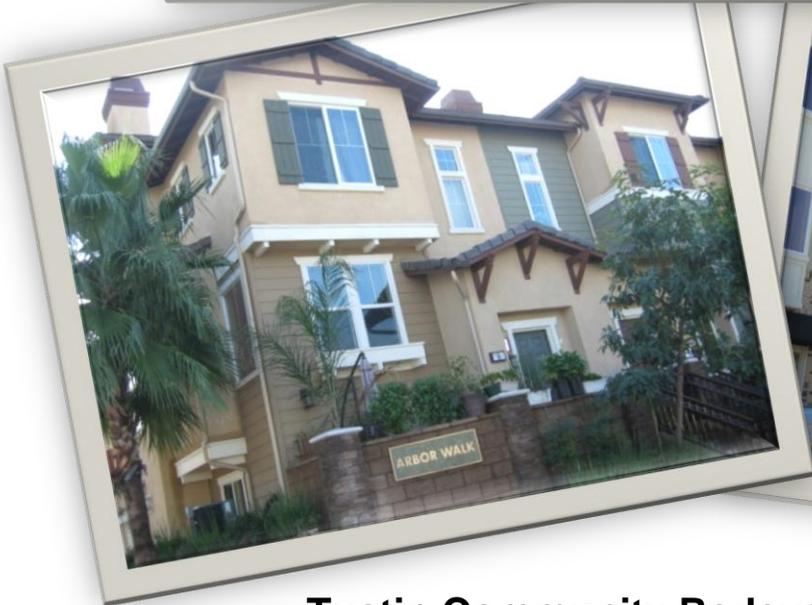


**FOURTH FIVE-YEAR  
IMPLEMENTATION PLAN  
FOR THE  
TOWN CENTER AND SOUTH CENTRAL  
REDEVELOPMENT PROJECT AREAS  
(FY 2010-2011 to FY 2014-2015)**



**Tustin Community Redevelopment Agency  
October, 2010**

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# 1.0 Introduction

## INTRODUCTION

This document has been prepared by the Tustin Community Redevelopment Agency (“Agency”) pursuant to Article Section 33490 of California Community Redevelopment Law (“CRL”) (**FIGURE 1-1**). It is the Fourth Five-Year Implementation Plan (“Plan”) for the Redevelopment Plans (“Redevelopment Plans”) for the Town Center and South Central Redevelopment Projects (“Project(s)” or “Project Areas”) in the City of Tustin (the “City”).

Redevelopment Agencies are required to adopt an Implementation Plan every five years. The Implementation Plan may include more than one project area. On December 5, 1994, the City Council approved the initial Implementation Plan that incorporated both the Town Center and South Central Project Areas. Subsequently, the Agency’s Second Five-Year Implementation Plan was adopted in 2000, and the Third Five-Year Implementation Plan in 2004. A Mid-Term Report on the Third Five-Year Implementation Plan, which provides a review of progress midway through the five years, and a public hearing occurred in June 2008.

**FIGURE 1-1**  
**SUMMARY OF LEGAL REQUIREMENTS**  
California Community Redevelopment Law, Article 16.5, Section 33490

Section 33490(a) of the California Community Redevelopment Law requires each redevelopment agency to adopt an implementation plan every five years that includes:

- The Agency’s specific goals and objectives for its redevelopment project areas.
- Specific programs, including potential projects, and estimated expenditures for the next five years.
- An explanation of how these goals, objectives, projects, and expenditures will eliminate blight in the Project Areas.
- An explanation of how these specific goals, objectives, projects and expenditures will implement the low and moderate-income housing requirements mandated by law, including the following:
  1. An annual Housing Program for the five-year term that provides sufficient detail to measure performance of the Low and Moderate Income Housing Fund requirements.
  2. An estimate of the number of housing units to be rehabilitated, assisted, price restricted, or destroyed during the term of the redevelopment plan for the Town Center and South Central redevelopment project.
  3. An outline of the Agency’s plan in using the Low and Moderate Income Housing Fund including annual deposits, transfer of funds, or accruals for special projects.
  4. An identification of programs and projects that will result in the destruction of existing affordable housing (if any) and the proposed locations for replacement housing.
  5. The Agency’s Ten-Year Housing Affordability Compliance Plan as required by California Community Redevelopment Law, Sections 33413(b)(4) and 33490 (a)(2).

The Plan is comprised of two major components: A Five-Year Implementation Plan for Redevelopment Activities (non-Housing) and a Five-Year Implementation Plan for Housing Activities. The purpose of the Fourth Five-Year Implementation Plan for Redevelopment activities is as follows:

- Revisit the goals and objectives of the Redevelopment Plan.
- Define the Agency’s strategy for achieving the goals and objectives of the Redevelopment Plan.

- Identify anticipated programs, projects and estimated expenditures for the next five-year period (Fiscal Years 2010/2011 through 2014/2015).
- Describe how these programs, projects, and expenditures will eliminate blight in the Project Area.

The Fourth Five-Year Implementation Plan should address the Agency's housing activities as follows:

- Demonstrate how the statutory requirements for the set-aside and expenditure of tax increment for housing purposes will be met including programs, projects and expenditures directed towards increasing, improving, and preserving the community's supply of low and moderate-income housing.
- Identify how residential development will be implemented in the Project Area per the Agency's established goals and in compliance with the CRL.

The elimination of blight as summarized, which follows in **FIGURE 1-2** below, is a fundamental purpose for redevelopment under CRL and is discussed more fully in Section 2 of this Plan. The provision of affordable housing is another fundamental purpose under the CRL, and is addressed in Section 3 of this Plan. While identification of specific programs, including projects, and estimates of expenditures proposed to be made is required under CRL, the Implementation Plan should be viewed as a policy and program document. The intent is not to restrict the Agency's activities since the conditions, expectations, resources, and needs of the Project may change from time to time. Rather, this Plan outlines the current expectations of the Agency for the next five years. This Plan will be subject to a mid-term review by the Agency Board of Directors.

### **Blight**

A primary requirement of a Redevelopment Project and an Implementation Plan is to address the elimination of and the prevention of the spread of blight. **FIGURE 1-2** provides a definition of physical and economic blight conditions under the CRL existing at the time of adoption of the Town Center and South Central Redevelopment Plans. The CRL has been amended since the adoption of the Plans, but the operative definitions of blight, for purposes of the Plan, are as set forth in **FIGURE 1-2**. Some of the conditions continue to exist in the Town Center and South Central Project Areas and are addressed in Section 2 and Section 3 of this Implementation Plan.

## FIGURE 1-2

### PHYSICAL AND ECONOMIC BLIGHT DEFINED AT TIME OF ADOPTION

At the time the Town Center and South Central Redevelopment Projects were adopted, Section 33032 of the Law (which was repealed in 1994) provided that a blighted area was one which was characterized by, among other things: The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment. A blighted area is currently defined as one that exhibits both physical and economic blight, and is characterized by the existence of inadequate public improvements, parking facilities, or both.

### PHYSICAL AND ECONOMIC BLIGHT REVISED PER CALIFORNIA COMMUNITY REDEVELOPMENT LAW, ARTICLE 3, SECTIONS 33030 AND 33031

CRL Sections 33030 and 33031 define blight to include:

#### **Physical Conditions that cause Blight:**

Unsafe/Dilapidated/Deteriorated Buildings. Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation or deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.

Physical Conditions that Limit the Economic Viability and Use of Lots and Buildings. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. These conditions can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.

Incompatible Uses. Adjacent or nearby land uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.

Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownership. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

Inadequate Public Infrastructure/Facilities. The existence of inadequate public improvements, parking facilities, open space, or utilities.<sup>1</sup>

#### **Economic Conditions that cause Blight:**

Depreciated/Stagnant Property Values; Impaired Investments. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous waste that required the use of agency authority as specified in Article 12.5 (commencing with Section 33459).

High Business Turnovers and Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots. Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

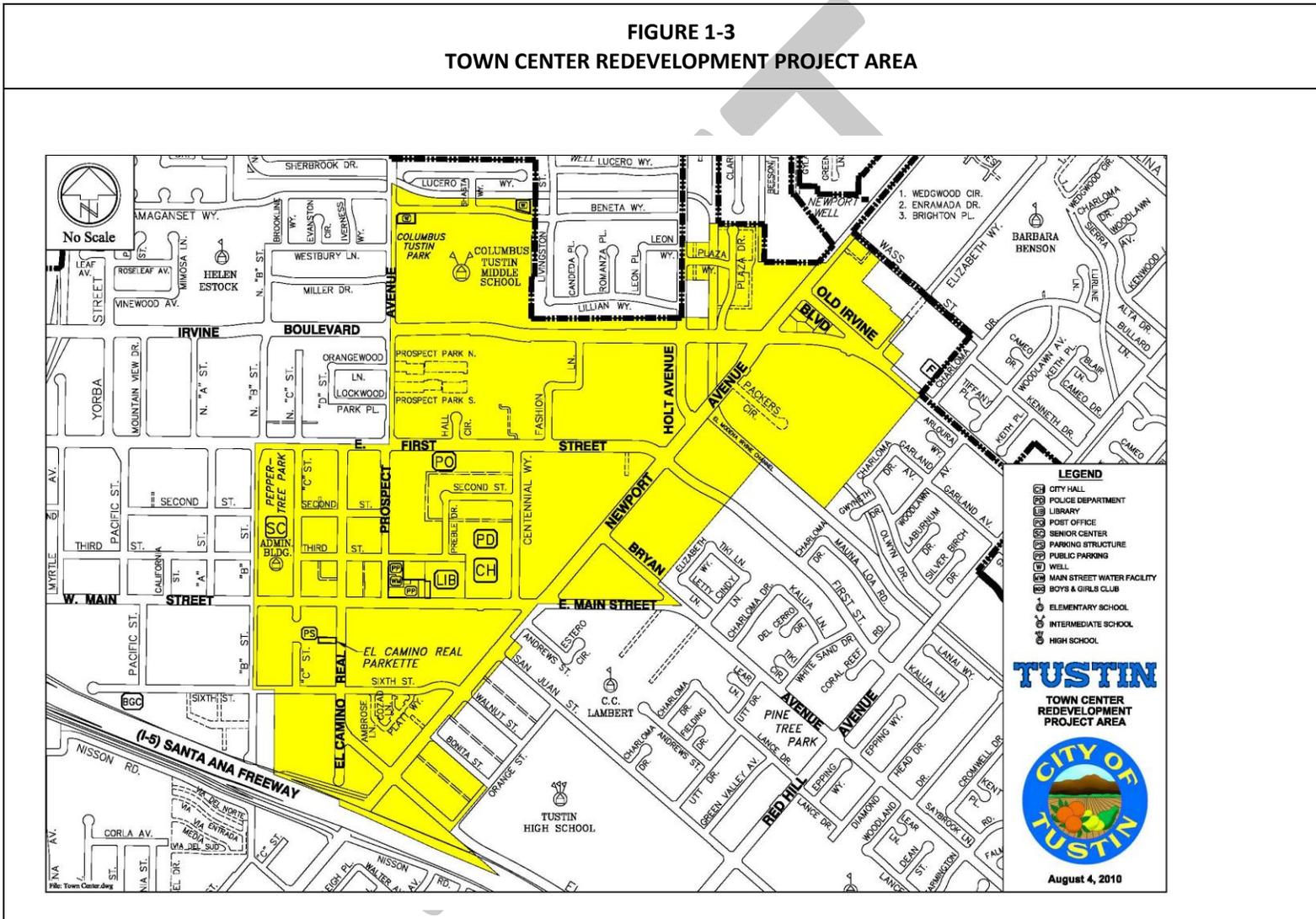
Lack of Commercial Facilities. A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, banks, and other lending institutions.

Residential Overcrowding/Excess Bars, Liquor Stores, Adult Businesses. Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.

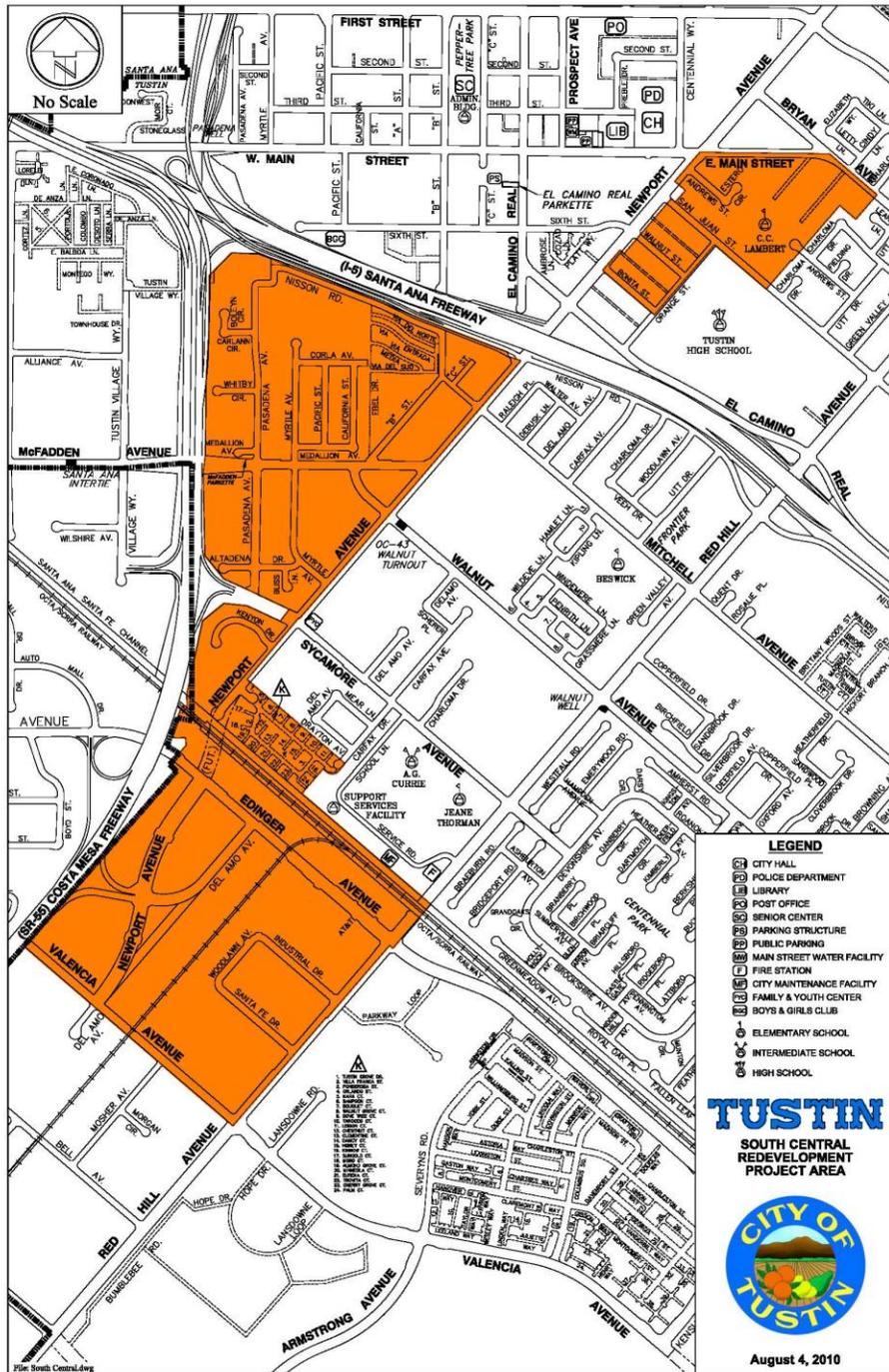
High Crime Rates. A high crime rate that constitutes a serious threat to the public safety and welfare.

The boundaries for the Town Center and South Central Redevelopment Project Areas are shown in **FIGURE 1-3** and **FIGURE 1-4**.

**FIGURE 1-3  
TOWN CENTER REDEVELOPMENT PROJECT AREA**



**FIGURE 1-4  
SOUTH CENTRAL REDEVELOPMENT PROJECT AREA**



## 2.0 Five-Year Implementation Plan for Redevelopment Activities

### 2.1 BACKGROUND

#### 2.1.1 TOWN CENTER REDEVELOPMENT PLAN

The Town Center Redevelopment Project includes approximately 360 acres in the center of the City, an area which includes the historic “Old Town” and civic center and a majority of the commercial properties within the central portion of the City. The Town Center Redevelopment Project contains commercial, service-commercial, neighborhood commercial and residential land uses. Although a precise breakdown of land uses is not available, the predominant land use in the Town Center Redevelopment Project is primarily commercial retail and service-oriented uses, which is estimated to approximate 90% of the total area. Residential and public/institutional uses account for approximately 5% each of the Town Center Redevelopment Project’s land. Residential uses are mostly multi-family with a very small proportion of the Town Center Redevelopment Project containing single-family and mobile home uses. Public institutional uses include two parks (Columbus Tustin and Peppertree), the Civic Center, the Tustin Library, the Tustin School District administrative offices, Tustin Senior Center, Columbus Tustin Intermediate School, and the Tustin Post Office. The Town Center Redevelopment Project is generally bounded by portions of Beneta Avenue and Irvine Boulevard on the north, Interstate Highway 5 (Santa Ana Freeway) on the south, portions of Prospect Avenue and “B” Street on the west, and portions of Newport Avenue and Main Street on the east.

The general objectives of the Town Center Redevelopment Plan are the elimination and prevention of blight in the Town Center Redevelopment Project. The Town Center Redevelopment Plan calls for constructing and improving streets, utilities or other public improvements; acquiring, disposing of and redeveloping real property; participation of owners and tenants in the Town Center Redevelopment Project; management of property under Agency ownership and control; and demolition, rehabilitation or removal of buildings. In the Town Center Redevelopment Project, the Agency’s goal was to eliminate existing blight and prevent the spread of blight and deterioration as described in **FIGURE 2-1**:

**FIGURE 2-1**

**REDEVELOPMENT GOALS AND OBJECTIVES - TOWN CENTER PROJECT AREA**

- Providing for participation by owners and residents of the Town Center Redevelopment Project by extending to them preferences to remain or relocate within the redeveloped areas should their present structures be suffering from deterioration requiring assistance;
- Rehabilitation of structures and improvements by present owners, their successors, or the Agency;
- Redevelopment of land by private enterprise or public agencies for uses in accordance with the Town Center Redevelopment Plan;
- Installation, construction or reconstruction of streets, utilities and other public improvements such as center islands, street trees and landscaping;
- Acquisition of certain real property for public improvements or to help expedite private development;
- Relocation assistance to displaced residential and non-residential occupants;
- Demolition or removal of certain buildings and improvements;
- Management of any property acquired under the ownership and control of the Agency; and
- Disposition of any property acquired by the Agency for uses in accordance with the Town Center Redevelopment Plan.

The Tustin City Council in adopting the Town Center Redevelopment Plan also declared that its purpose and intent with respect to the Redevelopment Area was as follows:

- The creation of a mixed use town center area that combines commercial, office, residential and public uses which will serve the needs of the community as well as encourage the healthy growth of the town center area to expand the hours of activity downtown, and make it more attractive as a place for shopping and entertainment.
- To improve traffic circulation and access in the town center area as a means of reducing congestion, encouraging business development, attracting new customers to the area, alleviating pass-through traffic congestion and conflict, improving safety.
- Revitalization and development of amenities in the project area, both public and privately financed, as a means of aiding the revitalization of the El Camino Real section in particular.
- To increase the level of capital improvement such as the development of Columbus-Tustin Park, parking facilities, sidewalk and street landscaping, street improvements and related public improvement projects.

- To increase controlled development of the area to aid in the harmonious and efficient development of the Redevelopment Area.
- To encourage residential development by actively seeking private development in the Redevelopment Area to provide an increased market for the business community in this area.

**FIGURE 2-2** provides a history of amendments to the Town Center Redevelopment Plan.

<b>FIGURE 2-2</b> <b>TOWN CENTER REDEVELOPMENT PLAN SUMMARY</b> <b>Adopted: November 22, 1976</b> <b>Ordinance #701</b>		
<b>Redevelopment Plan Amendments</b>		
<b>Date</b>	<b>Ordinance No.</b>	<b>Summary</b>
Sept. 8, 1981	#855	Amended the limitation of finances and bonded indebtedness.
Mar. 20, 1989	#1021	Involved 32 comprehensive amendments to change, delete or add certain language to the Redevelopment Plan including the revision and update of the list of public improvements needed to further the goals and objectives of the plan, the extension on the time limit on the use of eminent domain and increases in the Plan financial limitations.
Nov. 21, 1994	#1141	Extended the time limit of the effectiveness of the Plan through November 22, 2016 and extended the time limit for payment of indebtedness and receipt of property taxes through November 22, 2026.
Feb. 22, 2005	#1291	Extended the time limit of the effectiveness of the Plan through November 22, 2017 and extended the time limit for payment of indebtedness and receipt of property taxes through November 22, 2027.
Oct. 17, 2005	#1306	Extended the time limit of the effectiveness of the Plan through November 22, 2018 and extended the time limit for payment of indebtedness and receipt of property taxes through November 22, 2028.
Feb. 5, 2008	#1348	Extended the time limit of the effectiveness of the Plan through November 22, 2019 and extended the time limit for payment of indebtedness and receipt of property taxes through November 22, 2029.

### **2.1.2 SOUTH CENTRAL REDEVELOPMENT PLAN**

The South Central Redevelopment Project, established in 1983 (the “Original Area”) with additional land area added to the Project boundaries in 1985 (the “Amended Area”), encompasses approximately 398 acres and is generally bounded by a small portion of Bryan Avenue on the north, portions of Orange Avenue, Red Hill Avenue (south of the Santa Ana (I-5) Freeways) on the east, Valencia Avenue on the south, the Costa Mesa (SR-55) Freeway on the west and northwest.

The South Central Redevelopment Project was created in response to the need for basic public improvements in the area, concern for deteriorating conditions of the residential neighborhoods, and the circulation deficiencies in the South Central Redevelopment Project. The Amended Area was included in the South Central Redevelopment Project because development of the area was constrained until proposed public improvements for the South Central Redevelopment Project were funded and completed, particularly the Newport Avenue extension and a new on/off ramp at Edinger and the Costa Mesa (SR-55) Freeway. Portions of the area lack right-of-way improvements such as street lights, sidewalks, adequate street capacity and circulation. The City adopted the Pacific Center East Specific Plan (located in the South Central Redevelopment Project) to provide for an extension of Newport Avenue and much needed improvements to the Costa Mesa (SR-55) Freeway off-ramp at Edinger Avenue. The South Central Redevelopment Project will include residential, commercial, office, hotel and limited industrial technology land uses. The only public institutional uses within the South Central Redevelopment Project include the Tustin Unified School District’s Lambert school site and the small McFadden Parkette.

The general objectives of the South Central Redevelopment Plan are the elimination and prevention of blight in the South Central Redevelopment Project. The South Central Redevelopment Plan calls for constructing and improving streets, utilities or other public improvements; acquiring, disposing of and redeveloping real property; participation of owners and tenants in the South Central Redevelopment Project; management of property under Agency ownership and control; and demolition, rehabilitation or removal of buildings. In the South Central Redevelopment Project, the Agency’s goal was to eliminate existing blight and prevent the spread of blight and deterioration as described in **FIGURE 2-3**.

**FIGURE 2-3**

**REDEVELOPMENT GOALS AND OBJECTIVES – SOUTH CENTRAL PROJECT AREA**

- Providing for participation by owners and residents presently located in the South Central Redevelopment Project by extending to them preferences to remain or relocate within the redeveloped areas should their present structures be suffering from deterioration requiring assistance;
- Rehabilitation of structures and improvements by present owners, their successors, or the Agency;
- Redevelopment of land by private enterprise or public agencies for uses in accordance with the South Central Redevelopment Plan;
- Installation, construction or reconstruction of streets, utilities and other public improvements such as center islands, street trees and landscaping, extensions of major arterials and required grade crossings;
- Acquisition of certain real property for public improvements or to help expedite private development;
- Relocation assistance to displaced residential and non-residential occupants should the need arise;
- Demolition or removal of certain buildings and improvements;
- Management of any property acquired under the ownership and control of the Agency;
- Disposition of any property acquired by the Agency for uses in accordance with the South Central Redevelopment Plan; and
- Assistance to low and moderate income families by providing housing at affordable costs pursuant to CRL § 33334.2.

**FIGURE 2-4** provides a history of amendments to the South Central Redevelopment Plan.

<b>FIGURE 2-4</b> <b>SOUTH CENTRAL REDEVELOPMENT PLAN SUMMARY</b> <b>Adopted: August 1, 1983</b> <b>Ordinance #890</b>		
<b>Redevelopment Plan Amendments</b>		
<b>Date</b>	<b>Ordinance No.</b>	<b>Summary</b>
August 5, 1985	#939	Expanded the project boundaries south from Edinger Avenue to Valencia Avenue.
November 21, 1994	#1142	Amended the limitation on finances and bonded indebtedness.
November 1, 1999	#1223	Made certain changes to the text of the Plan, including reestablishing the Agency's eminent domain authority for a period not to exceed 12 years.
February 22, 2005	#1290	Extended the time limit of the effectiveness of the Plan through July 15, 2016 and extended the time limit for payment of indebtedness and receipt of property taxes through July 15, 2026.
October 17, 2005	#1307	Extended the time limit of the effectiveness of the Plan through July 15, 2017 and extended the time limit for payment of indebtedness and receipt of property taxes through July 15, 2027.
April 3, 2007	#1333	Described the Agency's program to acquire real property by eminent domain.
February 5, 2008	#1349	Extended the time limit of the effectiveness of the Plan through July 15, 2018 and extended the time limit for payment of indebtedness and receipt of property taxes through July 15, 2028.

