/20/04 by Ordinance No. NS-2665 - Merger				
7th Amendment 5/16/05 by Ordinance No. NS-2685 ERAF Per SB 1096 extension for FY 2004-05		7/6/24	7/6/34	
8th Amendment adopted 6/18/07 by Ordinance No. NS-2747 describing eminent domain authority				
9h Amendment adopted 6/18/07 by Ordinance No. NS-2751 ERAF Per SB 1096 extension for FY 2005-06		7/6/25	7/6/35	
CURRENT LIMITS	7/6/22	7/6/25	7/6/35	Expired

SANTA ANA SOUTH HARBOR BOULEVARD/FAIRVIEW STREET REDEVELOPMENT PLAN LIMITS

Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 7/6/82 by Ordinance No. NS-1638		7/6/12 (30 yrs from adoption)		7/6/94
1st Amendment adopted 8/3/92 by Ordinance No. NS 2167 extended eminent domain until 8/3/04, modified land uses, modified pass through language, increased T.I. to $2,600,000,000, increased bonded debt to $1,000,000, extended time to incur debt to until 8/3/22, extended Plan effectiveness to 8/3/32 and extended eminent domain until 8/3/04	8/3/22 (30 years from 1st amendment)	8/3/32 (40 years from 1st Amendment)		9/2/04
2nd Amendment adopted 10/3/94 by Ordinance No. NS-2234 per AB 1290 to establish debt in current time limit of 1/1/04, Plan effectiveness of 7/6/12 and receipt of T.I. of 7/6/22.	1/1/04	7/6/12	7/6/2022	
3rd Amendment adopted 8/2/99 by Ordinance No. NS-2396- Per AB 1290 and AB1342 extended Plan effectiveness until 7/6/22 and receipt of T.I until 7/6/32		7/6/22	7/6/32	
4th Amendment adopted 1/20/04 by Ordinance No. NS-2641 extended debt establishment limit to 7/6/22	7/6/22 (text of ordinance says repealed but includes a date to coincide with Plan effectiveness on 7/6/22			
5h Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF Per SB1045 extension for FY 2003-04		7/6/23	7/6/33	
6th Amendment adopted 9/20/04 by Ordinance No. NS-2666 - Merger				
7th Amendment adopted 5/16/05 by Ordinance No. NS-2685 ERAF Per SB 1096 extension for FY 2004-05		7/6/24	7/6/34	
8th Amendment adopted 6/18/07 by Ordinance No. NS-2748 describing eminent domain authority				
9th Amendment adopted 6/18/07 by Ordinance No. NS-2751 ERAF Per SB 1096 extension for FY 2005-06		7/6/25	7/6/35	
CURRENT LIMITS	7/6/22	7/6/25	7/6/35	Expired

SANTA ANA SOUTH MAIN STREET REDEVELOPMENT PLAN LIMITS Draft 5/21/10

PROJECT ADOPTION AND AMENDMENT DATES	DEBT ESTABLISHMENT	PLAN EFFECTIVENESS	DEBT REPAYMENT (RECEIPT OF T.I.)	EMINENT DOMAIN
Community Redevelopment Law Requirements for Pre-1994 Redevelopment Plans adopted	20 years from adoption or 1/1/04 whichever is later (may repeal limit by ordinance)	40 years from adoption or 1/1/09 whichever is later + 10 year with significant remaining blight (AB1290)	10 years after Plan effectiveness + 10 year with significant remaining blight (AB1290)	12 years maximum
Adopted 7/6/82 by Ordinance No. NS-1639		7/6/12 (30 yrs from adoption)		7/6/94
1st Amendment adopted 10/3/94 by Ordinance No. NS-2234 per AB 1290 established debt incurrence time limit of 1/1/04, Plan effectiveness of 7/6/12 and receipt of T.I. of 7/6/22.	1/1/04		7/6/22	
2nd Amendment adopted 7/17/95 by Ordinance No. NS-2256 extended the debt establishment limit to 1/1/14, extended duration to 7/6/22, increased T.I. to $2,000,000,000, increased bonded debt to $600,000,000, extended eminent domain until 7/17/07 and added projects to capital improvements list.	1/1/14	7/6/22		8/16/07
3rd Amendment adopted 8/2/99 by Ordinance No. NS-2396- Per AB 1290 and AB1342 reduced the time limit to establish debt to 1/1/04 and extended the time limit to receive T.I. until 7/6/32	1/1/04		7/6/32	
4th Amendment adopted 1/20/04 by Ordinance No. NS-2641 extended debt establishment limit to 7/6/22	7/6/22 (text of ordinance says repealed but includes a date to coincide with Plan effectiveness on 7/6/22			
5h Amendment adopted 5/17/04 by Ordinance No. NS-2652 ERAF Per SB1045 extension for FY 2003-04		7/6/23	7/6/33	
6th Amendment adopted 9/20/04 by Ordinance No. NS-2667 - Merger				
7th Amendment adopted 5/16/05 by Ordinance No. NS-2685 ERAF Per SB 1096 extension for FY 2004-05		7/6/24	7/6/34	
8th Amendment adopted 6/18/07 by Ordinance No. NS-2749 describing eminent domain authority				
9th Amendment adopted 6/18/07 by Ordinance No. NS-2751 ERAF Per SB 1096 extension for FY 2005-06		7/6/25	7/6/35	
CURRENT LIMITS	7/6/22	7/6/25	7/6/35	Expired

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