**2.1.3 SUMMARY OF TOWN CENTER AND SOUTH CENTRAL PLAN LIMITS**

**FIGURE 2-5** summarizes the Project Area's description, plan elements, plan limits, and debt capacity for the Town Center and the South Central Redevelopment Plans.

FIGURE 2-5 TOWN CENTER AND SOUTH CENTRAL REDEVELOPMENT PLAN LIMITS				
Redevelopment Plan Limits	Town Center	South Central		
		Original Area	Added Area	
<i>Redevelopment Plan Expiration Date</i>	November 22, 2019 Ordinance #1348	July 15, 2018 Ordinance #1349	July 15, 2018 Ordinance #1349	
<i>Last Date to Establish Debt<sup>1</sup></i>	January 1, 2004 Ordinance #1141	January 1, 2004 Ordinance #1142	July 15, 2005 Ordinance #1142	
<i>Last Date to Receive Project Area Tax Increment/Repay Debt<sup>2</sup></i>	November 22, 2029 Ordinance #1348	July 15, 2028 Ordinance #1349	July 15, 2028 Ordinance #1349	
<i>Expiration Date for Eminent Domain Authority</i>	April 20, 2001 Ordinance #1021	December 1, 2011 Ordinance #1333	December 1, 2011 Ordinance #1333	
<i>Bonded Indebtedness Limit</i>	\$35,000,000 Ordinance #1021	\$20,000,000 Ordinance #939		
<i>Cumulative Tax Increment Limit</i>	\$90,000,000 <sup>3</sup> Ordinance #1021	\$2,500,000/annually <sup>4</sup> Ordinance #939		
<p><sup>1</sup> Except for the legislative exemption for activities permitted to meet the Agency's affordable housing obligations, California Community Redevelopment Law - §33333.2(a)(1)(A)</p> <p><sup>2</sup> Pursuant to CRL §33331.5 and the State adoption of ABX4-26, the Agency can extend the last date to receive tax increment/repay debt for each year the Agency makes a Supplemental Educational Revenue Augmentation Fund (SERAF) payment (statutorily applies to the 2009-10 and the projected 2010-11 payments). After Sacramento Superior Court Judge Lloyd Connelly upheld the legality of the SERAF payments, the California Redevelopment Association filed an appeal with the Third District Court of Appeal to overturn ABX4-26. The Agency is waiting for a decision to be made on the appeal before extending the time limits. With the passage of Proposition 22, the Agency is waiting for a legal opinion as to whether or not the State will be allowed to require future ERAF or SERAF payments for the balance of the Implementation Plan.</p> <p><sup>3</sup> <b>Town Center Limit</b> is defined in Section 600 – Limitations on Finances of the 1989 Second Amendment as follows: the "limitation is exclusive of: (1) any payments to taxing agencies to alleviate financial burden made by the Agency pursuant to Section 33401 of the Community Redevelopment Law and Section 306 of this Plan; and (2) any funds required by Section 33334.2 of the Community Redevelopment Law to be deposited by the Agency in a Low and Moderate Income Housing Fund as a result of such payments to taxing agencies." The Agency has made significant payments to taxing agencies in the form of Educational Revenue Augmentation Funds (ERAF) and Supplemental Educational Revenue Augmentation Funds (SERAF) and these payments, in accordance with the 1989 Second Amendment, are excluded from the total amount of tax increment received to date (See APPENDIX E).</p> <p><sup>4</sup> <b>South Central Limit</b> is defined in Section 600 – Limitations on Finances of the 1985 Amendment as follows: "The average yearly tax increment which may be collected shall not exceed 2.5 million dollars." The total amount of tax increment received to date and calculated as an annual average can be found in APPENDIX E.</p>				

**2.1.4 ADOPTED PROJECT AREA BENEFIT RESOLUTIONS**

- Resolution No. RDA 05-01

On March 21, 2005, the Tustin Community Redevelopment Agency determined that the expenditure of monies from the Low and Moderated Income Housing Fund outside the South Central Redevelopment Project Area and throughout the city for purposes authorized under the CRL would be of direct benefit to the Project Area.

- Resolution No. RDA 05-02

On March 21, 2005, the Tustin Community Redevelopment Agency determined that the expenditure of monies from the Low and Moderated Income Housing Fund outside the Town Center Redevelopment Project Area and throughout the city for purposes authorized under the CRL would be of direct benefit to the Project Area.

- Resolution No. RDA 03-10

On June 2, 2003, the Tustin Community Redevelopment Agency determined that the expenditure of monies from the Low and Moderated Income Housing Fund outside the MCAS Tustin Redevelopment Project Area and throughout the city for purposes authorized under the CRL would be of direct benefit to the Project Area.

## **2.2 MAJOR ACCOMPLISHMENTS**

### **2.2.1 TOWN CENTER PROJECT AREA**

A complete description of the programs, activities and expenditures included in the Third Five-Year Implementation Plan focused on four major areas: Economic Development Programs; Community Facilities Programs; Public Infrastructure/Street Improvement Programs; and Agency Administrative Program Support and Indirect Costs based on the following Implementation Plan goals and objectives.

#### Implementation Plan Goals and Objectives

- Provide business assistance for rehabilitation, expansion and retention of existing and new businesses in the Project area.
- Rehabilitate substandard and deteriorating structures to improve building conditions, increase functionality and desirability, and to integrate area-wide design characteristics with the aim to create a cohesive commercial district.
- Provide development assistance for new retail commercial uses to expand the community serving commercial core in the Project Area.
- Upgrade substandard public infrastructure systems and public facilities, and provide for the installation and construction on new public improvements to meet the requirements of existing and new development in the Project Area.

The accomplishments made in implementing programs and activities since the adoption of the Third Five-Year Implementation Plan can be summarized as follows:

Economic Development Programs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>Developer/Property Owner Assistance Program to support revitalization of the City’s historic Old Town and adjacent areas within the Town Center Project Area. The type of assistance may include, but not be limited to land assembly and resale to private developers, land preparation, off-site improvements, fee payments, design and engineering assistance, development loans (as may be allowed under law), and development of parking facilities.</p>	<ul style="list-style-type: none"> <li>• A Disposition and Development Agreement was entered into with Pelican Center L.P. for the development of the former Utt Juice Property. Development of the one acre site consisted of a two story mixed-use commercial building and twelve (12) live/work residential units. Construction was completed in 2009 and all twelve live/work units have been sold. The second floor of the commercial building is leased out and final lease activity for the first floor, including a café, is expected to be completed in the fall of 2010.</li> <li>• Agency supported waivers on parking facility fees for Beach Pit BBQ at 560 El Camino Real and for ten (10) Live-Work Units at 270, 274, 278, 282, 286, and 290 Prospect Lane and 276, 280, 284, and 288 Prospect Avenue.</li> <li>• Construction of a retail commercial project was completed on property at the southwest corner of El Camino Real and Newport Avenue by Makena Great American Newport Company, LLC. A portion of the site owned by the Agency was conveyed to the developer through a Disposition and Development Agreement.</li> </ul>
<p>Owner Assistance/Commercial Rehabilitation Program to provide financial assistance in the form of loans and grants for historic preservation, building and code compliance, building renovation and façade improvements.</p>	<ul style="list-style-type: none"> <li>• Agency received \$22,473 in CDBG funding for owner assistance/commercial rehabilitation.</li> <li>• Tustin Town Center, A New Beginning Study – The Agency initiated the Study to focus on three neighborhoods in the older areas of the city. A large portion of the study areas are located within the Town Center Project Area. An Urban Land Institute’s (ULI) Advisory Services panel was convened to evaluate infill development opportunities for the expansion of residential housing and for commercial revitalization activities. As a result of ULI’s recommendations, Field Paoli, an Urban Design Consultant, and Keyser Marston, an Economic and Financial Consultant, were selected to Prepare a refined Market Analysis; three Neighborhood Concept Plans; to test potential projects and prepare an Implementation Strategy. The Consultant Team has completed a Draft Concept Plan and recommended Implementation Strategy for Council approval this fall.</li> </ul>

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>Business Assistance and Outreach Program to support the retention of existing businesses and attraction of new businesses. Expenditures would include, but not be limited to such items as brochures, and marketing materials.</p>	<ul style="list-style-type: none"> <li>Actively involved with the Chamber of Commerce Business and Economic Development Council subcommittee and provided leadership to the Retail Centers Strategic Planning Summit and Summary Report. As a result of recommendations from the Strategic Planning Summit, the Agency published and distributed the 2008-2009 Tustin Dining Guide to every Tustin household.</li> <li>Partnered with the Orange County Farm Bureau, City of Tustin Finance Department and Water Department to promote the Farmers’ Market held in Old Town by inserting flyers in Tustin residents’ water bills and by highlighting the Market in Tustin’s City Scene publication.</li> </ul>

Community Facilities Programs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>Tustin Library - expansion and/or renovation of the facilities if supported by a State Library Bond Act Grant, developer contributions, and potential Tustin Legacy project contributions.</p>	<div data-bbox="814 760 1348 1117" data-label="Image"> </div> <ul style="list-style-type: none"> <li>Construction of the new Tustin Library, comprising 32,000 square feet was completed and dedicated in November 2009. The Library holds about 209,000 books along with 92 computers for public use and includes a Children’s Learning Center, Homework Center, Computer lab/Training center, Teen section, courtyards and an outdoor plaza.</li> </ul>
<p>Stevens Square Parking Structure - provision of additional pedestrian access.</p>	<ul style="list-style-type: none"> <li>Discussions are underway with an Old Town property owner for a potential development project to facilitate additional pedestrian access to the Stevens Square Parking Structure.</li> </ul>

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>450 El Camino Real Property Improvement – installation of street front landscape improvements.</p>	<ul style="list-style-type: none"> <li>Installation of street front landscape improvements to create a Respite Park at 450 El Camino Real was completed.</li> </ul> 

Public Infrastructure/Street Improvement Programs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>East Alley (Prospect Lane) Enhancement Project - implementation streetscape/ pedestrian improvements in historic Old Town area including street planting and lighting improvements supported by CDBG funding.</p>	<ul style="list-style-type: none"> <li>Coordinated with Public Works in the design and completion of public improvements on Prospect Lane. Improvements included concrete walkways, decorative paving, bollards, landscaping and lighting facilities.</li> </ul>
<p>Prospect Avenue Enhancement Project – implementation of roadway and pedestrian improvements between Main Street and 3<sup>rd</sup> Street supported by CDBG Funding.</p>	<ul style="list-style-type: none"> <li>Coordinated with Public Works in the design and completion of public improvements adjacent to the Prospect Village Project on Prospect Avenue, Main Street and 3<sup>rd</sup> Street. Improvements included street reconstruction, removed and replacement of sidewalks, curb and gutter, installed street lights, bollards, decorative paving, landscaping, and storm drain improvements.</li> </ul>
<p>Old Town Signage Program – installation of way finding signs throughout commercial district Prospect Avenue Enhancement Project implementation of roadway and pedestrian improvements between Main Street and 3<sup>rd</sup> Street supported by CDBG funding.</p>	<ul style="list-style-type: none"> <li>In coordination with Public Works, completed streetscape signage improvements on El Camino Real and Main Street and in the vicinity of Old Town.</li> </ul>

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
Irvine Boulevard Improvements between El Modena-Irvine Channel and State Route 55.	<ul style="list-style-type: none"> <li>Coordinated with Public Works and other City departments to complete property acquisitions needed for the Irvine Boulevard and Newport Avenue Intersection Enhancement Project and completion of the project which included finalization of plans and construction of the improvements.</li> </ul>
Lighting and Traffic Control Projects - general improvements as determined needed to upgrade existing street lighting, traffic signal synchronization or phasing and/or new traffic control installation, also includes lighting and pavement improvements to private and public alleys.	<ul style="list-style-type: none"> <li>In coordination with Public Works, completed lighting improvements at East Alley and added street lighting along Third Street, adjacent to the Tustin Library.</li> </ul>
Utilities Improvement Program – such as underground utilities in the City’s historic area.	<ul style="list-style-type: none"> <li>Coordinated with Public Works, to improve well production and efficiency at Main Street Well No. 4.</li> </ul>

Administrative Program Support/Indirect Costs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
The Agency may also make payments to reduce the Low and Moderate Income Housing deferral, if additional tax increment funds are available during the Plan’s five year period.	<ul style="list-style-type: none"> <li>Additional tax increment was not available for payments made to reduce the Low and Moderate Income Housing deferral.</li> </ul>
Agency administrative program support and indirect costs incurred by city.	<ul style="list-style-type: none"> <li>Continued to provide oversight and management of all redevelopment activities in the Project Area.</li> <li>The expenditures from the Low and Moderate Income Housing Fund for planning and administrative expenses for each Redevelopment Project Area were not disproportionate to the amount actually spent for the cost of production, improvement or preservation of housing and the expenditures from the Low and Moderate Income Housing Fund for planning and administrative expenses for each Project Area were necessary for the production, improvement and preservation of low and moderate income housing.</li> </ul>

A summary of private sector redevelopment activities during the Town Center’s Third Five-Year Implementation Plan is identified in **TABLE 2-1**. A summary of private sector redevelopment activities during the Town Center’s First and Second Five-Year Implementation Plan is also provided in **TABLE 2-2**:

**TABLE 2-1**  
**Town Center Redevelopment Project Area**  
**Summary of Recent Private Sector Projects (FY 2005/06 – 2009/10)**

Project Major Activity	Area / Permit	Date Permit Issued	New / Rehab	Bldg. Sq. Ft.	Building Permit Valuation	Agency/ Public Assistance	Private/Public Inv. Ratio	Est. Permanent Jobs Created	Est. Annual Sales Tax to be Generated (Sales/ft)
Makena Center 14001 Newport Ave.	Retail	8/05	New	7,400	\$592,000	\$0	1/0	18	\$4,000
Walgreens 13052 Newport Ave.		9/05	New	12,610	\$546,013	\$0	1/0	26	\$300/ft
Prospect Village <sup>1</sup> 270-292 Prospect Ave. 191 E. Main St.		3/06	New	46,586 38,106 8,480	\$3,105,508 \$2,494,362 \$611,146	\$912,832	3.4/1	25	N/A
Silverado Senior Living 240 E. Third St.	Senior Living	8/06	Rehab	17,185	\$364,666	\$0	1/0		N/A
Chipotle 13348 Newport Ave.		10/06	New	2,500	\$194,500	\$0	1/0	18	\$400/ft
Vons 550 E. 1 <sup>st</sup> St.		3/07	Rehab	41,426	\$879,060	\$0	1/0	82	\$400/ft
Starbucks 13681 Newport Ave.		4/07	Rehab	1,635	\$120,000	\$0	1/0	12	\$300/ft
Beach Pit BBQ <sup>2</sup> 560 El Camino Real		8/07	Rehab	4,268	\$450,000	\$10,080	44.6/1	17	\$300/ft
Sprouts Market 14945 Holt Ave.		2/08	Rehab	26,852	\$569,799	\$0	1/0	54	\$300/ft
Kohls – 18182 Irvine Boulevard		07/08	Rehab	78,670	\$1,669,377	\$0	1/0	157	\$400/ft
Synergy – 300 El Camino Real		07/08	Rehab	7,000	\$148,540	\$0	1/0	N/A	N/A
Prospect Village (Office 2 <sup>nd</sup> floor) 191 E. Main Street		08/08	Rehab	3,220	\$68,328	\$0	1/0	13	N/A
Prospect Village (Emrick Consulting) 191 E. Main Street #2B		06/09	Rehab	560	\$11,883	\$0	1/0	2	N/A
Prospect Village (Office) 191 E. Main Street #2C		01/10	Rehab	650	\$13,793	\$0	1/0	3	N/A
Prospect Village (Free Soul Café) 191 E. Main Street		02/10	Rehab	1,968	\$120,000	\$0	1/0	4	\$200/ft
Café Rio – 1140 Irvine Boulevard		02/10	Rehab	2,890	\$69,367	\$0	1/0	18	\$300/ft
Dr. Mehta Dental Office – 740 El Camino Real		03/10	New	5,311	\$416,039	\$0	1/0	21	N/A

<sup>1</sup>Prospect Village - \$880,000 + 38 parking spaces @ \$36 month/space for 24 months (July 1, 2008 – June 30, 2010); 38,106 square feet of live-work units with 5,400 square of retail (Sales @ \$150/sq. ft.); 8,480 square feet of commercial includes a 3,000 square foot restaurant (Sales @ \$300/sq. ft.).  
<sup>2</sup>Beach Pit BBQ – 10 parking spaces @ \$36 month/space for 28 months (March 1, 2008 – June 30, 2010)  
 SOURCE: KMA – Jobs: Retail 2 per 1,000 sq. ft., Restaurant 2 per 1,000, Office 4 per 1,000; Sales – Major Retail \$400/sq. ft., Grocery 35% taxable sales, Drug Stores \$300/sq. ft., Coffee Shop \$300/sq. ft.

**TABLE 2-2**  
**Town Center Redevelopment Project Area**  
**Summary of Prior Implementation Plan Private Sector Projects (FY 1994/95 – 2004/05)**

<b>Project Area / Project Major Permit Activity</b>	<b>Bldg. Sq. Ft./or Units</b>	<b>Building Permit Valuation</b>	<b>Agency/ Public Assistance</b>	<b>Private/Public Inv. Ratio</b>	<b>Est. Permanent Jobs Created</b>	<b>Est. Annual Sales Tax (Sales/ft)</b>
Tustin Plaza 13681-91 Newport Ave.	137,000	\$8,148,560	\$439,000	18.5/1	450	\$93,000
Plaza La Fayette 13011-051 Irvine Blvd	50,807	\$3,070,169	\$1,816,000	1.7/1	145	\$61,000
Larwin Square 494 E. First, 225 Centennial, 13421 Newport Ave.	5,000 15,000 3,030	\$80,000 \$341,700 \$155,000	\$0	1/0	83	\$26,000
Steven's Square 210-50 Main 445"C"	6,038 246 spaces	\$1,900,400 \$880,000	\$50,000 \$600,000	38/1 1.46/1	24	N/A
Tustin Village Center 1081-91 Main 13612 Newport Ave.	25,546 3,994	\$608,000 \$109,400	\$0	1/0	85	\$14,500
Tustin Courtyard 18182 Irvine Blvd., 671 E. First, Holt/First, 14901- 14945 Newport Ave.	72,000 25,000 30,000	\$1,680,000 \$600,000 \$694,500 \$995,000	\$0	1/0	278	\$221,000
Tustin Heights Center 1096-1212 Irvine Blvd.	364,000	\$1,786,200	\$0	1/0	104	\$130,000
Tustin Tire 135 S. Prospect	N/A	\$91,407	\$0	1/0	N/A	Confidential
Home Savings 18536 Irvine Blvd.	12,200	\$641,000	\$0	1/0	41	N/A
Tustin Plaza Auto Wash 240 E. First St.	4,866	\$325,240	\$0	1/0	17	Confidential
Marshall's Center 600-712 El Camino Real	31,141	\$285,000	\$0	1/0	89	\$93,000
Commercial 600 El Camino Real	4,000	\$120,000	\$0	1/0	12	N/A
Cerniche Office 730 El Camino Real	15,450	\$1,249,000	\$0	1/0	60	N/A
Tustin Motor Lodge 750 El Camino Real	4,000	\$281,350	\$0	1/0	5	Confidential
Retail Shops 220 El Camino Real	4,720	\$160,000	\$0	1/0	14	Confidential
Burnett-Ehline 18231 Irvine Blvd. 18302 Irvine Blvd.	18,600 47,224	\$558,000 \$1,750,000	\$0	1/0	264	\$2,400
Lewis Properties 14772 Plaza	10,500	\$493,000	\$0	1/0	42	\$600
Commercial Center 18331 Irvine	6,000	\$145,000	\$0	1/0	17	\$5,400
Craddock 18301 Irvine	6,605	\$275,000	\$0	1/0	26	N/A

**TABLE 2-2**  
**Town Center Redevelopment Project Area**  
**Summary of Prior Implementation Plan Private Sector Projects (FY 1994/95 – 2004/05)**

<b>Project Area / Project Major Permit Activity</b>	<b>Bldg. Sq. Ft./or Units</b>	<b>Building Permit Valuation</b>	<b>Agency/ Public Assistance</b>	<b>Private/Public Inv. Ratio</b>	<b>Est. Permanent Jobs Created</b>	<b>Est. Annual Sales Tax (Sales/ft)</b>
Commercial/Office 14251-71 Plaza	32,879	\$768,500	\$0	1/0	109	N/A
Office 161 Fashion Lane	53,000	\$314,100	\$0	1/0	212	\$1,000
Clock Towers 14742 Plaza	11,000	\$489,80	\$0	1/0	44	N/A
Wellington Plaza 505-15 First Street	26,800	\$865,190	\$0	1/0	76	\$3,500
Hummel Bldg. 13732 Newport Ave.	4,286	\$131,150	\$0	1/0	17	N/A
Prime Construction 150 El Camino Real	43,056	\$1,300,000	\$0	1/0	123	N/A
Spirit Development 145 Main St.	5,035	\$205,000	\$0	1/0	20	\$1,500
O'Connor 160-190 Prospect Ave.	15,000	\$600,000	\$0	1/0	60	N/A
La Mancha 450 E. First St.	5,000	\$126,995	\$0	1/0	14	N/A
Klages 181-185 El Camino Real	3,421	\$172,000	\$0	1/0	14	\$2,300
Office 185-195 El Camino Real	9,000	\$425,000	\$0	1/0	36	N/A
Office 175 "C"	8,400	\$341,360	\$0	1/0	34	N/A
China Palace 13444 Newport Ave.	7,000	\$150,000	\$0	1/0	20	N/A
Faraday's 13102 Newport Ave.	5,400	\$198,180	\$0	1/0	15	N/A
Don Jose's 14882 Holt	7,000	\$200,000	\$0	1/0	20	N/A
Rafi's Cuban Café 425 El Camino Real	N/A	\$82,790	\$0	1/0	N/A	N/A
Packer's Square 13112-52 Newport Ave.	23,662	\$1,838,243	\$0	1/0	94	\$14,000
Townhouses 1042 Walnut	13 units	\$687,075	\$0	1/0	N/A	N/A
Apartments 545 S. "B"	5 units	\$188,600	\$0	1/0	N/A	N/A
Ambrose Lane Tract #15797, Sixth Street	38 units 8 units restricted	\$9,603,500	\$1,665,500	5.8/1	N/A	N/A
Ford Retail Center 715-765 El Camino Real	8,611	\$258,650	\$190,000	1.4/1	5	N/A
Old Town Plaza 301-307 El Camino Real	7,000	\$123,750	\$87,500	1.4/1	7	N/A
Dr. Helm Chiropractic 215-217 El Camino Real	2,700	\$500,000	\$0	1/0	6	N/A

<b>TABLE 2-2</b> <b>Town Center Redevelopment Project Area</b> <b>Summary of Prior Implementation Plan Private Sector Projects (FY 1994/95 – 2004/05)</b>						
Project Area / Project Major Permit Activity	Bldg. Sq. Ft./or Units	Building Permit Valuation	Agency/ Public Assistance	Private/Public Inv. Ratio	Est. Permanent Jobs Created	Est. Annual Sales Tax (Sales/ft)
Albertson/Sav-on Drug 13270 Newport Ave.	54,153	\$2,826,785	\$0	1/0	42	N/A
Armstrong Garden Center 505 El Camino Real	6,400	\$500,000	\$0	1/0	12	N/A
Office Rehab 535 E. First St.	9,000	\$1,530,000	\$0	1/0	24	N/A
Office Rehab 161 Fashion Lane	16,800	\$400,000	\$0	1/0	38	NA

**SOURCE:** Third Five-Year Implementation Plan for the Town Center and South Central Redevelopment Project Areas (FY 2005-2006- to FY 2009-2010)

In addition to the completed private projects listed in **TABLE 2.2**, the following public infrastructure projects were also completed in the Town Center Project Area during the time frames of the First and Second Five-Year Implementation Plans:

- General street widening
- Holt Avenue/Irvine Blvd. storm drain improvements
- Irvine Blvd. intersection improvements
- Main Street Banner Pole Project
- Restriping of Irvine Boulevard
- Street rehabilitation of Newport and Prospect Avenues
- Traffic control improvements (i.e., increased lighting, signalization, traffic signs and left turn phasing lanes)
- Traffic signal installation at 1<sup>st</sup> and B Streets
- Undergrounding of utilities
- Tustin Water Yard Improvements
- Old Town Commercial District Streetscape Enhancement Project (street lighting, decorative paving, landscaping, furnishings, and signage)
- Street widening acquisitions and construction documents preparation for Irvine Boulevard and Newport Avenue intersection widening improvements

### 2.2.2 SOUTH CENTRAL PROJECT AREA

A complete description of the programs, activities and expenditures included in the Third Five-Year Implementation Plan focused on four major areas: Economic Development Programs; Community Facilities Programs; Public Infrastructure/Street Improvement Programs; and Agency Administrative

Program Support and Indirect Costs based on the following Implementation Plan goals and objectives.

Implementation Plan Goals and Objectives

- Provide direct assistance to support and facilitate development, to preserve the City's employment base, and to provide for an integrated business park environment which capitalizes on market opportunities and which is compatible with adjacent land uses.
- Provide assistance to the private sector through the construction of circulation improvements designed to facilitate access to underutilized sites.
- Upgrade substandard public infrastructure systems and public facilities, and provide for the installation and construction on new public improvements to meet the requirements of existing and new development in the Project Area.

The accomplishments made in implementing programs and activities since the adoption of the Third Five-Year Implementation Plan can be summarized as follows:

Economic Development Programs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>Developer/Property Owner Assistance Program to support development and revitalization within the South Central Project Area. The type of assistance may include, but not be limited to land assembly and resale to private developers, land preparation, off-site improvements, fee payments, design and engineering assistance, development loans (as may be allowed under the law), development of parking facilities.</p>	<ul style="list-style-type: none"> <li>• Issued a RFP for the development of Pacific Center East, the former AAE property, and entered into an Exclusive Agreement to Negotiate with OPUS West and drafted a proposed Disposition and Development Agreement on a proposed 23 acre mixed-use development. Unfortunately, the developer went bankrupt and the Agency is taking the lead in assisting the City with a property disposition strategy.</li> <li>• Tustin Town Center, A New Beginning Study – The Agency initiated the Study to focus on three neighborhoods in the older areas of the city. A large portion of the study areas are located within the Town Center Project Area. An Urban Land Institute’s (ULI) Advisory Services panel was convened to evaluate infill development opportunities for the expansion of residential housing and for commercial revitalization activities. As a result of ULI’s recommendations, a RFP for Consulting Services was issued for the Preparation of Concept Plans, including a refined Market Analysis; three Neighborhood Concept Plans; Feasibility Testing of Potential Projects; and Preparation of an Implementation Strategy. Field Paoli, an Urban Design Consultant, and Keyser Marston, an Economic and Financial Consultant, were chosen and will be completing the Final Concept Plan and recommended Implementation Strategy for Council approval this fall.</li> </ul>
<p>Business Assistance and Outreach Program to support the retention of existing businesses and attraction of new businesses.</p>	<ul style="list-style-type: none"> <li>• Actively involved with the Chamber of Commerce Business and Economic Development Council subcommittee and provided leadership to the Retail Centers Strategic Planning Summit and Summary Report. As a result of recommendations from the Strategic Planning Summit, the Agency published and distributed the 2008-2009 Tustin Dining Guide to every Tustin household.</li> </ul>
<p>Expenditures would include, but not be limited to such items as brochures and marketing materials.</p>	<ul style="list-style-type: none"> <li>• An update of marketing material is in process and incremental articles in “City Scene” and the City’s website as well as press releases have been prepared.</li> </ul>
<p>Augmentation of CDBG funding for City’s graffiti removal program.</p>	<ul style="list-style-type: none"> <li>• Augmented CDBG and Public Works funding for the City’s graffiti removal program and Agency staff are also a member of the Tustin Police Department’s Tustin Against Graffiti (TAG) committee and Neighborhood Improvement Task Force.</li> </ul>

### Community Facilities Programs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
Recreational Facilities Program - improvements for existing facilities and the construction of recreational open space to serve the surrounding community.	<ul style="list-style-type: none"> <li>Continue to monitor the availability and timing of excess Cal Trans Right-of-Way property on the west side the SR-55 for recreational opportunities.</li> </ul>
Tustin Family and Youth Center Expansion - additional land acquisition.	<ul style="list-style-type: none"> <li>Alternatives are being examined that may include leasing and/or dedication of property. The City's Seven-Year Capital Improvement Program has targeted funds for potential acquisition activities.</li> </ul>
Tustin Family and Youth Center Playground Improvements – installation of additional playground equipment.	<ul style="list-style-type: none"> <li>There has been no progress to date.</li> </ul>

### Public Infrastructure/Street Improvement Activities & Projects

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
Newport Avenue/State Route 55 Northbound Ramp Reconfiguration - relocation of existing ramps including construction of new ramps, demolition of existing ramps, construction of Newport Avenue between Edinger and Valencia, and realignment and construction of Del Amo, between Edinger and the newly constructed ramp ("Ramp Reconfiguration Project").	<div style="display: flex; align-items: flex-start;">  <div> <ul style="list-style-type: none"> <li>The Agency assisted the City in property acquisition for the Ramp Reconfiguration Project, which was completed in March 2010. The Phase I construction project included the relocation of existing ramps, including the construction of new ramps, demolition of existing ramps, construction of Newport Avenue between Edinger and Valencia, and realignment and construction of Del Amo, between Edinger and the newly constructed ramp, which was completed in November 2008.</li> </ul> </div> </div>

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
Newport Avenue Extension North of Edinger Avenue – extension from existing Newport Avenue terminus south to Edinger Avenue.	<ul style="list-style-type: none"> <li>Phase II construction plans are in preparation. It is not expected that construction of the project will proceed upon completion of plans until full funding for the project can be secured.</li> </ul>
Edinger Avenue Widening - widening to major arterial smart street standards between State Route 55 and 1,400 feet east of Red Hill Avenue with intersection enhancements and traffic control improvements.	<ul style="list-style-type: none"> <li>Coordinated with Public Works on replacement of undersized, shallow water main on Edinger Avenue due to Smart Street Widening Project and relocated fire service vaults.</li> <li>In November 2008, coordinated with Public Works on the completion of the street widening of Edinger to major arterial highway smart street standards with dual left turn lanes and exclusive right turn lanes as needed to reduce congestion and improve level of service between State Route 55 and 1,400 feet east of Red Hill Avenue.</li> </ul>
Valencia Avenue Widening - widening of right-of-way and intersection improvements per the Pacific Center East Specific Plan and traffic control improvements.	<ul style="list-style-type: none"> <li>Preliminary design of improvements and environmental review has been targeted in the Seven Year Capital Improvement Program for FY 2012/2013.</li> </ul>
Red Hill Avenue Widening - widening of right-of-way and intersection improvements between Edinger Avenue and Valencia Avenue per the Pacific Center East Specific Plan.	<ul style="list-style-type: none"> <li>Preliminary design of improvements and environmental review has been targeted in the Seven Year Capital Improvement Program for FY 2013/14.</li> </ul>
Lighting and Traffic Control Projects - general improvements as determined needed to upgrade existing street lighting, traffic signal synchronization or phasing and/or new traffic control installation, also includes lighting and pavement improvements to private and public alleys.	<ul style="list-style-type: none"> <li>In conjunction with projects noted above and led by the Public Works department, significant lighting and traffic control improvements were completed.</li> </ul>

Administrative Program Support/Indirect Costs

<i>Planned Projects &amp; Activities</i>	<i>Accomplishments</i>
<p>Agency Administrative Program support and indirect costs incurred by City</p>	<ul style="list-style-type: none"> <li>• Continued to provide oversight and management for all redevelopment activities in the Project Area.</li> <li>• The expenditures from the Low and Moderate Income Housing Fund for planning and administrative expenses for each Redevelopment Project Area were not disproportionate to the amount actually spent for the cost of production, improvement or preservation of housing and the expenditures from the Low and Moderate Income Housing Fund for planning and administrative expenses for each Project Area were necessary for the production, improvement and preservation of low and moderate income housing.</li> </ul>

A summary of private sector redevelopment activities during the South Central’s Third Five-Year Implementation Plan is identified in **TABLE 2-3** and a summary of private sector redevelopment activities during the South Central’s First and Second Five-Year Implementation Plan is provided in **TABLE 2-4**:

<b>TABLE 2-3</b> <b>South Central Redevelopment Project Area</b> <b>Summary of Recent Private Sector Projects (FY 2005/06 – 2009/10)</b>									
Project Area / Major Activity	Date Permit Issued	New / Rehab	Bldg. Sq. Ft.	Building Permit Valuation	Agency/ Public Assistance	Private/Public Inv. Ratio	Est. Permanent Jobs Created	Est. Annual Sales Tax (Ann. Sales/ft)	
Strata Center 14081 Newport Ave.	7/05	New	10,472	\$453,438	\$0	1/0	21	\$1,800	
Pacific Plaza 1412 Edinger Ave.	7/06	New	66,578	\$3,154,986	\$0	1/0	266	N/A	
OCTFCU 15222 Del Amo Ave.	3/07	Rehab	59,828	\$2,760,717	\$0	1/0	240	N/A	
OCTFCU 15442 Del Amo Ave.	11/07	Rehab	23,062	\$489,376	\$0	1/0	92	N/A	
Cranbrook Senior Living 1262 Bryan Ave.	2/08	Rehab	56,300	\$111,000	\$0	1/0	N/A	N/A	
Unidentified Commercial Building 1301 Santa Fe	3/08	Rehab	50,906	\$986,000	\$0	1/0	N/A	Unknown	
Common Ground 14051 Newport Avenue	09/08	Rehab	3,745	\$79,468	\$0	1/0	N/A	N/A	
Jim’s Music 14061 Newport Avenue	11/08	Rehab	9,124	\$193,611	\$0 <sup>1</sup>	1/0	18	\$27,000 \$300/ft	
Tustin Freeway Center – 14111 Newport Avenue	12/09	New	2,565	\$111,064	\$0	1/0	5	\$2,500 \$100/ft	
<sup>1</sup> Although the Agency did not provide financial assistance, the Agency did provide site location assistance and expedited permit and plan review processing. <b>SOURCE:</b> KMA – Jobs: Retail 2 per 1,000 sq. ft., Restaurant 2 per 1,000, Office 4 per 1,000; Sales – Major Retail \$400/sq. ft., Grocery 35% taxable sales, Drug Stores \$300/sq. ft., Coffee Shop \$300/sq. ft.									

<b>TABLE 2-4</b> <b>South Central Redevelopment Project Area</b> <b>Summary of Prior Implementation Plan Private Sector Projects (FY 1994/95 – 2004/05)</b>						
<b>Project Area / Project Major Permit Activity</b>	<b>Bldg. Sq. Ft./or Units</b>	<b>Building Permit Valuation</b>	<b>Agency/ Public Assistance</b>	<b>Private/Public Inv. Ratio</b>	<b>Est. Permanent Jobs Created</b>	<b>Est. Annual Sales Tax (Ann. Sales/ft)</b>
Primrose 13882 Newport Ave.	8,000	\$193,000	\$0	1/0	27	\$1,500
La Mancha Apartments 13842 Newport Ave.	9,750	\$275,000	\$0	1/0	33	N/A
Colco 13812 Newport Ave.	9,600	\$456,000	\$0	1/0	27	\$5,900
Tustin Royale Senior Apartments 1262 Bryan Ave.	58 units	\$2,754,000	\$0	1/0	15	N/A
Tustin Village Apartments 275 Sixth St.	140 units	\$232,000	\$0	1/0	N/A	N/A
Pasadena Apartments 15642 Pasadena Ave.	11 units	\$945,708	\$0	1/0	N/A	N/A
Newpoint Apartments 14901 Newport Ave.	144 units	\$5,699,000	\$0	1/0	N/A	N/A
Condominiums 15582-92 "B" St.	6 units	\$67,000	\$0	1/0	N/A	N/A
Sand Dollar Apartments 15712-22 "B" St.	24 units	\$915,000	\$0	1/0	N/A	N/A
MicroCenter 1100 Edinger Ave.	45,600	\$1,120,000	\$638,000	1.8/1	200	Confidential
Pacific Bell 1252-1472 Edinger Ave.	224,500	\$10,572,000	\$0	1/0	748	\$33,000
Norden 15222 Del Amo	61,190	\$2,710,000	\$0	1/0	204	\$10,600
Scantron 1361 Valencia	75,900	\$1,760,000	\$0	1/0	253	\$18,500
Resco 1421-81 Edinger Ave.	67,570	\$2,113,000	\$250,000	8.4/1	223	\$38,500
Solmar 1302 Industrial	12,000	\$828,000	\$0	1/0	40	N/A

<b>TABLE 2-4</b> <b>South Central Redevelopment Project Area</b> <b>Summary of Prior Implementation Plan Private Sector Projects (FY 1994/95 – 2004/05)</b>						
Project Area / Project Major Permit Activity	Bldg. Sq. Ft./or Units	Building Permit Valuation	Agency/ Public Assistance	Private/Public Inv. Ratio	Est. Permanent Jobs Created	Est. Annual Sales Tax (Ann. Sales/ft)
Tustin Freeway Center 14041-14061 Newport Ave.	35,103	\$1,544,641	\$0	1/0	117	\$17,400
Tustin Grove Tract # 14934 Newport Ave.	145 units  36 units income restricted	\$17,154,603	\$1,041,337	16.5/1	N/A	N/A
El Camino/ Newport Center 13982, 13942-62 Newport Ave.	18,773	\$854,045	\$6,277	136/1	20	\$15,732
Sycamore Gardens 14831 Newport Ave.	116 units	\$175,000	\$0	1/0	N/A	N/A
Newport North Apartments 15811 Pasadena Ave.	Substantial Rehab		\$0	1/0	N/A	N/A
Heritage Place Tustin 1101 Sycamore Ave.	54 units  53 units income restricted	\$6,779,859	\$350,000	19.4/1	N/A	N/A
<b>SOURCE:</b> Third Five-Year Implementation Plan for the Town Center and South Central Redevelopment Project Areas (FY 2005-2006- to FY 2009-2010)						

In addition to the completed private projects listed in **TABLE 2.4**, the following public infrastructure projects were also completed in the South Central Project Area during the time frames of the First and Second Five-Year Implementation Plans:

- Alley pavement improvements for alleys between Newport and Orange Avenues, south of San Juan Street and Newport and Bonita Avenues
- Edinger Avenue widening between SR-55 and Red Hill Avenue
- Engineering and environmental assessment of widening Valencia Avenue
- Extend Newport Avenue to Edinger, and eventually, Valencia Avenue
- General lighting improvements
- Improvements to Del Amo Avenue in conjunction with the new off-ramp for SR-55 at Newport Avenue
- Installation of traffic signals at McFadden and Walnut Avenues
- Mitchell Avenue pavement and right-of-way improvements

- Newport Avenue road improvements from Sycamore to McFadden Avenues
- Street improvements coordinated with housing rehabilitation programs to fund off-site improvements (i.e., alley and right-of-way improvements)
- Studies, plans, engineering and construction of a new off-ramp from SR-55 at Newport Avenue
- Widening, pavement improvements, and reconstruction of San Juan Street from Newport Avenue to Orange Avenue
- Street widening acquisitions and construction documents preparation for Edinger Avenue “Smart Street” project from SR-55 to Red Hill
- Right-of-way acquisitions and construction documents preparation for Northbound Ramp SR-55 and roadway improvements

## **2.3 REDEVELOPMENT (NON-HOUSING) PROGRAM FINANCIAL RESOURCES**

The programs, projects and expenditures to be implemented over the next five years will depend on the level of financial resources available to the Agency. Available financial resources are available tax increment, less the Agency’s required 20% deposit to the Low and Moderate Income Housing Set-aside Fund and less existing debt and other Agency financial obligations. As identified in **FIGURE 2-5**, the Agency is limited in the amount of tax increment it can collect and during the 4<sup>th</sup> Five-Year Implementation Plan it appears the limit could be reached in one of the Project Areas, impacting available financial resources. Further detail is provided below under Section 2.3.1.

### **2.3.1 PROJECTED REVENUES**

**TABLE 2-5** and **TABLE 2-6** identify the projected tax increment revenues that may be available to fund Town Center and South Central Project Area programs, project and expenditures over the next five years. In the Town Center Project Area, the tax increment limit is \$90 million, and in the South Central Project Area, the tax increment limit is \$2.5 million averaged annually.

The Town Center tax increment limit is defined in Section 600 – Limitations on Finances of the 1989 Second Amendment as follows: the “limitation is exclusive of: (1) any payments to taxing agencies to alleviate financial burden made by the Agency pursuant to Section 33401 of the Community Redevelopment Law and Section 306 of this Plan; and (2) any funds required by Section 33334.2 of the Community Redevelopment Law to be deposited by the Agency in a Low and Moderate Income Housing Fund as a result of such payments to taxing agencies.” The \$90 million tax increment limitation is exclusive of payments to taxing agencies to alleviate financial burden pursuant to Section 306 of the Redevelopment Plan. This exclusion includes Educational Revenue Augmentation Funds (ERAF) and Supplemental Educational Revenue Augmentation Funds (SERAF) payments required to be made by the state. As noted in **APPENDIX E**, the Agency has received a total of \$77,209,489 in tax increment through FY 2009-2010, with a total of \$2,432,230 of ERAF/SERAF payments excluded from the tax increment limit, resulting in a total net increment to date of \$74,777,259. Based on projections by Taussig and Associates, Inc. that the annual tax

increment (assuming 0% growth) received will be approximately \$4,675,353, the Agency would reach its Tax Increment Limit of \$90,000,000 in FY 2013/14 or earlier if tax increment growth occurs more rapidly.

The South Central tax increment limit is defined in Section 600 - Limitations on Finances of the 1985 South Central Project Area Amendment as follows: "The average yearly tax increment which may be collected shall not exceed 2.5 million dollars." As noted in **FIGURE 2-5**, the South Central Project Area's last date to receive tax increment is July 15, 2028, 46 Fiscal Years from the Plan adoption date of August 1, 1983. Multiplying the 46 years times the annual average of \$2.5 million, equals a Cumulative Tax Increment Limit of \$115,000,000. Based on March 2010 projections by HdL, Coren & Cone that the annual tax increment (assuming 0% growth) received will be approximately \$4,412,000, the Agency would reach its Tax Increment Limit of \$115,000,000 in FY 2022/23 or earlier if tax increment growth occurs more rapidly. Pursuant to CRL §33331.5 and the State adoption of ABX4-26, the Agency can extend by one year the last date to receive tax increment/repay debt for each year the Agency makes a Supplemental Educational Revenue Augmentation Fund (SERAF) payment as required by the 2009-10 state budget (adoption of ABX4-26). The Agency made a payment in FY 2009-10 and is scheduled to make another ABX4-26 required payment in FY 2010-11. After Sacramento Superior Court Judge Lloyd Connelly upheld the legality of the SERAF payments, the California Redevelopment Association filed an appeal with the Third District Court of Appeal to overturn ABX4-26. The Agency is waiting for a decision to be made on the appeal before extending the time limits. If the time limits are extended, the cumulative tax increment limit will increase to \$120,000,000. The cumulative amount of tax increment received is determined before pass through payments and Housing Set-Aside funds are allocated.

Although the Agency may exceed its tax increment limit for the Town Center Project Area during the Fourth Five-Year Implementation Plan, the Agency, pursuant to CRL §33333.8, will continue to receive and use Housing Set-Aside tax increment until the Agency has fully completed its housing obligations. The starting fund balance for each Redevelopment Project Area was based on fund balances identified in the Agency's audit for FY 2008-2009. Specific debt service and other financial obligations which affect the availability of Agency funds for future non-housing agency programs, projects and expenditures and activities are summarized in Section 2.3.2 and identified in **TABLE 2-5** and **2-6**.

It is expected that some amount of new development will occur in the Town Center and South Central Project Areas over the next five years. However, current economic conditions have caused delay in initiation of many projects. Since it is difficult to determine or project the values that future developments will add to each Project Area and when this new value will be added, potential values of new development have not been reflected in the projections in **TABLES 2-5** and **2-6**. Further, no assurances are provided by the Agency as to the certainty of the projected tax increment revenues shown in **TABLES 2-5** and **2-6**. Actual revenues may be higher or lower than projected and can be

subject to valuation changes resulting from new developments or transfers of ownership, actual resolution of outstanding tax appeals, future filing of tax appeals, and/or the non-payment of taxes.

There is one additional source of revenue that could become available during the Fourth Five-Year Implementation Plan, the repayment of the City's \$18,881,750 Promissory Note with the Agency. On December 31, 2008, the City entered into a Promissory Note with the Agency to reimburse the Agency for payments made towards the purchase of the AA&E property at Edinger and State Route 55. The property was needed to construct the Newport Avenue/State Route 55 Northbound Ramp Reconfiguration Capital Improvement Project. Unless the obligation is extended by the City and Agency, as may be authorized under provisions of the Promissory Note, the Note would be due on December 31, 2013, with payment distributed equally into the Town Center and South Central Project Areas as shown in **TABLES 2-5** and **2-6**. Payments are expected to be made from anticipated land sale proceeds realized by the City from sale of the former AA&E property.

The Agency's financial resources for funding affordable housing activities are discussed in the housing activities section of this Implementation Plan.

### **2.3.2 EXISTING DEBT AND OTHER FINANCIAL OBLIGATIONS (NON-HOUSING AND HOUSING)**

The existing non-housing financial obligations for the Town Center and South Central Project Areas are generally shown in **TABLE 2-5** and **TABLE 2-6**. Existing housing financial obligations for Town Center and South Central Project Areas are shown in **TABLE 3-1** and **TABLE 3-2**. Housing and non-housing financial obligations are described as follows:

#### **A. TOWN CENTER EXISTING OBLIGATIONS**

- **Tax Allocation Bonds**

On July 1, 1998, the Agency issued \$20,805,000 Tax Allocation Refunding Bonds to refund the Agency's Town Center Area Refunding Bonds, Series 1987 and the Agency's Town Center Subordinate Tax Allocation Bonds, Series 1991. Net proceeds were used to purchase Government Securities for the Series 1987 and Series 1991 Bonds which were deposited in an irrevocable trust to provide for all required future debt service payments when the Series 1987 and 1999 Bond are called for redemption. According to the Agency's Annual Financial Report, June 30, 2009, the long-term debt Balance on the 1998 Tax Allocation Refunding Bonds was \$13,117,685 for the debt which was expected through Fiscal Year 2015-16. In order to take advantage of current interest rates, the Tustin City Council and Agency have authorized the City's financing team to evaluate a potential bond refunding package in order to reduce the debt service over the next few years. The current debt payments are shown in **TABLE 2-5** and the current debt service schedule is in **APPENDIX F**.

- **Housing Reimbursement Agreement Between the City and Agency Related to Affordable Housing Responsibilities**

On June 5, 2007, the City of Tustin and the Tustin Community Redevelopment Agency entered into a reimbursement agreement for related housing responsibilities assessed to the Agency (the "Reimbursement Agreement"), subsequently amended on January 1, 2010. The Reimbursement Agreement will reimburse the City for advancing funds to assist the Agency in carrying out its affordable housing obligations under the MCAS Tustin Redevelopment Plan. The Agency may elect to utilize not only Low and Moderate Housing Set-Aside tax increment funds but other Agency tax increment revenues to retire this debt, at its discretion.

- **Low and Moderate-Income Housing Set-Aside Requirements**

Section 33334.2(a) of the CRL requires that that not less than twenty percent (20%) of annual gross tax increment revenue be set-aside to facilitate the development of housing for persons with low and moderate incomes. The Agency may choose to expend more than the mandatory 20% on an annual basis, as determined necessary, to meet existing affordable housing obligations. Additional details on Low and Moderate Income Housing Set-Aside Funds are described in the Housing Section of this Implementation Plan.

- **Town Center Low and Moderate-Income Housing Set-Aside Deferral.**

Between fiscal years 1985-86 and 1991-92, the Agency deferred depositing a total of \$2,776,042 into its Low and Moderate-Income Housing Set-Aside Fund in order to pay existing obligations including bond debt service described above. Given that the Agency is approaching its tax increment limit, the repayment of this debt is programmed to occur during Fiscal Years 2011-12, 2012-13, and 2013-14 of the Five-Year Implementation Plan.

- **Tax Allocation Housing Bonds, Series 2010**

In order to finance a portion of the Agency's obligations under the Affordable Housing Reimbursement Agreement, \$26,170,000 in housing bonds were issued and closed in March 2010. The annual debt payments, including principal and interest, to be distributed across three Project Areas will be approximately \$1,825,600 and total \$9,128,000 during the Plan's five year period. Debt payments will be allocated to the Low and Moderate Income Housing Set-Aside tax increment revenues from three Project Areas: Town Center; South Central; and MCAS Tustin.

- **Supplemental Education Revenue Augmentation Fund (SERAF)**

As part of the 2009-10 state budget (adoption of ABx4 26), redevelopment agencies statewide were required to transfer \$2.05 billion in local redevelopment funds over the next two years. The Agency transferred \$6,197,557 to the County Auditor during FY 2009-10. The Agency is required to transfer an additional \$1,274,732 during FY 2010-11. When Sacramento Superior Court Judge Lloyd Connelly upheld AB X4 26, the state budget bill, precedent was established

for the state to include future takes of redevelopment funds in their state budget. As the Agency moves forward with programs and projects during the Fourth Five-Year Implementation Plan, the Agency will be working with the California Redevelopment Association to monitor and fight future raids of local revenue. The Agency is awaiting a court decision from the California Redevelopment Association's court appeal on the State's legislation requiring the SERAF takes in 2009-10 and 2010-11 and the legal opinion on Proposition 22 as to whether the City will continue to be required to make the FY 2010-11 payment or any future ERAF or SERAF payments during the Implementation Plan.

- **City Loan Repayments**

The City has made loans to the Project Areas including advancing funds as an investment tool, advancing funds for operating expenses, support services and capital improvements which are to be reimbursed to the City depending on the provisions of each operating loan agreement. The operating advance loans are generally reimbursed to the City on an annual basis in conjunction with the budget adoption process. **APPENDIX C** provides a summary of Town Center Project Area loans for both capital and services between the City and Agency. A repayment schedule does not currently exist.

**B. SOUTH CENTRAL EXISTING OBLIGATIONS**

- **Low and Moderate-Income Housing Set-Aside Requirements.**

Section 33334.2(a) of the CRL requires that that not less than twenty percent (20%) of annual gross tax increment revenue be set-aside to facilitate the development of housing for persons with low and moderate incomes. The Agency may choose to expend more than the mandatory 20% on an annual basis, as determined necessary, to meet existing affordable housing obligations. Particulars regarding the estimated amount and planned usage of the set-aside funds are described in the Housing Section of this Implementation Plan.

- **Supplemental Education Revenue Augmentation Fund (SERAF)**

As part of the 2009-10 state budget (adoption of ABx4 26), redevelopment agencies statewide were required to transfer \$2.05 billion in local redevelopment funds over the next two years. The Agency transferred \$6,197,557 to the County Auditor during FY 2009-10. The Agency is required to transfer an additional \$1,274,732 during FY 2010-11. When Sacramento Superior Court Judge Lloyd Connelly upheld AB X4 26, the state budget bill, precedent was established for the state to include future takes of redevelopment funds in their state budget. As the Agency moves forward with programs and projects during the Fourth Five-Year Implementation Plan, the Agency will be working with the California Redevelopment Association to monitor and fight future raids of local revenue. The Agency is awaiting a court decision from the California Redevelopment Association's court appeal on the State's legislation requiring the SERAF takes in 2009-10 and 2010-11 and the legal opinion on Proposition 22 as to whether the City will

continue to be required to make the FY 2010-11 payment or any future ERAF or SERAF payments during the Implementation Plan.

- **Housing Reimbursement Agreement Between the City and Agency Related to Affordable Housing Responsibilities**

On June 5, 2007, the City of Tustin and the Tustin Community Redevelopment Agency entered into a reimbursement agreement for related housing responsibilities assessed to the Agency (the “Reimbursement Agreement”), subsequently amended on January 1, 2010. The Reimbursement Agreement will reimburse the City for advancing funds to assist the Agency in carrying out its affordable housing obligations under the MCAS Tustin Redevelopment Plan. The Agency may elect to utilize not only Low and Moderate Housing Set-Aside tax increment funds but other Agency tax increment revenues to retire this debt, at its discretion.

- **Tax Allocation Housing Bonds, Series 2010**

In order to finance a portion of the Agency’s obligations under the Affordable Housing Reimbursement Agreement, \$26,170,000 in housing bonds were issued and closed in March 2010. The annual debt payments, including principal and interest, to be distributed across three Project Areas will be approximately \$1,825,600 and total \$9,128,000 during the Plan’s five year period. Debt payments will be allocated to the Low and Moderate Income Housing Set-Aside tax increment revenues from three Project Areas: Town Center; South Central; and MCAS Tustin.

- **City Loan Repayments**

The City has made loans to the Project Areas including advancing funds as an investment tool, advancing funds for operating expenses, support services and capital improvements which are to be reimbursed to the City depending on the provisions of each operating loan agreement. The operating advance loans are generally reimbursed to the City on an annual basis in conjunction with the budget adoption process. **APPENDIX D** provides a summary of South Central Project Area loans for both capital and services between the City and Agency. A repayment schedule does not currently exist.

- **Tax Sharing Agency Agreements**

At the time that the South Central Amended Area was adopted, the Agency entered into three agreements. The agreement with the Orange County Water District requires that the Agency pay the District \$2,000 per year from the Amended Area tax increment. The Agency also entered into agreements with the South Orange County Community College District (formerly known as Saddleback Community College District) and with the Tustin Unified School District. The agreements provide that certain tax share payments would occur to each agency after the Agency has expended a certain expenditure amount for construction of facilities within the South Central Project Area Amended Area and/or it has retired bonds or other debt for such

construction. There is no limit on the amount of debt that may be incurred in connection with the agreements. The Agency has determined the amount of outstanding debt on an annual basis in the South Central Project Area Amended Area, resulting in no tax share payments being required. The Agency does not currently anticipate that these two agreements will require tax share payments be initiated during the current limits on repayment of debt for the South Central amended area.

## 2.4 AGENCY FIVE YEAR NON-HOUSING IMPLEMENTATION ACTIVITIES

### 2.4.1 INTRODUCTION

The Implementation Plan is a document designed to be a strategic planning tool to guide Project Area activities. Non-housing implementation activities for both Project Areas will be generally associated with the following major focus areas:

- Neighborhood Improvement
- Economic Development
- Infrastructure and Community Facilities
- Administrative Program Support and Operating Costs

Programs must often coincide and be overlaid to produce successful projects. Infrastructure and community facility improvements may work in concert with a private development project to ensure the desired economic development objective is achieved. Traffic flow improvements can be used to protect and enhance neighborhoods while at the same time serve to stimulate private investment and economic expansion. Projects may also need to be modified significantly during the next five years in reaction to market conditions and private development interest.

The Agency's five-year implementation activities for the Town Center and South Central Project Areas are based on the availability of funding from available future tax increment sources as projected in **TABLE 2-5** and **TABLE 2-6**, and as not already committed to existing debt service and financial obligations. While not included in the tax increment available financial resources identified in **TABLES 2-6** and **2-6**, the Agency would also expect to make use of various other methods of financing redevelopment activities, where such funding sources are available and supported by the Agency. These other methods and funding sources may include: (1) loans, grants, and contributions from local entities (such as the City), state and federal programs; (2) advances from developers; (3) potential assessment district or community facilities district financings; (4) public/private partnerships; and (5) other leveraging of tax increment revenues when possible. Private sector investment will be critically necessary as a means of resolving the various problems and conditions of blight in each Project Area.

The proposed projects, programs and the corresponding expenditures over the five-year period are designed to achieve the Goals and Objectives for each Project Area contained in this Implementation Plan and the elimination of blighting conditions. Financial resources are expected to be insufficient to complete implementation activities within the five-year time period.

**TABLE 2-5  
TOWN CENTER PROJECT AREA  
FIVE YEAR NON-HOUSING FINANCIAL RESOURCES & DEBT OBLIGATIONS  
FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL  
FY 2010/11 - 2014/15**

	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
<b>PROJECTED FUND BALANCE<sup>(1)</sup></b>	\$13,896,962	\$15,447,179	\$16,271,996	\$17,098,508	\$22,351,555	<b>\$13,896,962</b>
<b>REVENUES</b>						
Estimated Net Tax Increment <sup>(2)</sup>	\$3,740,283	\$3,740,283	\$3,740,283	\$610,788	\$0	<b>\$11,831,637</b>
Promissory Note Payment <sup>(3)</sup>				\$7,631,374		<b>\$7,631,374</b>
Interest <sup>(4)</sup>	\$182,400	TBD	TBD	TBD	TBD	<b>\$182,400</b>
<b>Subtotal</b>	<b>\$3,922,683</b>	<b>\$3,740,283</b>	<b>\$3,740,283</b>	<b>\$8,242,162</b>	<b>\$0</b>	<b>\$19,645,411</b>
<b>Less Debt Services &amp; Other Financial Obligations</b>						
Town Center Bonds <sup>(5)</sup>	\$1,648,289	\$1,640,466	\$1,638,771	\$1,638,073	\$1,633,138	<b>\$8,198,737</b>
SERAF <sup>(6)</sup>	\$349,177	TBD	TBD	TBD	TBD	<b>\$349,177</b>
Housing Deferrals <sup>(7)</sup>	\$0	\$900,000	\$900,000	\$976,042	\$0	<b>\$2,776,042</b>
Reimbursement Agreement <sup>(8)</sup>	TBD	TBD	TBD	TBD	TBD	<b>UNK</b>
City Loan Repayment (Services) <sup>(9)</sup>	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	<b>\$1,875,000</b>
City Loan Repayment (Project Purposes) <sup>(10)</sup>	UNK	UNK	UNK	UNK	UNK	<b>UNK</b>
<b>Subtotal</b>	<b>\$2,372,466</b>	<b>\$2,915,466</b>	<b>\$2,913,771</b>	<b>\$2,989,115</b>	<b>\$2,008,138</b>	<b>\$13,198,956</b>
<b>Estimated Available Resources<sup>(11)</sup></b>	<b>\$15,447,179</b>	<b>\$16,271,996</b>	<b>\$17,098,508</b>	<b>\$22,351,555</b>	<b>\$20,343,417</b>	<b>\$20,343,417</b>

<sup>(1)</sup> Debt service and capital fund projected balances as of June 30, 2010.

<sup>(2)</sup> Includes Subtraction of SB 2557 Administrative Fee to County and 20% transfer to Housing Set-Aside funds. Projections by David Taussig & Associates Sept. 2010. See narrative under Section 2.3.1 Projected Revenues regarding the Agency reaching its \$90 million tax increment limit in Fiscal Year 2013/14.

<sup>(3)</sup> Promissory Note reaching maturity Dec. 31, 2013. The City to repay the Agency for payments made towards the purchase of the AA&E property at Edinger and State Route 55 as part of the Newport Avenue/State Route 55 Northbound Ramp Reconfiguration Capital Improvement Project.

<sup>(4)</sup> Interest assumed in baseline at 1.75% of beginning fund balance rounded per Finance Department. Interest in subsequent years will be function of fund balances, after all expenditures.

<sup>(5)</sup> Reflects current Town Center Tax Allocation Refunding Bonds, 1998 Series A.

<sup>(6)</sup> Supplemental Education Revenue Augmentation Fund for 2009-2010 and 2010-2011 are statutorily required. With the passage of Proposition 22, the Agency is waiting for a legal opinion as to whether or not the State will be allowed to require future ERAF or SERAF payments for the balance of the Implementation Plan.

<sup>(7)</sup> Agency owes \$2,776,042 to Housing Set-Aside Funds for deferrals authorized by state law. Annual payment is a function of available balances and increment generated.

<sup>(8)</sup> Agency may direct any resources to retire this debt and is currently looking at the debt and repayment across the 80% and 20% accounts in a debt schedule.

<sup>(9)</sup> City Loan for services occurs on an annual basis, with no interest. Amounts shown are for the Fiscal Year incurred only and do not reflect cumulative loan encumbrances (see APPENDIX C). Numbers may fluctuate each year based on size of budget and at a rate of approximately 8% of Agency-budgeted expenditures.

<sup>(10)</sup> City Loans for project purposes have not yet been repaid. Agency can retire this debt at any time or if no funds are available, repayment may not be necessary. See Appendix C for annual loan amounts.

<sup>(11)</sup> Available resources could be affected by any additional debt repayments as a result of Footnotes (6), (7), or (9).

**TABLE 2-6**  
**SOUTH CENTRAL PROJECT AREA**  
**FIVE YEAR NON-HOUSING FINANCIAL RESOURCES & DEBT OBLIGATIONS**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
**FY 2010/11 - 2014/15**

	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
<b>PROJECTED FUND BALANCE<sup>(1)</sup></b>	\$21,374,262	\$24,467,564	\$27,136,564	\$30,004,564	\$40,501,938	<b>\$21,374,262</b>
<b>REVENUES</b>						
Estimated Net Tax Increment <sup>(2)</sup>	\$3,472,000	\$3,471,000	\$3,470,000	\$3,468,000	\$3,468,000	<b>\$17,349,000</b>
Promissory Note <sup>(3)</sup>				\$7,631,374		<b>\$7,631,374</b>
Less Tax Sharing <sup>(4)</sup>	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	<b>\$10,000</b>
Interest <sup>(5)</sup>	\$280,540	TBD	TBD	TBD	TBD	<b>\$280,540</b>
<b>Subtotal</b>	<b>\$3,750,540</b>	<b>\$3,469,000</b>	<b>\$3,468,000</b>	<b>\$11,097,374</b>	<b>\$3,466,000</b>	<b>\$25,250,914</b>
<b>Less Debt Services &amp; Other Financial Obligations</b>						
SERAF <sup>(6)</sup>	\$337,238	TBD	TBD	TBD	TBD	<b>\$337,238</b>
Reimbursement Agreement <sup>(7)</sup>	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
City Loan (Services) <sup>(8)</sup>	\$320,000	\$800,000	\$600,000	\$600,000	\$600,000	<b>\$2,920,000</b>
City Loan (Project Purposes) <sup>(9)</sup>	UNK	UNK	UNK	UNK	UNK	<b>UNK</b>
<b>Subtotal</b>	<b>\$657,238</b>	<b>\$800,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$3,257,238</b>
<b>Estimated Available Resources<sup>(10)</sup></b>	<b>\$24,467,564</b>	<b>\$27,136,564</b>	<b>\$30,004,564</b>	<b>\$40,501,938</b>	<b>\$43,367,938</b>	<b>\$43,367,938</b>

<sup>(1)</sup> Debt service and capital fund projected balances as of June 30, 2010.

<sup>(2)</sup> Includes Subtraction of SB 2557 Administrative Fee to County and base year adjustment to certain taxing agencies and 20% transfer to Housing Set-Aside funds. Projections by HdL, Coren & Cone, March 2010. See narrative under Section 2.3.1 Projected Revenues regarding the Agency's \$2.5 million annual average tax increment limit.

<sup>(3)</sup> Promissory Note reaching maturity Dec. 31, 2013. The City to repay the Agency for payments made towards the purchase of the AA&E property at Edinger and State Route 55 as part of the Newport Avenue/State Route 55 Northbound Ramp Reconfiguration Capital Improvement Project.

<sup>(4)</sup> Orange County Water District receives \$2,000 per year pursuant to an agreement on the Amended Area, dated March 20, 1985.

<sup>(5)</sup> Interest assumed in baseline at 1.75% of beginning fund balance rounded per Finance Department. Interest in subsequent years will be function of fund balances, after all expenditures.

<sup>(6)</sup> Supplemental Education Revenue Augmentation Fund for 2009-2010 and 2010-2011 are statutorily required. With the passage of Proposition 22, the Agency is waiting for a legal opinion as to whether or not the State will be allowed to require future ERAF or SERAF payments for the balance of the Implementation Plan.

<sup>(7)</sup> Agency may direct any resources to retire this debt, at its discretion and in addition to Housing Set-Aside Funds.

<sup>(8)</sup> City Loan for services occurs on an annual basis, with no interest. Amounts shown are for Fiscal Year incurred only and do not reflect cumulative loan encumbrances (see APPENDIX D). Numbers may fluctuate each year based on size of budget and at a rate of approximately 8% of Agency-projected expenditures.

<sup>(9)</sup> City Loans for project purposes have not yet been repaid. Agency can retire this debt at any time or if no funds are available, repayment may not be necessary. See Appendix D for annual loan amounts.

<sup>(10)</sup> Available resources could be affected by any additional debt repayments as a result of Footnotes (6), (7), (8) or (9).

The CRL requires a five-year implementation plan regardless of economic conditions during the future five-year period. It should, however, be understood that the funding of identified programs and projects is greatly influenced by economic conditions and the ability of the private sector to respond to Agency initiatives. Projects and expenditures rely on the private sector's ability to obtain funding, as well as the Agency's ability to maintain and increase tax increment revenues. If the Agency's revenues are depleted because of higher than projected expenditures or new requirements imposed by the State, it is unlikely that all of the projects and/or programs listed will be implemented.

Achievement of the Implementation Plan Goals and Objectives for each Project Area, and the implementation of the programs, projects, expenditures outlined in this Implementation Plan will assist in eliminating blight within the Town Center and South Central Redevelopment Project Areas.

### 2.4.2 CASH FLOW

An illustrative five year cash flow for the Agency's non-housing redevelopment activities is provided in **TABLE 2-7** and **TABLE 2-8** which includes the proposed programs and project expenditures that are identified and described in more detail in the following section (Section 2.4.3).

<b>TABLE 2-7</b>						
<b>TOWN CENTER PROJECT AREA</b>						
<b>USE OF FUNDS</b>						
<b>NON-HOUSING PROGRAMS, PROJECTS, &amp; EXPENDITURES</b>						
<b>FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER &amp; SOUTH CENTRAL</b>						
	<b>Yr. 1</b>	<b>Yr. 2</b>	<b>Yr. 3</b>	<b>Yr. 4</b>	<b>Yr. 5</b>	
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>TOTAL</b>
<sup>1</sup> <b>Neighborhood Improvement</b>	\$111,750	\$550,000	\$500,000	\$500,000	\$1,150,000	<b>\$2,811,750</b>
<sup>2</sup> <b>Economic Development</b>	\$32,000	\$1,000,000	\$2,000,000	\$1,000,000	\$500,000	<b>\$4,532,000</b>
<sup>3</sup> <b>Public Infrastructure &amp; Community Facilities</b>	\$169,350	\$300,000	\$1,500,000	\$2,000,000	\$500,000	<b>\$4,469,350</b>
<sup>4</sup> <b>Administrative Program &amp; Direct Costs <sup>(1)</sup></b>	\$434,022	\$200,000	\$210,000	\$225,000	\$236,250	<b>\$1,305,272</b>
<sup>5</sup> <b>Administrative Indirect Costs <sup>(2)</sup></b>	\$374,200	\$493,900	\$766,000	\$629,100	\$457,000	<b>\$2,720,200</b>
<b>TOTAL NON-HOUSING PROGRAMS</b>	<b>\$1,121,322</b>	<b>\$2,543,900</b>	<b>\$4,976,000</b>	<b>\$4,354,100</b>	<b>\$2,843,250</b>	<b>\$15,838,572</b>
<sup>(1)</sup> <b>Administrative Program &amp; Direct Costs</b> may include, but are not limited to, the following: Due Diligence activities; Legal services; Management of Real Estate Assets; Planning and Design; Day-to-day operations; and Financial planning & actions.						
<sup>(2)</sup> <b>Administrative Indirect Costs</b> are calculated by the Finance Dep't. Finance identifies the expenses associated with the City's administrative departments providing oversight to the other departments and then allocates those costs to each department according to a percentage based on the department's expenditures. The Administrative Indirect Costs for Program Years (PY) 3 & 4 reflect a larger indirect charge as a result of increased program expenditures in these Program Years as compared to PY 1, 2 & 5.						

**TABLE 2-8**  
**SOUTH CENTRAL PROJECT AREA**  
**USE OF FUNDS**  
**NON-HOUSING PROGRAMS, PROJECTS, & EXPENDITURES**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**

	Yr. 1 2010/11	Yr. 2 2011/12	Yr. 3 2012/13	Yr. 4 2013/14	Yr. 5 2014/15	TOTAL
<sup>1</sup> Neighborhood Improvement	\$188,750	\$200,000	\$3,970,000	\$3,100,000	\$1,220,000	<b>\$8,678,750</b>
<sup>2</sup> Economic Development	\$47,000	\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000	<b>\$6,047,000</b>
<sup>3</sup> Public Infrastructure & Community Facilities	\$626,755	\$9,000,000	\$4,950,000	\$610,000	\$500,000	<b>\$15,686,755</b>
<sup>4</sup> Administrative Program & Direct Costs <sup>(1)</sup>	\$223,325	\$299,540	\$314,515	\$330,240	\$346,750	<b>\$1,514,370</b>
<sup>5</sup> Administrative Indirect Costs <sup>(2)</sup>	\$312,200	\$1,081,000	\$1,157,300	\$729,200	\$429,900	<b>\$3,709,600</b>
<b>TOTAL NON-HOUSING PROGRAMS</b>	<b>\$1,398,030</b>	<b>\$11,580,540</b>	<b>\$12,391,815</b>	<b>\$6,769,440</b>	<b>\$3,496,650</b>	<b>\$35,636,475</b>
<sup>(1)</sup> <b>Administrative Program &amp; Direct Costs</b> may include, but are not limited to, the following: Due Diligence activities; Legal services; Management of Real Estate Assets; Planning and Design; Day-to-day operations; and Financial planning & actions. <sup>(2)</sup> <b>Administrative Indirect Costs</b> are calculated by the Finance Dept. Finance identifies the expenses associated with the City's administrative departments providing oversight to the other departments and then allocates those costs to each department according to a percentage based on the department's expenditures. The Administrative Indirect Costs for Program Years (PY) 2 & 3 reflect a larger indirect charge as a result of increased program expenditures in these Program Years as compared to PY 1, 4 & 5.						

### 2.4.3 PROPOSED AGENCY PROGRAMS, POTENTIAL PROJECTS AND EXPENDITURES (Non-Housing Activities)

#### A. TOWN CENTER REDEVELOPMENT PROJECT AREA

Over the next five years, the programs, projects and expenditures proposed in the Town Center Project Area will focus on a response to the following Five Year Implementation Plan Goals and Objectives outlined in **FIGURE II-6**.

**FIGURE 2-6**  
**TOWN CENTER PROJECT AREA**  
**FOURTH FIVE-YEAR IMPLEMENTATION NON-HOUSING PLAN GOALS & OBJECTIVES**

1. Pre-plan and redevelop portions of the Project Area to accommodate healthy growth and to address areas which are stagnant or improperly utilized.
2. Encourage consolidation of commercial uses into well defined centers and development of mixed use developments that combine commercial, office, and/or residential uses which serve local needs of the community and which create job opportunities for residents, converting underperforming commercial uses to other uses or mixed uses.
3. Improve traffic circulation and access in the Project Area as a means of reducing congestion, encouraging business development, attracting new customers to the area, alleviating pass-through traffic congestion and conflict, and improving safety.
4. Rehabilitate substandard and deteriorating structures to improve building conditions, increase functionality and desirability, and to create a more cohesive Project Area.
5. Upgrade substandard public infrastructure systems and public facilities, and provide for the installation of new public infrastructure to meet the requirements of existing and new development.
6. Enhance the image of the area and create a sense of identity by revitalizing existing commercial uses, establishing an attractive streetscape and community gateway entry program, establishing and implementing design guidelines that will provide unity and integrity to neighborhoods within the Project Area, developing amenities in the Project Area, both publicly and privately financed.
7. Improve connectivity within the Project Area and between other neighborhoods in the City, including provision of improved bike lane routes.
8. Provide assistance for rehabilitation, expansion and retention of existing businesses and to facilitate the attraction of new development and businesses in the Project Area.
9. Develop a comprehensive marketing and communication program to market and promote the Project Area as a destination for new businesses and business expansion.
10. Strengthen existing partnerships and develop new ones with organizations whose activities can enhance the growth and development of the Project Area.

Linkage of each goal above with conditions of blight within the Project Area is demonstrated in the matrix included as **TABLE 2-9**. Proposed Agency programs and projects for the Town Center Project Area are, by necessity, broad in nature. Specific refinements of planned programs and projects will be developed by the Agency, generally in connection with adoption of the Agency's annual budget which will include the Agency's participation in the City's Seven Year Capital Improvement Program. The Agency's focus during the next five-year period for the Town Center Redevelopment Project Area is to concentrate on the following program areas and project categories: Neighborhood Improvement, Public Infrastructure and Community Facilities, Economic Development, and Administrative support. Dollar amounts shown in parenthesis after each program area is the anticipated proposed expenditures over the Five-Year Implementation Plan time frame.

## **1. Neighborhood Improvement Program and Projects**

The purpose of the Neighborhood Improvement program is to make the Town Center Project Area a clean, safe, and welcoming environment. The Program will include, but will not be limited to the following typical projects:

- Grants and loans for improvement of commercial properties for building and code compliance, building renovation and façade improvements, historic preservation, security and lighting, and to enhance the attractiveness of the Project Area.
- Graffiti removal.
- Continuing participating in a City-wide Neighborhood Improvement Task Force within the Project Area to plan and carry out solutions to problems that require an interdepartmental partnership.
- Follow-up re-planning efforts within the Project Area including funding and advising the Community Development Department on the completion of appropriate General Plan, Zoning and environmental documents to implement recommendations identified in the “Neighborhoods of Tustin Town Center: A New Beginning” Study, including development of design guidelines.
- New housing construction as a funding supplement to Housing Programs described in Section 3.6.3.

## **2. Economic Development Programs and Projects**

The purpose of the Economic Development Program is to focus on the retention of existing businesses within the Project Area and the attraction of new businesses. The City would encourage developers and property owners to develop sites within the Project Area, assisting where necessary so that the financial gap of a project can be met as a means to attract such development.

- Developer/property owner assistance programs designed to support restoration, modernization and improvement of the Town Center Project Area including the City’s historic Old Town and also Key Opportunity Sites identified in the “Neighborhoods of Tustin Town Center: A New Beginning Study” (the “Tustin Town Center Study”). Projects will include development strategies to encourage mixed use development and clustering of commercial activities around identified nodes. Additional types of assistance may include, but not be limited to, acquisition and assembly of properties for development consistent with the uses specified in the Neighborhoods of Town Center Study and Town Center Redevelopment Plan, land write-downs, land preparation, off-site improvements, fee assistance, relocation assistance, design and engineering assistance, grants and loans (as may be allowed under the law), and development of parking facilities.
- Business assistance, marketing and outreach programs and projects to support the retention of existing businesses and attraction of new businesses.

- Expenditures would include, but not be limited, commercial broker incentive programs, commercial real estate listings, website updates, collateral marketing materials, establishing memberships and relationships with other organizations where activities will enhance the growth of the Project Area

### **3. Public Infrastructure and Community Facilities Programs and Projects**

The Public Infrastructure and Community Facilities Program is designed to implement projects to improve public infrastructure, community facilities and public services within the Project Area, which will increase the livability of the Project Area and attract private sector investment. These projects may include:

- Completion of remaining improvements and fixture purchases for the Tustin Library project.
- Street and Streetscape rehabilitations and new improvements and community gateway enhancements at key locations, including, but not limited to those, identified in the Tustin Town Center Study. Work will include, but not be limited to, studying right of way constraints and identifying specific streetscape improvements, associated costs, and implementation priorities.
- Newport Avenue Bicycle Trail Reconstruction Project between Main Street and Irvine Boulevard. The project includes bicycle trail reconstruction, drainage facility improvements, and landscaping along Newport Avenue from Main Street to Irvine Boulevard.
- Storm drainage infrastructure to alleviate flooding.
- Lighting and traffic control installations, as determined needed to upgrade existing street lighting, traffic signal synchronization or phasing, or new traffic control installations as needed. Traffic Control Projects
- Utility undergrounding where necessary to improve the safety and aesthetics of the Project Area.
- Improvements to Columbus Tustin Gymnasium and Columbus Tustin Park and Sports Fields
- Stevens Square Parking Structure –the provision of additional pedestrian access.

### **4. Agency Administrative Program Support and Indirect Costs**

The purpose of this program is to administratively support the Agency’s program and project activities.

Administrative and direct costs will be ongoing during the term of the Implementation Plan. The services include, but are not limited to, the following:

- Due Diligence activities – third party and in-house services associated the disposition and development of sites located in the Town Center Project Area.

- Legal Services – comprehensive legal services related to activities within the Project Area and activities outside the Project Area in which a finding of benefit has been established including City Attorney services and Special Counsel services.
- Management of Real Estate Assets – in-house and contracted third party property management services.
- Planning and Design – in-house and contracted third party services associated with planning and design activities.
- Day-to-day operations, including, but not limited to, staff personnel costs, the leasing of Office Space and Equipment, Telephone, Printing, Audit/Accounting, Office Materials and Supplies, Meetings and Training, Membership Dues and Subscriptions, and Computer Software and Hardware
- Financial planning and actions related to the Project’s remaining life and existing debt.

The Agency may also make payments to reduce the Low and Moderate Income Housing Deferral discussed in **Section 2.3.2** and **Section 3.3**. In addition, the Agency may make payments out of 80% tax increment funds (not just Low and Moderate Income Housing Funds) towards Reimbursement Agreement obligations which permit the use of 80% non-housing funds to retire the debt obligations, if tax increment funds are available during the Plan’s five year period. Funding availability and distribution is determined on an annual basis by the City’s Finance Director and the City Manager as part of the annual budget process.

**Proposed Projects, Programs and Expenditures Relationship to Blight**

The CRL requires an explanation of the relationship between proposed projects, programs and expenditures to the elimination of blight with the project area during the period of the Plan. At the time the Town Center Redevelopment Plan was adopted, the Town Center Redevelopment Plan largely identified the health and safety conditions of buildings, and the factors that characterize economic dislocation, deterioration or disuse.

The Implementation Plan Goals and Objectives represent the Agency’s near-term direction to continue its efforts to eliminate blight by providing assistance to strengthen the business environment of the Town Center Project Area. Specifically, the Implementation Plan Goals and Objectives will help the revitalize the building stock by improving deteriorated building conditions and correcting deficiencies among aged buildings. Goals and Objectives to upgrade and install public improvements and facilities, and to provide assistance to existing businesses, new businesses, and new development will help foster economic growth and correct or prevent conditions that may result in depreciated values, impaired investments and economic maladjustment, while facilitating the construction of necessary public infrastructure.

Although both Agency-assisted and private sector redevelopment activities have made major contributions to an improvement in the building stock in the project area and to an improvement to the prevalence of depreciated values, impaired investments and economic maladjustment in the Project Area, some of the blight conditions still remain to be addressed under this Fourth Implementation Plan.

The following are the major blighting characteristics identified in the Town Center Redevelopment Plan and how the proposed Agency activities during the next five-year period will eliminate or prevent the spread of these blighting conditions within the Project Area:

- ***Deterioration, Age, & Obsolescence.*** Several buildings, retail centers, and properties in the Project Area remain characterized by deterioration, age and obsolescence. These properties do not appear to meet the changing needs of the commercial/retail sector and are no longer economically competitive in today's markets. The Neighborhood Improvement Program will address these blighting conditions through commercial rehabilitation programs, graffiti removal and implementing recommendations from the "Neighborhoods of Tustin Town Center – A New Beginning" Study. The Commercial Rehabilitation Program will renovate older buildings, provide updated façades, and restore Historical commercial buildings. The Economic Development program is proposed to correct physical/building conditions, address functional and economic obsolescence, and eliminate blighting conditions in the Project Area by optimizing the use of underutilized parcels through monetary support of private improvement efforts provided under Developer/Property Owner Assistance Programs and through various Business Assistance efforts.
- ***Inadequate Public Improvements & Utilities.*** While there is newer development along Newport and Irvine along with traffic control improvements, additional traffic controls and street improvements are still needed to improve access and the flow of traffic, and to address deficiencies in Project Area infrastructure and community facilities which will increase the desirability of the Project Area for private sector investment. Public Infrastructure and Community Facilities Programs, including the Newport Avenue Bicycle Trail Reconstruction Project and lighting and traffic control installations, will assist with improved access and the flow of traffic. Public parks serving the surrounding community are in need of upgrades and renovation. The Agency will maintain its level of commitment to improving the public infrastructure serving the Project Area by continuing a Public Infrastructure and Community Facilities Program. The Public Infrastructure and Community Facilities Program may address improvements to Columbus Tustin Gymnasium and Columbus Tustin Sports Park and Sports Fields. Streetscape rehabilitation, community gateway enhancements at key locations and Stevens Square Parking Structure improvements will enhance the areas adjacent to underutilized land. Developer/property owner assistance programs can provide assistance with off-site improvements, addressing inadequate traffic flow and developing additional parking facilities.

- ***Depreciated Values, Impaired Investments, & Economic Maladjustment.*** The lack of any large scale revitalization activities has led to the Town Center’s inability to keep pace with business growth trends. New investment in the Project Area is critical to stopping further decline. Although conditions have improved because of redevelopment activity in the Project Area, there are properties incompatible with existing and proposed land uses. The Neighborhood Improvement Program will provide funding and advise the Community Development Department on the completion of appropriate General Plan and Zoning documents intended to incentivize development within the Town Center Project Area. Potential General Plan and Zoning changes as a result of the “Neighborhoods of Tustin Town Center – A New Beginning” Study could provide property owners with opportunities to develop their properties in a manner compatible with surrounding properties. Economic Development Programs will promote the Town Center Project Area and will address depreciated values, impaired investments and economic maladjustment by supporting monetary investment by the private sector, supported by the Agency. For example, Developer/property owner assistance programs will facilitate the development of vacant and underutilized land by providing assistance with acquisition and assembly of properties.

All of the Programs and Expenditures proposed under this Fourth Five-Year Implementation Plan, including Agency Administration Program Support and Indirect Costs, will address these blighting conditions. The matrix provided in **TABLE 2-9** summarizes the linkage and relationship between the Town Center Implementation Plan’s goals and objectives and blight. **TABLE 2-10** identifies the linkage between the Plan’s proposed Programs, projects, and expenditures to blight. It is the Agency’s intent to implement proposed programs and project which will attain the goals and objectives of the Project Area and which will address or remove conditions of blight identified when the Project Area was adopted.

**TABLE 2-9**  
**RELATIONSHIP BETWEEN GOALS & OBJECTIVES AND BLIGHT ELIMINATION**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN**  
**TOWN CENTER PROJECT AREA**

	<b>Blight Conditions</b>		
	<b>Deterioration, Age, &amp; Obsolescence</b>	<b>Inadequate Public Improvements &amp; Utilities</b>	<b>Depreciated Values, Impaired Investments, &amp; Economic Maladjustment</b>
<b>Goal #1</b>		X	X
<b>Goal #2</b>		X	X
<b>Goal #3</b>		X	
<b>Goal #4</b>	X	X	X
<b>Goal #5</b>		X	
<b>Goal #6</b>	X	X	X
<b>Goal #7</b>		X	X
<b>Goal #8</b>	X		X
<b>Goal #9</b>		X	X
<b>Goal #10</b>		X	X

**TABLE 2-10**  
**RELATIONSHIP BETWEEN PROGRAMS & PROJECTS AND BLIGHT ELIMINATION**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN**  
**TOWN CENTER PROJECT AREA**

	<b>Blight Conditions</b>		
	<b>Deterioration, Age, &amp; Obsolescence</b>	<b>Inadequate Public Improvements &amp; Utilities</b>	<b>Depreciated Values, Impaired Investments, &amp; Economic Maladjustment</b>
<b>Neighborhood Improvement</b>	X	X	X
<b>Economic Development</b>	X	X	X
<b>Public Infrastructure and Community Facilities</b>	X	X	X
<b>Agency Administrative Program Support &amp; Indirect Costs</b>	X	X	X

**B. SOUTH CENTRAL REDEVELOPMENT PROJECT AREA**

Over the next five years, the programs, projects and expenditures proposed in the South Central Project Area will focus on a response to the following Five Year Implementation Plan Goals and Objectives are outlined in **FIGURE II-7**.

**FIGURE 2-7**  
**SOUTH CENTRAL PROJECT AREA**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN NON-HOUSING GOALS & OBJECTIVES**

1. Pre-plan and redevelop portions of the Project Area to accommodate healthy growth and to address areas which are stagnant or improperly utilized.
2. Encourage consolidation of commercial uses into well defined centers and development of mixed use developments that combine commercial, office, and/or residential uses which serve local needs of the community and which create job opportunities for residents, converting underperforming commercial uses to other uses or mixed uses.
3. Redevelop vacant and underutilized sites and consolidate and reorganize lots of irregular form, shape and size for proper utilization and development, thereby creating employment opportunities and increased property values.
4. Improve traffic circulation and access in the Project Area as a means of reducing congestion, encouraging business development, attracting new customers to the area, alleviating existing traffic congestion and conflict, and improving safety. Provide for better emergency response service, increased traffic capacity available on north-south arterials, relieve traffic congestion at freeway interchanges and reduce the traffic demand on Red Hill Avenue by providing for the extension of Newport Avenue north of Edinger and construction of grade separations for Newport Avenue and Red Hill Avenue at the Southern California Regional Rail Authority right-of-way.
5. Upgrade substandard public infrastructure systems and public facilities and provide for installation of new public infrastructure to support the growth of existing businesses and new development.
6. Enhance the image of the area by revitalizing residential, commercial and industrial uses, establishing an attractive streetscape and community entry program, establishing and implementing design guidelines that will provide unity and integrity to the Project Area, developing amenities in the Project Area, both publicly and privately financed.
7. Improve connectivity within the Project Area and between other neighborhoods in the City, including provision of improved bike lane routes.
8. Provide assistance to support and facilitate rehabilitation, retention, expansion and to facilitate the attraction of new development and business in the Project Area.
9. Develop a comprehensive marketing and communication program to market and promote the Project Area as a destination for new businesses and business expansion.
10. Strengthen existing partnerships and develop new ones with organizations whose activities can enhance the growth and development of the Project Area.

Linkage of each goal with conditions of blight within the Project Area is demonstrated in the matrix included as **TABLE 2-11**. The proposed Agency programs and projects for the South Central Project Area are, by necessity, broad in nature. Specific refinements of planned programs and projects will be developed by the Agency, generally in connection with adoption of the Agency's annual budget and will include the Agency's participation in the City's Seven Year Capital Improvement Program. The Agency's focus during the next five-year period for the Town Center Redevelopment Project Area is to concentrate on the following program areas and project categories: Neighborhood Improvement, Public Infrastructure and Community Facilities, Economic Development, and Administrative support.

### **1. Neighborhood Improvement Program and Projects**

The purpose of the Neighborhood Improvement program is to make the South Central Project Area a clean, safe, and welcoming environment. The Program will include, but will not be limited to the following typical projects:

- Grants and loans for improvement of commercial properties for building and code compliance, building renovation and façade improvements, historic preservation, security and lighting, and to enhance the attractiveness of the Project Area.
- Graffiti removal
- Continuing participating in a City-wide Neighborhood Improvement Task Force within the Project Area to plan and carry out solutions to problems that require an interdepartmental partnership.
- Undertake follow-up re-planning efforts within the Project Area including funding and advising the Community Development Department on the completion of appropriate General Plan, Zoning and environmental documents to implement recommendations identified in the "Neighborhoods of Tustin Town Center: A New Beginning" Study, including development of design guidelines for the Southern Gateway portions of the Project Area.
- New housing construction as a funding supplement to the Housing Program described in Section 3.6.3.

### **2. Economic Development Programs and Projects**

The purpose of the Economic Development Program is to focus on the retention of existing businesses within the Project Area and the attraction of new Businesses. The City would encourage developers and property owners to develop sites within the Project Area, assisting where necessary so that the financial gap of a project can be met as a means to attract such development.

- Developer/property owner assistance programs designed to support restoration, modernization and improvement of the South Central Project Area including the Pacific Center East Specific Plan area and also Key Opportunity Sites identified in the

“Neighborhoods of Tustin Town Center: A New Beginning Study” (the “Tustin Town Center Study”). Projects will include development strategies to encourage new development, including but not limited to mixed use development and clustering of commercial activities around identified nodes.

- Additional types of assistance may include, but not be limited to, acquisition and assembly of properties for development consistent with the uses specified in the Neighborhoods of Tustin Town Center Study, land write-downs, land preparation, off-site improvements, fee assistance, relocation assistance, design and engineering assistance, grants and loans (as may be allowed under the law), and development of parking facilities.
- Business assistance, marketing and outreach programs to support the retention of existing businesses and attraction of new businesses.
- Expenditures would include, but not be limited, commercial broker incentive programs, commercial real estate listings, website updates, collateral marketing materials, establishing memberships and relationships with other organizations where activities will enhance the growth of the Project Area.

### **3. Public Infrastructure and Community Facilities Programs and Projects**

The Public Infrastructure and Community Facilities Program is designed to implement projects to improve public infrastructure, community facilities and public services within the Project Area, which will increase the desirability of private sector investment. These projects may include:

- Street and Streetscape rehabilitations and new improvements and community gateway enhancements at key locations, including, but not limited to Newport Avenue and the SR-55 Northbound Ramp (along Newport Avenue north to Edinger) and other improvements identified in the Tustin Town Center Study. Work will include, but not be limited to, studying right of way constraints and identifying specific streetscape improvements, associated costs, and implementation priorities.
- Newport Avenue Extension, north of Edinger Avenue – the extension of Newport Avenue will include constructing the railroad underpass and the widening of Newport Avenue from Tustin Grove Drive to Myrtle Avenue. The work will also consist of realignment of the flood control channel, raised medians, sidewalks on both sides and outside shoulders or bike lanes. There will new signalized intersections along Newport Avenue at Edinger Avenue, Tustin Grove Drive and Sycamore Avenue.
- Valencia Avenue Widening between Newport Avenue and Red Hill Avenue – Roadway widening and intersection improvements including acquisition of right-of-way to facilitate widening to augmented primary arterial status. Valencia Avenue will be restriped from 2-lanes to 4-lanes. This project will complete the widening on both the north and south side of Valencia Avenue and include a landscaped median and bicycle lanes. Project will include

intersection improvements at Valencia and Red Hill to include northbound and southbound double left turn lanes and a separate right turn lane.

- Red Hill Avenue Widening between Edinger Avenue and Valencia Avenue – Red Hill will be widened to a 6-lane major arterial standard. This project adds bicycle lanes, raised median and landscaping, turn lanes at intersections and modifications to existing traffic signals.
- Red Hill Avenue Grade Separation at OCTA/SCRRRA Railway/Edinger Avenue – Grade separation of two major arterial highways (Red Hill and Edinger) including construction of a bridge (overcrossing) over the Santa Ana-Santa Fe Channel and the OCTA/SCRRRA Railway, Edinger Avenue improvements in the vicinity of the overcrossing: on/off ramps for Red Hill/Edinger, and Red Hill Avenue improvements south and north of Edinger Avenue to link with the proposed on/off ramp system.
- Storm drainage infrastructure to alleviate flooding, including but not limited to the San Juan Storm Drain between Red Hill Avenue and Newport Avenue.
- Lighting and traffic control installations, as determined needed to upgrade existing street lighting, traffic signal synchronization or phasing, or new traffic control installations as needed. Traffic Control Projects
- Utility undergrounding where necessary to improve the safety and aesthetics of the Project Area.
- Park and open space acquisition and expansion/and or relocation of the Tustin Family Youth Center.

#### **4. Agency Administrative Program Support and Indirect Costs**

The purpose of this Agency program and project expenditures is to administratively support the Agency's program activities.

Administrative and direct costs will be ongoing during the term of the Plan. The services include, but are not limited to, the following:

- Due Diligence activities – third party and in-house services associated the disposition and development of sites located in South Central.
- Legal Services – comprehensive legal services related to activities within the Project Area and activities outside the Project Area in which a finding of benefit has been established including City Attorney services and Special Counsel.
- Management of Assets – in-house and contracted third party property management services.
- Planning and Design – in-house and contracted third party services associated with planning and design activities.
- Day to day operations, including, but not limited to, staff personnel costs, the leasing of Office Space and Equipment, Telephone, Printing, Audit/Accounting, Office Materials and Supplies, Meetings and Training, Membership Dues and Subscriptions, and Computer Software and Hardware.

- Financial planning and actions related to the Project’s remaining life and existing debt.

The Agency may also make payments to reduce the Low and Moderate Income Housing Reimbursement Agreement obligations, if additional tax increment funds are available from the non-housing (80%) funds during the Plan’s five year period. Funding available and distribution is determined on an annual basis by the City’s Finance Director and the City Manager as part of the annual budget process.

### **Proposed Projects, Programs and Expenditures Relationship to Blight**

The CRL requires an explanation of the relationship between proposed projects, programs and expenditures to the elimination of blight with the project area during the period of the Plan. At the time the South Central Redevelopment Plan was adopted, the plan spoke to health and safety conditions of buildings, and the factors that characterize economic dislocation, deterioration or disuse. Briefly, a blighted area is one that contains specific conditions and factors resulting in the lack of proper utilization of the area that constituted a serious burden on the community and that could not be alleviated by private enterprise acting alone.

The Implementation Plan Goals and Objectives represent the Agency’s near-term direction to continue the elimination of blight by providing support to the industrial sector of the South Central Project Area, thus expanding the industrial base of the City and increasing employment opportunities. Specifically, these Implementation Plan Goals and Objectives will help to facilitate private sector development by assisting existing and new businesses. New development will also foster new economic growth and correct conditions of depreciated values, impaired investments and economic maladjustment by returning the land to proper utilization.

Although the Agency has undertaken an extensive public improvement program within the Project Area which has corrected several deficiencies, targeted areas in need of public improvement upgrades or new construction remain.

The following is a list of major blighting characteristics found in the South Central Project Area and how the proposed Agency activities during the next five-year period will reduce the prevalence of these blighting conditions.

- ***Deterioration, Age, & Obsolescence.*** There are retail centers and properties along Newport Avenue that remain characterized by deterioration, age and obsolescence. These properties do not appear to meet the changing needs of the commercial/retail sector and are no longer economically competitive in today’s markets. The Neighborhood Improvement Program will address these blighting conditions through commercial rehabilitation programs, graffiti removal and implementing recommendations from the “Neighborhoods of Tustin Town Center – A New Beginning” Study. The Commercial Rehabilitation Program will renovate the older buildings and provide updated façades. The Economic Development program is proposed to correct physical/building conditions, address functional and economic obsolescence, and eliminate

blighting conditions in the Project Area by optimizing the use of underutilized parcels through monetary support of private improvement efforts provided under Developer/Property Owner Assistance Programs and various Business Assistance efforts. The Agency will assist when funding is available and provided there are no other funding sources available to facilitate the development. Proposed infrastructure improvements to Newport and Red Hill Avenues will increase access to the area and encourage commercial property owners and investors to renovate properties and maximize development opportunities.

- ***Inadequate Public Improvements & Utilities.*** The Agency will maintain its level of commitment to improving the public infrastructure serving the Project Area by continuing a Public Infrastructure and Community Facilities Program to improve access and the flow of traffic, and to address deficiencies in Project Area infrastructure and community facilities which will increase the desirability of the Project Area for private sector investment. Newport Avenue Extension, traffic signal synchronization or phasing and the widening of Red Hill and Valencia Avenues will improve traffic circulation and access in the area. Public Infrastructure programs and projects will increase traffic capacity on north-south arterials and relieve traffic congestion at freeway interchanges. In addition to street and traffic improvements addressed by the Public Infrastructure and Community Facilities Program, recommendations and an implementation strategy are forthcoming in “The Neighborhoods of Tustin Town Center” Study to provide additional facilities in the South Central Project Area. Completion of these projects is dependent upon obtaining the funds necessary from various local, state and federal sources to offset the extraordinary high costs required to correct these deficiencies. Developer/property owner assistance programs, streetscape improvements, and gateway enhancements can encourage development within the Pacific Center East Specific Plan.
- ***Depreciated Values, Impaired Investments, & Economic Maladjustment.*** The Neighborhood Improvement Program will provide funding and advise the Community Development Department on the completion of appropriate General Plan and Zoning documents intended to promote lot consolidation and facilitate development within the South Central Project Area. Public Infrastructure improvements to extend Newport Avenue and widen Red Hill and Valencia Avenues will increase access to the area, increase commercial property values along Newport Avenue, and encourage the development of Pacific Center East. Developer/property owner assistance programs, Streetscape rehabilitations and community gateway enhancements at key locations proposed under Neighborhood Improvement program and Public Infrastructure projects will enhance the Project Area and promote investment, including the development of vacant and underutilized land. Economic Development Programs will promote the South Central Project Area in order to support and strengthen successfully established businesses and attract new businesses and will address depreciated values, impaired investments and economic maladjustment by supporting monetary investment by the private sector, supported by the Agency. For example, Developer/property owner assistance programs will facilitate the

development of vacant and underutilized land by providing assistance with acquisition and assembly of properties. The Agency will address visual blight's impact on property values and investments by continuing to fund graffiti removal within the Project Area.

All of the Programs and Expenditures proposed under this Fourth Implementation Plan, including Agency Administration Program Support and Indirect Costs, will address the elimination of blighting conditions in the Project Area. The matrix provided in **TABLE 2-11** summarizes the linkage and relationship between the South Central Implementation Plan's goals and objectives and blight. **TABLE 2-12** identifies the linkage between the Plan's proposed Programs, projects, and expenditures to blight. It is the Agency's intent to implement proposed programs and project which will attain the goals and objectives of the Project Area and which will address or remove the conditions of blight noted above.

**TABLE 2-11**  
**RELATIONSHIP BETWEEN GOALS & OBJECTIVES AND BLIGHT ELIMINATION**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN**  
**SOUTH CENTRAL PROJECT AREA**

	<b>Blight Conditions</b>		
	<b>Deterioration, Age, &amp; Obsolescence</b>	<b>Inadequate Public Improvements &amp; Utilities</b>	<b>Depreciated Values, Impaired Investments, &amp; Economic Maladjustment</b>
<b>Goal #1</b>	X		X
<b>Goal #2</b>	X		X
<b>Goal #3</b>	X		X
<b>Goal #4</b>	X	X	X
<b>Goal #5</b>	X	X	X
<b>Goal #6</b>	X	X	X
<b>Goal #7</b>	X	X	X
<b>Goal #8</b>	X		X
<b>Goal #9</b>	X		X
<b>Goal #10</b>	X		X

**TABLE 2-12**  
**RELATIONSHIP BETWEEN PROGRAMS & PROJECTS AND BLIGHT ELIMINATION**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN**  
**SOUTH CENTRAL PROJECT AREA**

	<b>Blight Conditions</b>		
	<b>Deterioration, Age, &amp; Obsolescence</b>	<b>Inadequate Public Improvements &amp; Utilities</b>	<b>Depreciated Values, Impaired Investments, &amp; Economic Maladjustment</b>
<b>Neighborhood Improvement</b>	X	X	X
<b>Economic Development</b>	X		X
<b>Public Infrastructure and Community Facilities</b>	X	X	
<b>Agency Administrative Program Support &amp; Indirect Costs</b>	X	X	X

## 3.0 Five-Year Implementation Plan for Housing Redevelopment Activities

### 3.1 INTRODUCTION

The Housing Section is a major component of the Implementation Plan. The Plan represents the Agency's explanation of how specific goals and objectives and proposed projects, programs and expenditures will implement the low and moderate income housing requirements mandated by CRL, including the following:

- An annual housing program for the five year Implementation Plan term that provides sufficient detail to measure performance of the Low and Moderate Income Housing Fund Requirements.
- An estimate of the number of new, rehabilitation, assisted, price restricted and destroyed housing units during the term of the respective redevelopment plan.
- An outline of the Agency's plan in using the Housing Set Aside Funds including annual deposits, transfers of funds, or accruals for special projects.
- An identification of programs and projects that will result in the destruction or removal of existing affordable housing, if any, and the proposed locations for replacement housing.
- The Agency's ten year housing affordability compliance plan as required by California Community Redevelopment Law (CRL) Sections 33413(b)(4) and 33490(a)(2).

The housing component of the Fourth Five-Year Implementation Plan is also guided by the numerous provisions of the CRL that regulate low and moderate-income housing activities. As a result, the Housing Section of the Implementation Plan is more comprehensive than the section for non-housing redevelopment activities. Along with outlining the programs including the activities and expenditures, the housing component also evaluates the Agency's compliance with the laws and regulations governing the Low and Moderate-Income



Clarendon in Columbus Grove

Housing Set-Aside Fund and Housing Production in a Redevelopment Project Area. More particularly, the report reviews the Agency's major housing responsibilities which generally fall under four broad categories including:

- The set-aside of 20% of gross tax increment for low and moderate income housing (CRL §33334.2 and §33334.6);

- The creation of housing affordable to low and moderate income persons and families based on the production of all new or substantially rehabilitated dwelling units (CRL §33413(b));
- The replacement of low and moderate income dwelling units removed as result of Agency activity (CRL §33413(a)); and
- The proportional expenditure from the 20% Set Aside fund on housing for low and very low income persons based on community need (CRL §33334.4(a)).

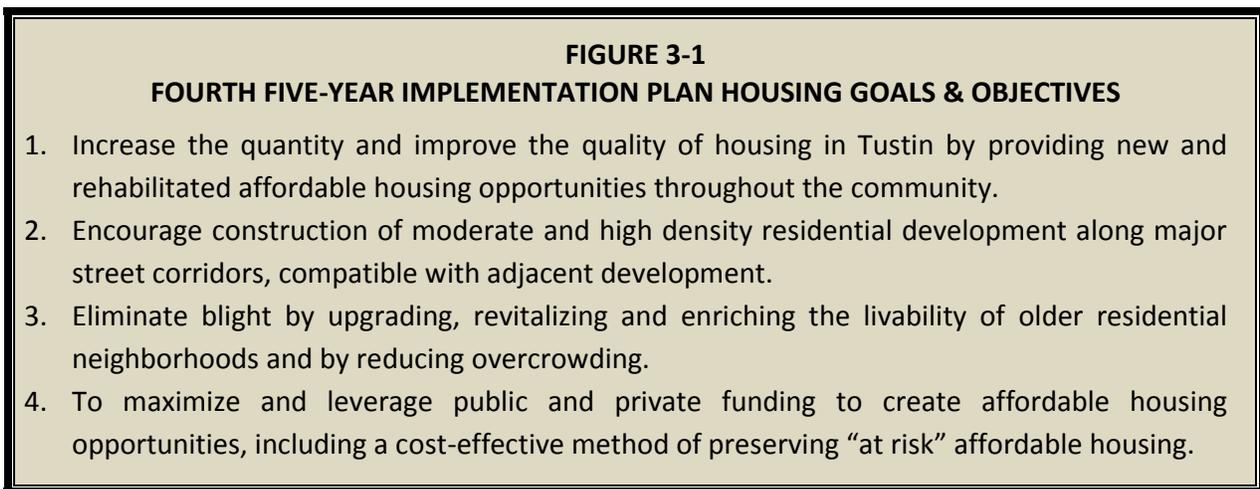
The Implementation Plan also anticipates leveraging its Housing Fund resources with additional state and federal financial assistance, including, but not limited to, HOME Funds and CDBG Funds.

### **3.2 BACKGROUND**

In addition to CRL requirements, the Agency’s affordable housing efforts are guided by the Regional Housing Needs Assessment (RHNA) produced by the Southern California Association of Governments (SCAG), the City’s Housing Element and the Agency’s current Comprehensive Affordable Housing Strategy. In June 2008, the City and the Community Redevelopment Agency adopted the 2008/09 – 2017/18 Comprehensive Affordable Housing Strategy (CAHS) to direct and focus the City’s and Agency’s efforts to produce and maintain affordable housing within the community. Unfortunately, the assessment in the CAHS of available housing funds is much lower than identified given debt services and other Agency financial obligations.

#### **3.2.1 IMPLEMENTATION PLAN HOUSING GOALS**

For the Town Center and South Central Project Area, the Goals and Objectives of the Housing portion of the Fourth Five-Year Implementation Plan are as follows:



### **3.2.2 CONSISTENCY OF IMPLEMENTATION HOUSING GOALS WITH THE HOUSING ELEMENT**

Given that availability of decent housing and a suitable living environment for every family has been of increasing concern to all levels of government, California Government Code requires that each City adopt a Housing Element as a mandatory part of its General Plan. The Housing Element identifies housing programs aimed at meeting the identified housing needs of the City's population. The Tustin Housing Element includes the identification of strategies and programs that focus on: 1) housing affordability, 2) rehabilitating substandard housing, 3) meeting the existing demand for new housing, and 4) conserving the existing affordable housing stock.

On June 16, 2009, the Tustin City Council adopted the City's Housing Element for the period of July 2008 to June 2014. The Fourth Year Five Year Implementation Plan Housing Goals and Objectives are consistent with and support the following Housing Element Goals:

**Goal 1:** Provide an adequate supply of housing to meet the need for a variety of housing types and the diverse socio-economic needs of all community residents.

**Goal 2:** Ensure equal housing opportunities for all existing and future City residents regardless of race, religion, ethnicity, sex, age, marital status or household composition.

**Goal 3:** Increase the percentage of ownership housing to ensure a reasonable balance of rental and owner-occupied housing within the City.

**Goal 4:** Preserve the existing supply of affordable housing in the City.

**Goal 5:** Conserve, maintain, rehabilitate, and/or replace existing housing in neighborhoods which are safe, healthful and attractive, in accordance with adopted Land Use Policy. Improve the residential character of the City with an emphasis on revitalizing neighborhoods showing signs of deterioration. Promote conservation of the City's sound housing stock, rehabilitation of deteriorated units where they may exist Citywide, and elimination of dilapidated units that endanger the health, safety and well being of occupants.

**Goal 6:** Ensure that new housing is sensitive to the existing natural and built environment.

### **3.2.3 AGENCY BENEFIT RESOLUTIONS**

To support the goals and objectives of the Housing Program, the Agency on March 21, 2005 adopted Findings of Benefit for the South Central Project Area (Resolution No. RDA 05-01) and for the Town Center Project Area (Resolution No. RDA 05-02). The Resolutions both support findings which have determined that the use of Housing Set-Aside Funds outside of designated Redevelopment Project Areas and throughout the City are of direct benefit to the South Central and Town Center Redevelopment Project Areas.



**Cayley Way in Tustin Field II**

The Agency also incorporated the Finding of Benefit into its plans to provide affordable housing at the former Tustin Marine Corps Air Station (“Tustin Legacy”). On February 3, 2003, the City of Tustin approved the MCAS Reuse/Specific Plan and the City and Agency approved the MCAS Tustin Redevelopment Plan on June 16, 2003. The Reuse/Specific Plan and the Redevelopment Plan specify the number of affordable housing units to be produced in the Project Area. On June 2,

2003, the Agency adopted a Finding of Benefit for the MCAS Tustin Project Area (Resolution

No. RDA 03-10), determining the use of Housing Set-Aside Funds outside of designated Redevelopment Project Area and throughout the City are of direct benefit to the MCAS Tustin Redevelopment Project Area.

The insufficient tax increment revenue in the MCAS Tustin Project Area’s early years limited the Agency in making subsidies available to developers at the levels that would permit the development of the affordable housing on an economically feasible basis. In order to assist the Agency in meeting its affordable housing obligations in the MCAS Tustin Project Area, the City entered into agreements to sell property at a discount sufficient to permit developers to feasibly develop the required number of affordable housing units. On June 5, 2007, the City Council approved the *“Reimbursement Agreement between the City of Tustin and Tustin Community Redevelopment Agency Related to Affordable Housing Responsibilities to be Assumed by the Agency”* (the Reimbursement Agreement”) and Amended in January 2010.

The Agency will reimburse the City for its financial assistance to the Agency in carrying out the production of affordable housing units. The reimbursement may come from non-housing tax increment generated from all three Project Areas and will come from Housing Set Aside Funds generated from not only the MCAS Tustin Project Area but also from the Town Center and South Central Project Areas.

### **3.3 DEFERRALS OF DEPOSITS TO THE LOW AND MODERATE INCOME HOUSING FUND**

The Town Center Redevelopment Project Area is subject to §33334.6 of the CRL, which applied the low and moderate income housing set-aside requirement to pre-1977 projects. CRL §33334.2 also enabled the elimination or reduction of the annual deposits into the Low and Moderate Income Housing Fund deposit (the “Housing Fund”), if the Agency made findings regarding the lack of need for low/moderate housing in Tustin or the sufficiency of less than 20% of the Project Area’s tax increment to meet the need that does not exist. In addition, if a project had obligations that were

incurred prior to the set-aside requirement, the Agency could defer the annual set-aside deposit as necessary to meet its earlier obligations. The Agency adopted a Statement of Obligations for the Town Center Project Area and in fiscal years 1985-1985 through 1991-92 deferred the deposit of \$2,776,042 into the Housing Fund.

In accordance with CRL requirements, the Agency adopted an amended Town Center Deficit Reduction Plan in May 2000 for elimination of the deferral. Per the Amended Plan, commencing in FY 2005-2006 the Agency anticipated depositing to the Housing Fund an amount equal to 20% of the net tax increment available in any year that the tax increment equals at least 125% of the non-housing activities annual obligations. The annual tax increment generated in Town Center has not reached the level requiring a deposit into the Housing Fund. Given that the Agency is approaching its tax increment limit, deposits are programmed to occur during Fiscal Years 2011-12, 2012-13, and 2013-14 of the Five-Year Implementation Plan (**TABLE 3-1**).

The Agency has not deferred any deposits into the South Central Housing Fund.

### **3.4 RECENT LEGISLATION AFFECTING HOUSING ACTIVITIES**

Effective January 1, 2008, Assembly Bill (AB) 987, required redevelopment agencies to compile and maintain a database of existing, new and substantially rehabilitated housing units developed or otherwise assisted with monies from the Low and Moderate Income Housing Fund. The database must be available to the public on the Internet, and be updated on an annual basis. The Agency's database consists of two lists, one for affordable owner-occupied housing units and the other for affordable rental housing projects. The list can be found on the City of Tustin website, [www.tustinca.org](http://www.tustinca.org), under Redevelopment/Housing. AB 987 also requires the recordation of a separate document, called "Notice of Affordability Restrictions on Transfer of Property," for all new or substantially rehabilitated units developed or otherwise assisted with moneys from the Low and Moderate Income Housing Fund on or after January 1, 2008. The Agency has complied with this requirement.

In addition to the AB 987 compliance, the Agency is actively seeking to lengthen the affordability covenants of homes purchased prior to the January 1, 2002-effective date of AB 637. AB 637 amended the law to lengthen affordability periods to at least 45 years for owner-occupied units and 55 years for rental units. When the opportunity presents itself, the Agency adds the 45 year covenant requirement to the pre-AB 637 owner occupied units. Although the Law allows owner occupied units to be sold prior to the end of the 45 year period as long as certain provisions are met, the Agency wants to maintain and increase its affordable housing stock and, as a result, restricts the re-sale of affordable units to affordable-qualified households.

### **3.5 LOW AND MODERATE INCOME HOUSING FUNDS AVAILABLE**

Section 33334.2 of the CRL requires, for every redevelopment plan adopted or amended to add territory on or after January 1, 1977, no less than 20 percent of the tax increment received by the

Agency from a Redevelopment Project Area be set aside for increasing, improving and preserving the community's supply of low and moderate income housing. The revenues may be expended inside or outside of a project area. If expended outside the Project Area, a resolution must be adopted stating that outside expenditures are of benefit to the Project Area. As discussed earlier, the Redevelopment Agency adopted Resolution No. RDA 05-01 and 05-02 on March 21, 2005, stating that outside expenditures benefitted the Project Area. In regards to the Agency's housing production requirements and pursuant to CRL §33413(b)(2)(A)(ii), two (2) covenant-restricted affordable housing units produced outside the Project Area count as one unit required to be produced inside the Project Area.

**TABLES 3-1 and 3-2** identify the amount of housing set-aside funds available in the Housing Fund for each Project Area and the estimated amounts which will be deposited in the Housing Fund during the next five years. While the projected set-aside tax increment revenues shown are based on projected development activity within the Project Area, the actual housing set-aside deposits could be more or less than the amounts shown based on actual development phasing.

The total amount of available funds for the five year period (FY 2010/11 to FY 2014/15) is estimated to be approximately \$29,258,000. In addition to Housing Funds being used for the production and rehabilitation of affordable housing over the next five years, Housing Funds will also reimburse the City for financial assistance to the Agency in the production of affordable housing units during the Initial Five-Year Implementation Plan for the MCAS Tustin Project Area. Under the Reimbursement Agreement, the Agency incurred a \$46,407,736 obligation (debt) to the City. In order to finance a portion of the Agency's obligations under the Affordable Housing Reimbursement Agreement, the City Council approved a Tax Allocation Housing Bond issuance and \$26,170,000 in Housing Bonds were issued in March 2010 with \$23,500,000 in net bond proceeds applied to Reimbursement Agreement obligations.

Debt payments for the Housing Bonds are allocated to housing set-aside funds from all three Project Areas: Town Center; South Central; and MCAS Tustin. The Reimbursement Agreement obligations that are allocated to the Town Center and South Central Housing Funds either as a result of the Housing Bonds or other remaining portion of the Agency's obligations are identified in **TABLES 3-1 and 3-2**. The annual debt payments, including principal and interest, that are applied to the Town Center Project Area will total approximately 5.6 million dollars and to the South Central Project Area will total approximately 5.8 million dollars during the Implementation Plan's five year time frame.

**TABLE 3-1  
TOWN CENTER PROJECT AREA  
FIVE YEAR HOUSING FINANCIAL RESOURCES & DEBT OBLIGATIONS  
FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL  
FY 2010/11 - 2014/15**

	Yr. 1 2010/11	Yr. 2 2011/12	Yr. 3 2012/13	Yr. 4 2013/14	Yr. 5 2014/15	TOTAL
<b>PROJECTED HOUSING FUND BALANCE<sup>(1)</sup></b>	\$9,892,503	\$9,731,913	\$10,583,384	\$11,161,285	\$12,088,463	<b>\$9,892,503</b>
<b>REVENUES</b>						
<b>Estimated Housing Tax     Increment<sup>(2)</sup></b>	\$935,071	\$935,071	\$935,071	\$935,071	\$935,071	<b>\$4,675,355</b>
<b>Deferral Deposits<sup>(3)</sup></b>	\$0	\$900,000	\$900,000	\$976,042	\$0	<b>\$2,776,042</b>
<b>CDBG Funds</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	<b>\$50,000</b>
<b>Interest<sup>(4)</sup></b>	\$129,839	TBD	TBD	TBD	TBD	<b>\$129,839</b>
<b>Subtotal</b>	<b>\$1,074,910</b>	<b>\$1,845,071</b>	<b>\$1,845,071</b>	<b>\$1,921,113</b>	<b>\$945,071</b>	<b>\$7,631,236</b>
<b>Less Debt Services &amp; Other Financial Obligations</b>						
<b>Housing Bonds<sup>(5)</sup></b>	\$412,300	\$412,110	\$411,780	\$412,445	\$412,085	<b>\$2,060,720</b>
<b>Reimbursement Agreement<sup>(6)</sup></b>	\$823,200	\$581,490	\$855,390	\$581,490	\$718,440	<b>\$3,560,010</b>
<b>Subtotal</b>	<b>\$1,235,500</b>	<b>\$993,600</b>	<b>\$1,267,170</b>	<b>\$993,935</b>	<b>\$1,130,525</b>	<b>\$5,620,730</b>
<b>Estimated Available Housing Resources</b>	<b>\$9,731,913</b>	<b>\$10,583,384</b>	<b>\$11,161,285</b>	<b>\$12,088,463</b>	<b>\$11,903,009</b>	<b>\$11,903,009</b>

<sup>(1)</sup> Balance projected as of June 30, 2010.

<sup>(2)</sup> Projected by HdL, Coren & Cone.

<sup>(3)</sup> Agency owes \$2,776,042 to Housing Set-Aside Funds for deferrals authorized by state law. Annual payment is a function of available balances and increment generated.

<sup>(4)</sup> Assumed at 1.75% against 75% of beginning fund balance rounded per Finance Department in Yr. 1; interest in subsequent years will be function of fund balance.

<sup>(5)</sup> Estimated debt service based on Tax Allocation Bonds, Series 2010 issuance, debt service schedule

<sup>(6)</sup> Assumes annual debt service of \$2,122,991 distributed annually based on the following percentages: 26.46% SC; 27.39% TC; and 46.15% MCAS Tustin.

**TABLE 3-2**  
**SOUTH CENTRAL PROJECT AREA**  
**FIVE YEAR HOUSING FINANCIAL RESOURCES & DEBT OBLIGATIONS**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
**FY 2010/11 - 2014/15**

	Yr. 1 2010/11	Yr. 2 2011/12	Yr. 3 2012/13	Yr. 4 2013/14	Yr. 5 2014/15	TOTAL
<b>PROJECTED HOUSING FUND BALANCE<sup>(1)</sup></b>	\$7,072,535	\$6,786,475	\$6,653,890	\$6,256,820	\$6,123,415	<b>\$7,072,535</b>
<b>REVENUES</b>						
Estimated Housing Tax Increment <sup>(2)</sup>	\$870,400	\$878,150	\$877,910	\$877,700	\$877,450	<b>\$4,381,610</b>
Interest <sup>(3)</sup>	\$280,540	TBD	TBD	TBD	TBD	<b>\$280,540</b>
Subtotal	<b>\$1,150,940</b>	<b>\$878,150</b>	<b>\$877,910</b>	<b>\$877,700</b>	<b>\$877,450</b>	<b>\$4,662,150</b>
<b>Less Debt Services &amp; Other Financial Obligations</b>						
Housing Bonds <sup>(4)</sup>	\$449,200	\$448,990	\$448,635	\$449,360	\$448,965	<b>\$2,245,150</b>
Reimbursement Agreement <sup>(5)</sup>	\$987,800	\$561,745	\$826,345	\$561,745	\$694,045	<b>\$3,631,680</b>
Subtotal	<b>\$1,437,000</b>	<b>\$1,010,735</b>	<b>\$1,274,980</b>	<b>\$1,011,105</b>	<b>\$1,143,010</b>	<b>\$5,876,830</b>
<b>Estimated Available Housing Resources</b>	<b>\$6,786,475</b>	<b>\$6,653,890</b>	<b>\$6,256,820</b>	<b>\$6,123,415</b>	<b>\$5,857,855</b>	<b>\$5,857,855</b>
<sup>(1)</sup> Balance projected as of June 30, 2010. <sup>(2)</sup> Projected by HdL, Coren & Cone. <sup>(3)</sup> Assumed at 1.75% against 75% of beginning fund balance per finance in Yr. 1; interest in subsequent years will be a function of fund balances. <sup>(4)</sup> Estimated debt service based on Tax Allocation bonds, Series 2010 issuance, Debt service schedule <sup>(5)</sup> Assumes annual debt service of \$2,122,991 distributed annually based on the following percentages: 26.46% SC; 27.39% TC; and 46.15% MCAS Tustin.						

### 3.6 HOUSING PROGRAMS, PROJECTS AND EXPENDITURES

A description of the projects and program expenditures comprising the Agency's housing activities during the next five year period is provided below. These projects and programs are consistent with the CAHS. Over the five year period, adjustments to the goals may be necessary based on economic conditions and funding availability. **TABLES 3-3 and 3-4** provide an illustrative example of how the combined housing programs could be financed on an annual basis over a five year period. Actual timing and specific amounts may be adjusted over time and specific decisions are made as part of the Agency's annual budget process.

**TABLE 3-3  
TOWN CENTER PROJECT AREA  
USE OF HOUSING FUNDS  
PROGRAMS, PROJECTS, & EXPENDITURES**

**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**

	Yr. 1 2010/11	Yr. 2 2011/12	Yr. 3 2012/13	Yr. 4 2013/14	Yr. 5 2014/15	TOTAL
<b>USE OF FUNDS<sup>(1)</sup></b>						
Preservation of At Risk Housing	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$2,000,000
Rehabilitation	\$29,000	\$40,000	\$40,000	\$40,000	\$40,000	\$189,000
New Housing Construction <sup>(2)</sup>						
Neighborhoods of Tustin Town Center Planning/Zoning	\$9,000	TBD	TBD	TBD	TBD	\$9,000
Ownership Multifamily New Construction	\$0	TBD	TBD	TBD	TBD	\$0
Multifamily Rental New Construction/Acquisition and Rehabilitation	\$0	TBD	TBD	TBD	TBD	\$0
Tustin Legacy New Construction <sup>(3)</sup>	\$0	\$1,000,000	\$1,000,000	\$1,000,000	TBD	\$3,000,000
First Time Homebuyer	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Homeless Assistance <sup>(4)</sup>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Administrative & Operating Expenses <sup>(1)(5)</sup>	\$93,450	\$105,000	\$130,000	\$150,000	\$170,000	\$648,450
<b>TOTAL HOUSING PROGRAMS</b>	<b>\$141,450</b>	<b>\$2,205,000</b>	<b>\$2,230,000</b>	<b>\$1,250,000</b>	<b>\$270,000</b>	<b>\$6,096,450</b>

(1) Does not include debt obligations which are shown on TABLE 3-1

(2) See Neighborhood Improvement under TABLE 2-7 and described in Section 2.4.3A.

(3) As noted under Section 3.2.3 AGENCY BENEFIT RESOLUTIONS, the Redevelopment Agency adopted a Finding of Benefit for the Town Center Project Area (Resolution No. RDA 05-02), allowing Town Center Housing Set-Aside funds to be used outside of the Project Area and throughout the City - including in the South Central and MCAS Tustin Project Areas.

(4) Funded using CDBG Funds

(5) Increases due to increased legal support for transactions

TABLE 3-4 SOUTH CENTRAL PROJECT AREA USE OF HOUSING FUNDS PROGRAMS, PROJECTS, & EXPENDITURES FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL						
	Yr. 1 2010/11	Yr. 2 2011/12	Yr. 3 2012/13	Yr. 4 2013/14	Yr. 5 2014/15	TOTAL
<b>USE OF FUNDS<sup>(1)</sup></b>						
<b>Preservation of At-Risk Housing</b>	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
<b>Rehabilitation</b>	\$93,000	\$125,000	\$175,000	\$175,000	\$175,000	<b>\$743,000</b>
<b>New Housing Construction<sup>(2)</sup></b>						
<b>Neighborhoods of Tustin Town Center Planning/Zoning</b>	\$72,000	TBD	TBD	TBD	TBD	<b>\$72,000</b>
<b>Ownership Multifamily New Construction</b>	\$0	TBD	TBD	TBD	TBD	<b>\$0</b>
<b>Multifamily Rental New Construction/Acquisition and Rehabilitation</b>	\$0	TBD	TBD	TBD	TBD	<b>\$0</b>
<b>Tustin Legacy New Construction</b>	\$0	\$1,000,000	\$1,000,000	TBD	TBD	<b>\$2,000,000</b>
<b>First Time Homebuyers</b>	\$0	\$150,000	\$250,000	\$250,000	\$250,000	<b>\$900,000</b>
<b>Homeless Assistance<sup>(4)</sup></b>	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Administrative &amp; Operating Expenses<sup>(1)(5)</sup></b>	\$104,700	\$125,000	\$145,000	\$165,000	\$170,000	<b>\$709,700</b>
<b>TOTAL HOUSING PROGRAMS</b>	<b>\$269,700</b>	<b>\$1,400,000</b>	<b>\$1,570,000</b>	<b>\$590,000</b>	<b>\$595,000</b>	<b>\$4,424,700</b>
<p><sup>(1)</sup> Does not include debt obligations which are shown on TABLE 3-2</p> <p><sup>(2)</sup> See Neighborhood Improvement under TABLE 2-8 and described in Section 2.4.3.B.</p> <p><sup>(3)</sup> As noted under Section 3.2.3 AGENCY BENEFIT RESOLUTIONS, the Redevelopment Agency adopted a Finding of Benefit for the South Central Project Area (Resolution No. RDA 05-01), allowing South Central Housing Set-Aside funds to be used outside of the Project Area and throughout the City - including in the Town Center and MCAS Tustin Project Areas.</p> <p><sup>(4)</sup> Funded using CDBG Funds</p> <p><sup>(5)</sup> Increases due to increased legal support for transactions</p>						

**3.6.1 PRESERVATION OF AT-RISK AFFORDABLE HOUSING RENTAL UNITS - (277 units)**

There are several federally-assisted or bond financed housing developments that are near to, or have reached termination on their affordability restrictions. Preservation of these units as affordable housing for low to moderate income households is one of the most cost effective methods of maintaining the stock of affordable housing and should be a high priority.

- **Preservation of the Tustin Gardens Apartments.** A 100-unit Section 221(d)(4) senior project with a Section 8 contract that expired but has been extended on an annual basis. The units are defined as “at risk” under CRL and will require Agency assistance if the owner elects not to renew its annual contract at any time.

- **Preservation of 72 affordable units at the Rancho Alisal Apartments.** The units are defined as “at risk” under CRL and will require Agency assistance to continue affordability past the use-restrictions expiring in 2012.
- **Preservation of 54 affordable units at the Rancho Maderas Apartments.** The units are defined as “at risk” under CRL and will require Agency assistance to continue affordability past the use-restrictions expiring in 2012.
- **Preservation of 51 affordable units at the Rancho Tierra Apartments.** The units are defined as “at risk” under CRL and will require Agency assistance to continue affordability past the use-restrictions expiring in 2012.

### **3.6.2 REHABILITATION OF EXISTING HOUSING - (49 single family and 106 multifamily units)**

The rehabilitation component of the Agency’s Housing Program seeks to provide assistance in the form of rehabilitation loans and grants as another cost effective method of extending the life of affordable housing in the community and improving the housing stock in both the Town Center and South Central Project Areas and also seeks to increase homeownership opportunities.

- **Owner Occupied (1 to 2 units) Rehabilitation Loans and Grants** to continue assisting owner-occupied single family properties within certain specified target areas for households at or below 120% of the median income, adjusted for family size.
- **Multifamily Rehabilitation Loans and Grants** to owners of multifamily units in need of moderate rehabilitation where at least 51% of the tenants are at or below 120% of median income and remain within the Fair Market Rent (FMR) levels for a period not less than the period of land use controls established in the respective Redevelopment Plan.
- **Multifamily Acquisition, Rehabilitation and Conversion to Ownership Housing** for smaller apartment projects containing two to eight units each which could be acquired, rehabilitated, converted to condominiums and sold to qualified homebuyers with resale restrictions which limit the use of the property and limit the extent to which home prices may increase.
- **Multifamily Acquisition, Rehabilitation and Rental Housing** to facilitate the purchase from absentee landlords and substantial rehabilitation of apartments that could be retained in non-profit ownership and rented to qualifying low and moderate income tenants for the longest period feasible, but for not less than the period of land use controls as established in respective Redevelopment Plans.

### **3.6.3 NEW HOUSING CONSTRUCTION**

The Agency intends to use assistance techniques as an incentive to developers to build new units within each Project Area. The assistance would be provided in return for covenants that restrict the sale or rental, as applicable, of the units to qualified low to moderate income households. An important element of the Program is also to provide the regulatory environment to encourage additional density to facilitate the economic feasibility of new affordable housing construction.

### Neighborhoods of Tustin Town Center Planning/Zoning

Initiate New General Plan Amendments, Overlay District Zoning and other zoning modifications including any environmental documentation, as may be necessary, to permit additional intensification and mixed uses within the Project Areas and to also implement other overall strategies in the Town Center and South Central Project Areas consistent with the recommendations contained in “The Neighborhoods of Tustin Town Center – A New Beginning’s” Strategic Guide for Development.

With the projection of South Central Housing funds being lower than estimated in the CAHS, significant reductions in assistance from Housing funds for new construction programs is necessary. However, the Agency hopes to achieve the construction of new units through supplementing housing funds with 80% tax increment funds from Town Center and South Central.

#### Ownership Multifamily New Construction - (18 units)

Multifamily Housing Construction (ownership) would provide land acquisition assistance to private developers for construction of new multifamily housing units to mitigate the amount of the affordability gap to subsidize affordable sales prices.

#### Multifamily Rental New Construction/Acquisition and Rehabilitation - (31 units)

Multifamily Housing Construction (rental) would provide land acquisition assistance to private developers for construction of new multifamily housing units to mitigate the amount of the affordability gap to subsidize affordable rental rates.

#### Tustin Legacy New Construction

The City MCAS Tustin Specific Plan, Housing Element and CRL requirements necessitate construction of new affordable rental and ownership units at the Tustin Legacy project. Under the terms of the Reimbursement Agreement between the City and Agency (which will be amended in conjunction with future Tustin Legacy affordable housing development requiring assistance), the City will bear the up-front cost of any off-set necessary in the land sale value of property sold by the City at Tustin Legacy in order to allow a developer to develop economically viable affordable housing units. The costs of such subsidy or land write-down will be transferred to the Agency as well as the cost associated with maintaining the required covenants for either rental or ownership products (55 years for rental units and 45 years for ownership units). The subsidy requirement for the Agency is unknown. Depending on market conditions and financing constraints, the Agency will need to maintain the flexibility to reduce the affordability gap, particularly in producing ownership units given the higher subsidy commitments necessary from the Agency by changing out affordable ownership units for affordable multi-family apartments.

Given the high subsidy costs of the program, the fact that many of the units may in the future also meet housing obligations for the South Central and Town Central Project Areas (given adopted Benefit Resolutions for each Project Area), any future amended Reimbursement Agreement

obligations of the Agency will likely be borne not just by the MCAS Tustin Redevelopment Project Area but also by the Town Center and South Central Project Areas.

- Tustin Legacy New Rental Construction (*cost unknown*)  
The City's Specific Plan and Master Development Plan for remaining portions of Tustin Legacy to be sold by City require the development of a total of 253 new affordable rental units of which 153 units are expected to be constructed in the next five years. The 153 units consist of 36 units for very low income households, 61 units for low income households, and 56 units for moderate income households.
- Tustin Legacy Ownership Multifamily New Construction (*cost unknown*)  
The City's Specific Plan and Master Development Plan for remaining portions of Tustin Legacy to be sold by City require development of a total of 200 new affordable ownership units of which 130 affordable ownership units are expected to be constructed in the next five years. The 130 units consist of 31 units for low income households and 99 units for moderate income households.

#### **3.6.4 FIRST TIME HOMEBUYER ASSISTANCE**

The City's First-Time Homebuyer Program provides down payment and second mortgage assistance to low and moderate income buyers to assist them in purchasing an existing home in the City. The Program may be comprised of three major components:

- Homebuyer Assistance Loans which consists of the provision of deferred payment loans secured by second deeds of trust to fund the "gap" between the affordable housing cost and the fair market value of a unit to reduce the overall mortgage cost of a home to levels supportable to low-mod buyers. Given the current real estate market and economic conditions, the City is continuing to evaluate the economic feasibility of the First Time Homebuyer Program.
- Low Interest Mortgage Loans consists of referring potential homebuyers to banks and other lenders that offer below market down payment requirements to qualified buyers, and
- Mortgage Credit Certificate Program (MCC) administered by the County of Orange via the National Homebuyers Fund, Inc.; the program provides federal income tax credits as a form of assistance to homebuyers. During the previous reporting period, the County of Orange absorbed the administrative costs associated with the MCC program.

The recent mortgage credit crises have resulted in increasing foreclosure rates throughout many parts of California. The City has allocated resources to assist new first-time homebuyers in purchasing a home. This may also include negotiated purchase of homes in foreclosure, which may represent a lower cost buying opportunity for first-time homebuyers. Monthly reports are prepared to monitor trends and spot potential issues regarding pre-foreclosure and foreclosure activity among residential and commercial uses.

### **3.6.5 HOMELESS ASSISTANCE AND SUPPORTIVE SERVICES**

Homeless assistance and supportive services through federal programs would provide assistance to programs that assist transitional housing for persons and families that are at or below 50% of the median income level, adjusted for family size.

The City projects an annual allocation of \$10,000 in CDBG funds to continue its financial support of homeless assistance. Given an annual allocation of \$10,000, the City's goal for this program is to assist 200 individuals per year. Any increase in CDBG funding will allow the City and Agency to exceed the original goals.

The program would also involve the City's participation in the Existing Section 8 Rental Assistance program from extremely low to low income persons and families through the Section 8 Rental Assistance certificate program of the Orange County Housing Authority.

### **3.6.6 ADMINISTRATIVE PROGRAM SUPPORT/INDIRECT COSTS**

Administrative Support costs incurred and directly related to implementing the housing program including, but not limited to, salaries, overhead, consultant and legal expenses, accounting, training, supplies, and other services and support expenditures. The Agency currently has over three hundred covenant-restricted affordable homes which require annual monitoring. Additional costs are associated with the refinancing of existing first mortgage loans and the sale of existing affordable units participating in the Agency's Housing Programs. This past year, as a result of the Federal "Making Home Affordable" program and low interest rates, the Agency processed Subordination Agreements for thirty-one homeowners. On average every month, there are eight to ten affordable homes for sale and, when sold, require staff time in approving the homebuyer's application and preparing affordable housing documents.

#### Removal of Housing Units (costs unknown at this time)

The City anticipates the need to remove eight rental units in conjunction with the Newport Avenue Phase II Project. This will result in the relocation costs associated with one pre-acquisition household as well as the housing replacement requirement for eight units.

During this five-year period, staff will also incur planning costs to:

- Prepare a new Capital Plan for the ten year Comprehensive Affordable Housing Strategy. The current Capital Plan expires in June 2014, one fiscal year prior to the end date of the Implementation Plan.
- Assist the Community Development Department in its preparation of a revised Housing Element covering the period of 2014 to 2019. This will include the preparation by the Agency of affordability gap analysis, product prototypes and utility allowance determinations.
- Assist the Community Development Department in its preparation of the annual Housing Element Progress Report.

Annually, the Agency will be required to determine that the planning and administrative expenses are necessary for the production, improvement, or preservation of low and moderate income housing (CRL § 33334.3(d)). Given the current Reimbursement Agreement obligations and bond indenture requirements of the Housing Bonds, there is not expected to be any Excess Surplus funds available, as such funds are defined under CRL.

### **3.7 ANNUAL DISTRIBUTION OF UNITS TO BE ASSISTED**

Given the successful implementation of the Housing Program, projects and expenditures noted in **TABLES 3-3** and **3-4**, **TABLE 3-5** provides an annual distribution of the units for each major program category which follows:

**TABLE 3-5**  
**Estimated Annual Distribution of Assisted Units & Households<sup>1</sup>**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
 July 1, 2010 - June 30, 2015

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
<b>Preservation of At-Risk Housing</b>	0	177	0	100	0	277
<b>Rehabilitation</b>						
Single and Multi-Family Home Rehabilitation Programs <sup>2</sup>						
· Single Family (Ownership)	6	10	12	12	14	54
· Multi-Family	20	20	20	20	28	108
<b>New Housing</b>						
Ownership Multi-Family New Construction	0	0	0	9	9	18
Multi-Family Rental New Construction/Acquisition and Rehab	0	0	21	10	0	31
Tustin Legacy Ownership Multi-Family New Construction						
· Master Developer	0	0	67	63	0	130
· Villages of Columbus	0	45	68	40	0	153
Tustin Legacy Rental New Construction	0	0	154	99	0	253
<b>First-Time Homebuyers <sup>3</sup></b>						
· Homebuyer Assistance Loans						
· Low Interest Mortgage Loans						
· Mortgage Credit Certificate Program (MCC)	TBD	TBD	TBD	TBD	TBD	TBD
<b>Homeless Assistance <sup>4</sup></b>	200	200	200	200	200	1000
<b>Total Number of New, Rehabilitated or Price-Restricted Units <sup>5</sup></b>	<b>26</b>	<b>252</b>	<b>342</b>	<b>353</b>	<b>51</b>	<b>1024</b>

<sup>1</sup> Programs and initial goals were established in the 6-year Capital Plan for the 2008/2009 to 2017/18 Comprehensive Affordable Housing Strategy, June 2008.

<sup>2</sup> The number of Multi-Family units is the total number of rental units rehabbed, not buildings rehabbed.

<sup>3</sup> The First-Time Homebuyer program is under review. The Agency is working with the County of Orange in promoting the Mortgage Credit Certificate Program (MCC). The City is monitoring Foreclosure Assistance Programs but has chosen not to pursue funding at this time.

<sup>4</sup> Assistance goal is measured in number of persons served as opposed to number of housing units.

<sup>5</sup> The total number of housing units does not include the number of persons served under Homeless Assistance & Supportive Services.

### 3.8 EXPENDITURE PLAN FOR HOUSING FUNDS

Section 33334.4(a) of the CRL requires expenditures in the Low and Moderate Income Housing Fund during a 10-year period to assist very low and low income households in at least the same proportion as the total number of units needed within the community. The proportion of very low, low and moderate income units is determined for each community on the basis of the unmet need for housing amount certain income group categories as reflected in the City's share of the regional housing needs identified pursuant to Section 65584 of the California Government Code (the Regional Housing Needs Assessment (RHNA)). In addition, CRL §33490(a)(2)(C)(i) requires the Agency to identify the number of housing units needed for very low, low and moderate income persons as each of those needs have been identified in the most recent determination pursuant to Section 65584.

**TABLE 3-6** identifies the number of affordable housing units the City is to produce under the current RHNA. The number of housing units was produced by the Southern California Association of Governments (SCAG) and has been in effect since January 1, 2006, and was included in the newly adopted Housing Element of the General Plan. The Agency's original RHNA proportional expenditure requirements are 37% for very low income households, 29% for low income households, and 34% for moderate income households. Pursuant to CRL §33334.4(a), the Agency may adjust the proportion by subtracting from the need identified for each income category, the number of units for persons of that income category that are newly constructed over the duration of the implementation plan with other locally controlled assistance and without agency assistance. The City initiated the development of additional very low, low and moderate income housing in the MCAS Tustin Project Area through density bonus incentives. Therefore, the Agency is permitted to adjust the proportional expenditure requirements accordingly as shown in **TABLE 3-6**.

**TABLE 3-6**  
**FAIR SHARE ADJUSTED AFFORDABLE HOUSING EXPENDITURE GOAL**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
 Jan. 1, 2006 - June 30, 2014

<i>Description</i>	<i>Very Low</i> <sup>1</sup>	<i>Low</i>	<i>Moderate</i>	<i>Above Moderate</i>	<i>Total Affordables</i>
<b>SCAG Produced RHNA Goals (2006)</b>	512	410	468	991	1390
<b>Original RHNA Proportional Expenditure Requirement<sup>2</sup></b>	37%	29%	34%		
<b>Non-Agency Assisted Affordable Households To Date (Jan. 1, 2006 - June 30, 2010)</b>	319	64	54	1310	437
<b>Modified Adjusted Proportionate Goal (July 01, 2010 - June 30, 2014)</b>	<b>193</b>	<b>346</b>	<b>414</b>	<b>-319</b>	<b>953</b>
<b>Modified Adjusted Proportionate Expenditure Requirement<sup>2</sup></b>	20%	36%	43%		
<b>Future Projected Non-Agency Assisted Affordable Households<sup>3</sup> (July 1, 2010 - June 30, 2014)</b>	40	85	67		192
<b>Revised RHNA Goals Jan. 1, 2006 - July 16, 2013</b>	<b>153</b>	<b>261</b>	<b>347</b>		761
<b>Revised Proportional Expenditure Requirement<sup>4</sup></b>	<b>20%</b>	<b>34%</b>	<b>46%</b>		
<sup>1</sup> Actual production during the Initial Five-Year Implementation Plan includes the Village of Hope, a 192-bed transitional facility and the Orange County Social Services Agency, a 90-bed transitional facility. Columbus Square and Columbus Grove in Figure III-7 are non-Agency assisted affordable housing developments. <sup>2</sup> Percentages may not total 100% due to rounding. <sup>3</sup> A detailed breakout of Affordable Households to be built and assisted during the Second Five-Year Implementation Plan can be found in Figure III-7. Columbus Square is non-Agency assisted affordable housing. <sup>4</sup> The Expenditure Requirement is for the term of the Second Five-Year Implementation Plan unless actual non-Agency Assisted Households increases in which the RHNA goals could still adjust. Percentages may not total 100% due to rounding.					

As of January 1, 2003 pursuant to CRL §33334.4(b), each redevelopment agency shall expend, over the duration of each redevelopment Implementation Plan, funds for all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years as compared to the total number of low-income households of the community as reported in the most recent census of the United States Census Bureau. According to the 2000 U.S. Census, 87 percent of low-income households in Tustin included a member under the age of 65. Therefore, it is the Agency’s goal to spend approximately 87% of the moneys in the Housing Fund for non-senior affordable housing activities to reflect this proportion of persons under 65 years of age in the community. **TABLE 3-7** demonstrates over the last five years the Agency has complied with CRL §33334.4(b) and will continue to be in compliance over the next five years.

**TABLE 3-7** reports the Agency's previous five year of expenditures and projects the next five years for a ten-year picture of expenditures in relation to compliance with CRL §33334.4(a). As noted in **TABLE 3-6**, the Agency's proportional expenditure goal of 20% for very low income households and 34% for low income households would indicate that approximately 54% of the Agency's Housing Set-Aside Funds should be spent on very low and low income households. **TABLE 3-7** demonstrates the Agency anticipates spending approximately 61% of Housing Set-Aside Funds on very low and low income households, 37% for very low income households and 24% for low income households. The Agency will continue to insure Housing Set-Aside funds are expended proportionately in compliance with CRL §33334.4(a).

TABLE 3-7											
TEN YEAR PROPORTIONAL EXPENDITURE COMPLIANCE (2005/06 - 2014/15)											
FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL											
Tustin Community Redevelopment Agency											
Income Category	2014 Adjusted	Targeting Requirement	2005/06-2009/10 Expenditures <sup>1</sup>	2010/11 Expenditures <sup>2</sup>	2011/12 Expenditures <sup>2</sup>	2012/13 Expenditures <sup>2</sup>	2013/14 Expenditures <sup>2</sup>	2014/15 Expenditures <sup>2</sup>	Total		
	RHNA Allocation								Expenditures	Expenditures	%
Very Low	153	20%	\$9,524,007	\$948,930	\$1,423,043	\$1,649,286	\$1,187,082	\$968,962	\$15,701,310	36%	
Low	261	34%	\$4,700,173	\$1,002,638	\$1,503,585	\$1,742,633	\$1,254,269	\$1,023,804	\$11,227,101	26%	
Moderate	347	46%	\$9,169,278	\$1,122,082	\$1,682,706	\$1,950,232	\$1,403,689	\$1,145,769	\$16,473,756	38%	
Total	761	100%	\$23,393,458	\$3,073,650	\$4,609,335	\$5,342,150	\$3,845,040	\$3,138,535	\$43,402,168	100%	
Age Category	Targeting Requirement	2005/06-2009/10 Expenditures	2010/11 Expenditures	2011/12 Expenditures	2012/13 Expenditures	2013/14 Expenditures	2014/15 Expenditures	Total			
								Expenditures	%		
Non-Senior	87%	\$23,043,458	\$3,073,650	\$4,609,335	\$5,342,150	\$3,845,040	\$3,138,535	\$43,052,169	99%		
Senior	13%	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000	1%		
	100%	\$23,393,458	\$3,073,650	\$4,609,335	\$5,342,150	\$3,845,040	\$3,138,535	\$43,402,168	100%		
<sup>1</sup> The distribution of FY 2005/06 - 2009/10 Expenditures is based on the project-specific loans/agreements made during the Third Five-Year Implementation Plan and the ratios associated with very low, low and moderate income unit production. Expenditure amounts represent all Town Center and South Central Housing Set-Aside expenditures that occurred during the Third Five-Year Implementation Plan.											
<sup>2</sup> The distribution of FY 2010 - FY 2015 Expenditures is based on the balance left to pay off the Affordable Housing Reimbursement Agreement and promissory note ratios associated with very low, low and moderate income trust deeds that remain to be purchased by the Agency from the City. This projected allocation of funds is based on the projected number of households developed under each income category multiplied by the average gap funding provided by the Agency for each income category.											

### **3.9 AFFORDABLE HOUSING COMPLIANCE PLAN**

#### **3.9.1 HOUSING PRODUCTION**

The previous Five Year Implementation Plan anticipated a certain level of development that has not materialized due to market constraints. The Agency continues to aggressively pursue affordable housing opportunities within the Town Center and South Central Project Areas as well as outside the Project Areas to benefit the Town Center and South Central Project Areas.

Although rehabilitation and construction activities directly by the Agency are not currently anticipated by the Implementation Plan, at least 30% of the housing developed or substantially rehabilitated by a Redevelopment Agency within a project area must be available at affordable housing cost, and occupied by persons or families of low to moderate income. Of these units, 50% must be affordable to very low income households. This requirement applies only to units directly developed by the Agency and would not apply to units developed by housing developers pursuant to agreements with or assistance from the Agency.

As of January, 2004, long term affordability covenants must be recorded on dwelling units produced pursuant to Section 33413 of the CRL, requiring that the units be maintained at an affordable housing cost to, and occupied by persons and families of low to moderate income, for the longest feasible time but not less than 55 years for rental units and 45 years for owner occupied units. The affordability controls on such units must be made enforceable by recorded covenants or restrictions in the same manner as required for units assisted by the Agency's 20% Housing Set Aside Fund if they are to count towards meeting production requirements. The above requirements apply not just to new construction but also substantially rehabilitated dwelling units. Per §33413(b)(2)(A)(iii) of the CRL, substantially rehabilitated dwelling units means all units substantially rehabilitated with Agency assistance. CRL §33413(b)(2)(A)(iv) also defines substantial rehabilitation as "rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of land value.

Section 33413(b)(4) of the CRL also requires that the Agency's Implementation Plan for housing activities must be consistent with the community's housing element and the Agency's housing production requirement must be met every ten years. If more than the required numbers of low and moderate income units are developed in the ten year period, the affordable units in excess of the required number may be counted towards the agency's requirements for the next ten year period. If fewer than the required number of units are developed at the end of the ten year period, the agency must meet its production goals on an annual basis until the requirements for the ten year period are met. The Agency may cause the required inclusionary housing units to be produced inside or outside the redevelopment project area, but all units developed or substantially rehabilitated by the private sector, require two units outside the project area for each unit that otherwise would have had to be available inside the project area.

### 3.9.2 PAST PRODUCTION OF AFFORDABLE UNITS IN THE PROJECT AREAS

To date, the Agency has not itself, developed or rehabilitated housing in either the Town Center or South Central Project Areas. However, new private housing construction and substantial rehabilitation of price-restricted units has occurred in both the Town Center and South Central Project Areas and outside the Project Areas which benefit the Project Areas, since the adoption of the redevelopment plans. A summary of the total number of units which have been developed in the Town Center and South Central Project Areas are shown in **TABLE 3-6**, along with the affordable housing obligations as assigned to the very low, low and moderate income categories. While the CRL identifies the minimum percentage of the units produced at the very low income level, the minimum percent is not specified between the low income and the moderate income categories which are combined in **TABLE 3-6** for analysis purposes.

Based on the information shown in **TABLE 3-8**, the Agency is meeting and exceeding the housing production requirements under the law. To meet its potential housing production requirements over the next ten year period and the life of both Redevelopment Plans, the Agency will apply its surplus balance of affordable housing production units, as permitted under CRL. In addition, the



**Ambrose Lane**

Agency has adopted a policy with its CAHS that requires that the required 15% affordable housing obligation be met on a site by site basis and be accommodated in new residential development projects that are within the boundaries of the Project Areas, and secures affordability covenants on substantially rehabilitated units located within and outside the boundaries of the Project Area.

**TABLE 3-8**  
**PROJECT AREA INCLUSIONARY HOUSING PRODUCTION <sup>1</sup>**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
**July 1, 2005 - June 30, 2010**

	<b>Total Project Area Production</b>	<b>Very Low Income Units</b>	<b>Low/Moderate Income Units</b>	<b>Total Inclusionary Units</b>
Historic Production <sup>2</sup>	671			
Production Requirement		41	60	101
Actual Production <sup>3</sup>		143	270	413
<b>Unit Surplus/(Deficit)</b>		<b>102</b>	<b>210</b>	<b>312</b>
Production during Third Five-Year Implementation Plan (July 1, 2005 to June 30, 2010)	1508			
South Central	0			
Town Center	12			
MCAS Tustin <sup>4</sup>	1496			
Production Requirement		91	135	226
South Central		0	0	0
Town Center		1	1	2
MCAS Tustin		90	134	224
	<b>Total Project Area Production</b>	<b>Very Low Income Units</b>	<b>Low/Moderate Income Units</b>	<b>Total Inclusionary Units</b>
Actual Production		62	176	238
South Central		0	0	0
Town Center		0	0	0
MCAS Tustin		60	173	233
Outside Project Area <sup>5</sup>		2	3	5
<b>Unit Surplus/(Deficit)</b>		<b>(29)</b>	<b>41</b>	<b>12</b>
Total Production Requirement		132	195	327
Total Actual Production		205	446	651
<b>Total Unit Surplus/(Deficit)</b>		<b>73</b>	<b>251</b>	<b>324</b>

<sup>1</sup> Covering the time period from adoption of each Project Area through June 30, 2010. The Town Center Project Area Plan was adopted in 1976; the South Central Project Area Plan in 1983 and amended in 1985; and the MCAS Tustin Project Area Plan in 2003. Appendix A contains detailed, historic production figures by project within the Town Center and South Central Redevelopment Project Areas.

<sup>2</sup> Pre-AB 1290 historic production and obligations prior to July 1, 2005. Based on total production of 671 housing units.

<sup>3</sup> Five (5) low-income homes at Tustin Grove and three (3) FTHB ; one (1) low-income and (2) moderate-income are no longer affordable homes. Sixteen (16) affordable homes remain at Tustin Grove and one (1) FTHB affordable home remains. The actual production numbers were adjusted accordingly.

<sup>4</sup> A portion of the Villages of Columbus'; Cantara (27) and Westbourne (16) developments - a total of 43 units - is in the MCAS Tustin Specific Plan, but not in the MCAS Tustin Redevelopment Project Area. These units were reduced from the total number of units produced in the MCAS Tustin Redevelopment Project Area.

<sup>5</sup> Under CRL, for every 2 housing units produced outside the Project Areas, the Agency receives 1 production credit (2 housing units produced = 1 production credit). On this basis, production credit assigned to each credited site outside the project area was as follows: Olson/Tustin Block (10=5).

SOURCE: Third Five-Year Implementation Plan for the Town Center and South Central Redevelopment Project Areas (FY2005-2006 to FY 2009-2010; Mid-Term Report for the Third Five-Year Implementation Plan for the Town Center and South Central Redevelopment Project Areas (FY 2005-2006 to FY 2009-2010); City of Tustin Community Development Department Planning Division - Tustin Legacy Monitoring Report; 2008/2009-2017/18 Comprehensive Affordable Housing Strategy, May 2008; Redevelopment Agency's Affordable Housing Database.

In accordance with CRL §33490(a)(2)(C)(iv), **TABLE 3-9** identifies the housing projects developed during the Third Five-Year Implementation Plan as a result of Housing Set-Aside funds or other locally controlled government assistance that are required to be affordable for at least 45 years for homeownership housing and 55 years for rental housing and the level of affordability of those units. In addition, the table provides the financial assistance or subsidy amounts required to accommodate the projects and the number of housing units available to families with children.

TABLE 3-9								
PRIOR FIVE-YEAR HOUSING ACTIVITIES (2005/06 - 2009/10)								
FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL								
Tustin Community Redevelopment Agency								
Project	Location	Housing Fund Expenditures <sup>1</sup>	Other Funding	Unit Affordability				Affordability Term (Years)
				Ext. Low	Very Low	Low	Moderate	
Tustin Field I	MCAS Tustin	\$10,604,603		0	12	10	16	45
Tustin Field II	MCAS Tustin	\$6,817,509		0	11	11	18	45
Clarendon <sup>2</sup>	MCAS Tustin	N/A		0	12	0	30	45
Cambridge <sup>2</sup>	MCAS Tustin	N/A		0	14	36	0	45
Camden <sup>2</sup>	MCAS Tustin	N/A		0	11	28	24	45
Arbor Walk	Outside Project	\$969,960		0	4	0	6	45
Heritage Place <sup>3</sup>	Outside Project	\$350,000		0	17	36	1	55
<b>Total</b>		<b>\$18,742,072</b>		<b>0</b>	<b>81</b>	<b>121</b>	<b>95</b>	<b>297</b>
<b>Housing Units Available to Families</b>								<b>%</b>
Family Units		\$18,392,072		0	64	85	94	82%
Senior Units		\$350,000		0	17	36	1	18%
<b>Total</b>		<b>\$18,742,072</b>		<b>0</b>	<b>81</b>	<b>121</b>	<b>95</b>	

<sup>1</sup> Housing Fund Expenditures are the loan amounts provided to fund these projects. Expenditures in this table will not match the Expenditures found in Figure III-5 since that amount includes all housing fund expenditures during the Third Five-Year Implementation Plan.

<sup>2</sup> Clarendon, Cambridge and Camden are developments in the Villages of Columbus and the affordable housing units in these developments were the result of Housing Density bonuses provided by the City.

<sup>3</sup> Although Heritage Place units are counted under Historic Production (prior to FY 2005/06) in the Inclusionary Housing Production table since they were built prior to the Third Five-Year Implementation Plan, the development is represented in this table as the result of the \$350,000 loan provided during the Third Five-Year Implementation Plan (FY 2005/06 - 2009/10).

### 3.9.3 HOUSING UNITS TO BE DEVELOPED (future production)

Because the residential areas of both the Town Center and South Central Project Areas are essentially built-out, the majority of new construction in the Project Areas will be in-fill redevelopment and substantial rehabilitation of existing housing units by the private sector within and outside the Project Areas to benefit each Project Area. The successful implementation of projects, programs, and expenditures identified previously in the housing portion of the

Implementation Plan will insure the Agency continues to exceed Inclusionary Housing Production requirements under State Law, as illustrated in **TABLE 3-10**.

Although the Agency is currently exceeding (**TABLE 3-8**) and will continue to exceed its Inclusionary Housing Production (**TABLE 3-10**), the Agency is required to continue to apply its tax increment resources in meeting additional affordability requirements. The Agency, under CRL, is responsible for eliminating blight and is required to set aside no less than 20 percent of the tax increment received from a Redevelopment Project Area for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. In addition, all future housing production in the MCAS Tustin Redevelopment Project Area, a benefit to the Town Center and South Central Redevelopment Project Areas (RDA Resolutions 05-01 and 05-02), is governed by CRL and the City Council-adopted MCAS Tustin Specific Plan and, as such, is required to include at least 15% for low and moderate income housing. Not only does CRL require the Agency to set aside twenty percent (20%) of its funds for low and moderate income housing, but, as identified in Section 3.8, CRL requires these funds to be expended in the same proportion as the numbers of very low and low income households are to the total number of units needed within the community as identified under RHNA.

The Orange County Business Council's Inaugural 2007 and updated 2008 Workforce Housing Scorecard has recognized the City's and Agency's efforts to provide low and moderate income housing (workforce housing) by rating the City amongst the top three or four cities in Orange County. In considering past workforce housing efforts (1991-2005), Tustin was ranked third out of thirty-four Orange County cities. In considering present and future workforce housing efforts, Tustin is ranked fourth out of the thirty-four cities.

**TABLE 3-10**  
**FUTURE PROJECT AREA INCLUSIONARY HOUSING PRODUCTION**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
**July 1, 2010 - June 30, 2015**

	Total Project Area Construction	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units (Unrestricted)	Total Affordables in Project Area
<b>Estimated Production<sup>1</sup></b>	1963				1378	
<b>Estimated Affordable Housing Production Requirement</b>		118	177			294
<b>Estimated Affordable Housing Production</b>						
<b>Ownership Units</b>						
· Other Sites <sup>2</sup>	0	31	99	1115	130	
· South Central/Town Center <sup>3</sup>	7	11	0	7	18	
· Villages of Columbus <sup>4</sup>	0	0	0	101	0	
<b>Total Ownership</b>	<b>7</b>	<b>42</b>	<b>99</b>	<b>1223</b>	<b>148</b>	
<b>Rental Units</b>						
· Other Sites <sup>2</sup>	126	64	63	62	253	
· South Central/Town Center <sup>3</sup>	31	0	0	6	31	
· Villages of Columbus <sup>4</sup>	<b>36</b>	<b>61</b>	<b>56</b>	<b>87</b>	<b>153</b>	
<b>Total Rental</b>	<b>193</b>	<b>125</b>	<b>119</b>	<b>155</b>	<b>437</b>	
<b>Total Estimated Affordable Housing Production</b>	<b>200</b>	<b>385</b>				<b>585</b>
<b>Fourth Five-Year Implementation Plan Unit Surplus/(Deficit)</b>		82	208			291
<b>Third Five-Year Implementation Plan Unit Surplus/(Deficit)</b>		73	251			325
<b>Total Surplus/(Deficit)</b>		<b>156</b>	<b>459</b>			

<sup>1</sup> Total Estimated Affordable Housing Production was developed from Community Development's Tustin Legacy Monitoring Report as of January 04, 2010. A portion of the Villages of Columbus' Ainsley Park (83) development is in the MCAS Tustin Specific Plan, but those units are not in the MCAS Tustin Redevelopment Project Area and these units were reduced from Community Development's estimated production numbers. Estimates for future MCAS Tustin development and the South Central/Town Center Redevelopment Project Area were included in the Total Estimated Production.

<sup>2</sup> Neighborhood G & D production numbers were based on future development projections.

<sup>3</sup> Figures are consistent with data found within the 2008/2009 to 2017/18 Comprehensive Affordable Housing Strategy, May 2008.

<sup>4</sup> Projection based on rental units to be built at Coventry Court in Villages of Columbus as well as ownership units per Community Development's Tustin Legacy Monitoring Report as of January 04, 2010.

### 3.10 REPLACEMENT HOUSING OBLIGATIONS

CRL §33413(a) requires that whenever dwelling units housing low or moderate income households are destroyed or removed from the low and moderate income housing market as part of a redevelopment project that is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those removed or destroyed at affordable housing costs within the jurisdiction of the Agency. The replacement housing units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units. The South Central and Town Center Redevelopment Plans and Fourth Five-Year Implementation Plan have determined that eight units will require replacement during this five year period. This will result in the relocation costs associated with two pre-acquisition households as well as the housing replacement requirement for eight units.

The Replacement Housing Section of the Fourth Five-Year Implementation Plan summarizes the number of units which have already been destroyed, estimates the number which may be destroyed through Fiscal Year 2014-15 and evaluates whether the Agency appeared to be in compliance with meeting its replacement housing requirement. As stated above, all units removed as a result of direct or indirect Agency action must be replaced. Under prior law, 75 percent of the replacement units had to be for the same income level as the unit destroyed. As of January 1, 2002, that requirement increased to 100 percent.

Historically, the Agency has produced many more replacement housing units than required. The Agency's balance as of the beginning of the cycle for the Fourth Five-Year Implementation Plan is provided in **TABLE 3-11**, which follows. **APPENDIX B** provides more detail regarding the bedrooms of the units destroyed or removed and the bedrooms provided in the replacement units.

**TABLE 3-11**  
**SUMMARY OF REPLACEMENT HOUSING OBLIGATIONS**  
**FOURTH FIVE-YEAR IMPLEMENTATION PLAN - TOWN CENTER & SOUTH CENTRAL**  
**(Plan Adoption - FY 2010/11)**

	<b>Very-Low Income</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>Non- Restricted</b>	<b>TOTAL</b>
Units Removed	58	13	12	3	86
Replacement Units Required	49	10	10	N/A	69
Replacement Units Available	167	465	103	N/A	735
<b>Replacement Units Balance/Deficit</b>	<b>118</b>	<b>455</b>	<b>93</b>	<b>N/A</b>	<b>666</b>

### 3.11 ADDRESSING BLIGHTING CONDITIONS THROUGH HOUSING ACTIVITIES

When the Redevelopment Plans were adopted for the Town Center and South Central Project Areas, some of the blighting conditions identified specific to housing were the deteriorating condition of housing in South Central and Town Center and the incompatibility of residential properties with existing and proposed land uses in Town Center. The following are the major blighting characteristics identified and how the proposed Agency housing activities during the next five-year period will eliminate or prevent the spread of these blighting conditions within the Project Area:

- Deterioration, Age, & Obsolescence.*** The Agency is revising the single-family and multi-family rehabilitation programs in order to increase rehabilitation activity during the Fourth Five-Year Implementation Plan and eliminate the deteriorating condition of housing. Smaller apartment projects containing two to eight units each could be acquired and rehabilitated, or converted to new development and sold or rented to qualified tenants with restrictions which limit the use of the property and limit the extent to which home prices or rents may increase. New Construction funding may also be available to purchase deteriorated, aged and obsolescent properties from absentee landlords and substantially rehabilitate. Homebuyer assistance loans and the



**Heritage Place**

Mortgage Credit Certificate Program will increase owner-occupied housing in the Project Areas and investments to update older, deteriorating properties. Each of these housing programs will enhance the image of the area and eliminate the blighting conditions of substandard and deteriorating structures in the Project Area by encouraging private investment and promoting home ownership.

- ***Inadequate Public Improvements & Utilities.*** New Construction funding for affordable housing through the Multifamily Acquisition, Rehabilitation and Conversion to Ownership Housing and Multifamily Acquisition, Rehabilitation and Rental Housing programs may provide assistance with off-site improvements to improve traffic flow and enhance streetscapes. New Construction funding may incentivize developments to consolidate and optimize parcels through improved building design and layouts, resulting in the provision of additional parking. Additional opportunities to address inadequate public improvements and utilities through affordable housing funds are dependent upon the project size and scope.
- ***Depreciated Values, Impaired Investments, & Economic Maladjustment.*** Property owners will be able to address the incompatibility of their residential property with existing and proposed land uses through the Multifamily Acquisition, Rehabilitation and Conversion to Ownership Housing and Multifamily Acquisition, Rehabilitation and Rental Housing programs. Potential General Plan and Zoning changes as a result of the “Neighborhoods of Tustin Town Center – A New Beginning” Study could provide property owners with opportunities to develop their properties in a manner compatible with surrounding properties. Although conditions have improved because of redevelopment activity in the Project Area, there are rental properties incompatible with existing and proposed land uses. The Agency will address depreciated values, impaired investments and economic maladjustment by facilitating and supporting monetary investment by the private sector to acquire, assemble, and develop vacant and underutilized land. Depreciated values, impaired investments and economic maladjustment will also be addressed by First-Time Homebuyer programs that increase home ownership opportunities and the Rehabilitation program that provides financial assistance in the form of grants and loans to support existing homeowners’ efforts to improve their property.

TABLE 3-12  
 RELATIONSHIP BETWEEN HOUSING GOALS & OBJECTIVES AND BLIGHT ELIMINATION  
 FOURTH FIVE-YEAR IMPLEMENTATION PLAN  
 TOWN CENTER & SOUTH CENTRAL PROJECT AREAS

	Blight Conditions		
	Deterioration, Age, & Obsolescence	Inadequate Public Improvements & Utilities	Depreciated Values, Impaired Investments, & Economic Maladjustment
<b>Goal #1</b> - Increase the quantity and improve the quality of housing in Tustin by providing new and rehabilitated affordable housing opportunities throughout the community.	X	X	X
<b>Goal #2</b> - Encourage construction of moderate and high density residential development along major street corridors, compatible with adjacent development.	X	X	X
<b>Goal #3</b> - Eliminate blight by upgrading, revitalizing and enriching the livability of older residential neighborhoods and by reducing overcrowding.	X	X	X
<b>Goal #4</b> - To maximize and leverage public and private funding to create affordable housing opportunities, including the cost-effective method of preserving “at risk” affordable housing.	X		X

TABLE 3-13  
 RELATIONSHIP BETWEEN HOUSING PROGRAMS AND BLIGHT ELIMINATION  
 FOURTH FIVE-YEAR IMPLEMENTATION PLAN  
 TOWN CENTER & SOUTH CENTRAL PROJECT AREAS

	Blight Conditions		
	Deterioration, Age, & Obsolescence	Inadequate Public Improvements & Utilities	Depreciated Values, Impaired Investments, & Economic Maladjustment
<b>Preservation of At-Risk Housing</b>	X		X
<b>Rehabilitation</b>	X	X	X
<b>New Housing</b>	X	X	X
<b>First Time Homebuyers</b>	X		X
<b>Homeless Assistance</b>			X
<b>Agency Administrative Program Support &amp; Indirect Costs</b>	X	X	X

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# **APPENDIX A**

## **AFFORDABLE HOUSING TABULATIONS**

Pre 1995 Affordable Housing Unit Production

Project	Units Constructed/Restricted Required				
	very low	low	moderate	no restrict	TOTAL
<b>Newpointe Apts (South Central)</b>					
1 Bedroom Units					
2 Bedroom Units					
3 Bedroom Units					
Total Units Produced	0	0	0	160	160
Total Bedrooms					
Restricted Units Required	10		14		24
<b>Tustin Gardens (Town Center)</b>					
1 Bedroom Units	100			1	101
2 Bedroom Units					
3 Bedroom Units					
Total Units Produced	100	0	0	1	101
Total Bedrooms	100				
Restricted Units Required	6		9		15
<b>Tustin Royale/Others</b>					
1 Bedroom Units	16			69	85
2 Bedroom Units					
3 Bedroom Units					
Total Units Produced	16	0	0	69	85
Total Bedrooms	16				
Restricted Units Required	6		7		13
Total Constructed Units	116	0	0	230	346
Total Restricted Provided	116	0	0	n.a.	116
Total Restricted Required	22		30	n.a.	52
Production Surplus/(Deficit)	94	(30)		n.a.	64

Project	Units Rehabilitated and/or Covenant Restricted*				
	very low	low	moderate	no restrict	TOTAL
<b>* Affordability Covenant Restricted Per CRL Section 33334.6(b)(2)(B)(i)</b>					
<b>1 Bedroom Units</b>					
<b>2 Bedroom Units</b>					
<b>3 Bedroom Units</b>					
Total Units Produced	0	0	0	0	0
Total Bedrooms					
Restricted Units Provided (@2:1 Requirement)	0	0	0	0	0
<b>1 Bedroom Units</b>					
<b>2 Bedroom Units</b>					
<b>3 Bedroom Units</b>					
Total Units Produced	0	0	0	0	0
Total Bedrooms					
Restricted Units Provided (@2:1 Requirement)	0	0	0	0	0
<b>1 Bedroom Units</b>					
<b>2 Bedroom Units</b>					
<b>3 Bedroom Units</b>					
Total Units Produced	0	0	0	0	0
Total Bedrooms					
Restricted Units Provided (@2:1 Requirement)	0	0	0	0	0
Total Rehabilitated Units	0	0	0	0	0
Total Restricted Provided	0	0	0	n.a.	0
Total Restricted Required	0	0	0	n.a.	0
Production Surplus/(Deficit)	0	0		n.a.	0

95/96-99/00 Affordable Housing Unit Production

Project	Units Constructed/Restricted Required					Project	Units Rehabilitated and/or Covenant Restricted*				
	very low	low	moderate	no restrict	TOTAL		very low	low	moderate	no restrict	TOTAL
<b>Tustin Grove (South Central)</b>						<b>Orange Gardens (Outside)</b>					
1 Bedroom Units						1 Bedroom Units	17			17	
2 Bedroom Units						2 Bedroom Units	93			93	
3 Bedroom Units	8	1	7	129	145	3 Bedroom Units	40			40	
Total Units Produced <sup>1</sup>	8	1	7	129	145	Total Units Produced	0	150	0	0	150
Total Bedrooms	24	3	21			Total Bedrooms	323				
Restricted Units Required	9		13		22	Restricted Units Provided (@2:1 Requirement)	0		75	75	
<b>Ambrose Lane (Town Center)</b>						<b>Hampton Square (Outside)</b>					
1 Bedroom Units						1 Bedroom Units	124		82	206	
2 Bedroom Units						2 Bedroom Units	86		58	144	
3 Bedroom Units			8	30	38	3 Bedroom Units				0	
Total Units Produced	0	0	8	30	38	Total Units Produced	0	210	0	140	350
Total Bedrooms			24			Total Bedrooms	296				
Restricted Units Required	2		4		6	Restricted Units Provided (@2:1 Requirement)	0		105	105	
<b>Others</b>						<b>Flanders Pointe (Outside)</b>					
1 Bedroom Units						1 Bedroom Units	42		27	69	
2 Bedroom Units						2 Bedroom Units	7		6	13	
3 Bedroom Units						3 Bedroom Units				0	
Total Units Produced	0	0	0	0	0	Total Units Produced	0	49	0	33	82
Total Bedrooms						Total Bedrooms	56				
Restricted Units Required	0		0		0	Restricted Units Provided (@2:1 Requirement)	0		24	24	
Total Constructed Units	8	1	15	159	183	Total Units	0	409	0	173	582
Total Restricted Provided	8	1	15	n.a.	24	Total Restricted Provided	0	0	204	n.a.	204
Total Restricted Required	11	0	17	n.a.	28	Total Restricted Required	0	0	0	n.a.	0
Production Surplus/(Deficit)	(2)	(1)		n.a.	(3)	Production Surplus/(Deficit)	0	201		n.a.	201

\* Affordability Covenant Restricted Per CRL Section 33334.6(b)(2)(B)(i)

<sup>1</sup> There were a total of five (5) low-income affordable homes in the Tustin Grove Development that are no longer affordable homes. The total amount of low-income homes was decreased by five (5).

00/01-04/05 Affordable Housing Unit Production

Project	Units Constructed/Restricted Required					Project	Units Rehabilitated and/or Covenant Restricted*				
	very low	low	moderate	no restrict	TOTAL		very low	low	moderate	no restrict	TOTAL
<b>Heritage Place (Outside)</b>											
1 Bedroom Units	13	29			42	1 Bedroom Units					
2 Bedroom Units	4	7	1		12	2 Bedroom Units					
3 Bedroom Units					0	3 Bedroom Units					
<b>Total Units Produced</b>	<b>9</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>27</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Bedrooms</b>	<b>11</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>33</b>	<b>Total Bedrooms</b>					
(@ 2:1 Requirement)											
Restricted Units Required	0		0		0	Restricted Units Required	0	0	0	0	
						(@2:1 Requirement)					
<b>Tustin Field I &amp; II (MCAS Tustin)</b>											
1 Bedroom Units						1 Bedroom Units					
2 Bedroom Units	5	1	7		13	2 Bedroom Units					
3 Bedroom Units	5	1	21		27	3 Bedroom Units					
<b>Total Units Produced<sup>1</sup></b>	<b>10</b>	<b>2</b>	<b>28</b>	<b>102</b>	<b>142</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Bedrooms</b>	<b>25</b>	<b>5</b>	<b>77</b>		<b>107</b>	<b>Total Bedrooms</b>					
Restricted Units Required	9		13		22	Restricted Units Required	0	0	0	0	
						(@2:1 Requirement)					
<b>Others/FTHB (Outside)</b>											
1 Bedroom Units						1 Bedroom Units					
2 Bedroom Units						2 Bedroom Units					
3 Bedroom Units			1		1	3 Bedroom Units					
<b>Total Units Produced<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Bedrooms</b>			<b>3</b>			<b>Total Bedrooms</b>					
Restricted Units Required	0	0	0	0	0	Restricted Units Required	0	0	0	0	
						(@2:1 Requirement)					
<b>Total Constructed Units</b>	<b>19</b>	<b>20</b>	<b>30</b>	<b>102</b>	<b>170</b>	<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Restricted Provided</b>	<b>19</b>	<b>20</b>	<b>30</b>	<b>n.a.</b>	<b>69</b>	<b>Total Restricted Provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	
<b>Total Restricted Required</b>	<b>9</b>	<b>0</b>	<b>13</b>	<b>n.a.</b>	<b>22</b>	<b>Total Restricted Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	
<b>Production Surplus/(Deficit)</b>	<b>10</b>	<b>37</b>	<b>n.a.</b>	<b>47</b>		<b>Production Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	

<sup>1</sup> There were 142 total units built at Tustin Field I & II prior to July 1, 2005. 40 of those units were affordable per the Agency's Affordable Housing Database.

<sup>2</sup> There were a total of three (3) FTHB affordable properties; one (1) low-income and two (2) moderate-income, that are no longer affordable homes. One (1) FTHB affordable home remains. The production numbers were adjusted accordingly.

05/06-09/10 Affordable Housing Unit Production

Project	Units Constructed/Restricted Required					Project	Units Rehabilitated and/or Covenant Restricted*				
	very low	low	moderate	no restrict	TOTAL		very low	low	moderate	no restrict	TOTAL
<b>Prospect Village (Town Center)</b>											
1 Bedroom Units						1 Bedroom Units					
2 Bedroom Units						2 Bedroom Units					
3 Bedroom Units						3 Bedroom Units					
<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Restricted Units Required	1		1	0	2	Restricted Units Required	0	0	0	0	0
						(@2:1 Requirement)					
<b>Tustin Field I &amp; II (MCAS Tustin)</b>											
1 Bedroom Units					0	1 Bedroom Units					
2 Bedroom Units	6	4	4		14	2 Bedroom Units					
3 Bedroom Units	17	17	30		64	3 Bedroom Units					
<b>Total Units Produced</b>	<b>23</b>	<b>21</b>	<b>34</b>	<b>345</b>	<b>423</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Bedrooms</b>	<b>63</b>	<b>59</b>	<b>98</b>		<b>220</b>	<b>Total Bedrooms</b>					
Restricted Units Required	25		38		63	Restricted Units Required	0	0	0	0	0
						(@2:1 Requirement)					
<b>Villages of Columbus (MCAS Tustin)</b>											
1 Bedroom Units	4	9			13	1 Bedroom Units					
2 Bedroom Units	13	28	16		57	2 Bedroom Units					
3 Bedroom Units	20	27	38		85	3 Bedroom Units					
<b>Total Units Produced<sup>1</sup></b>	<b>37</b>	<b>64</b>	<b>54</b>	<b>918</b>	<b>1073</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Bedrooms</b>	<b>90</b>	<b>146</b>	<b>146</b>		<b>382</b>	<b>Total Bedrooms</b>					
Restricted Units Required	65		96		161	Restricted Units Required	0	0	0	0	0
						(@2:1 Requirement)					
<b>Olson/Tustin Block (Outside)</b>											
1 Bedroom Units						1 Bedroom Units					
2 Bedroom Units						2 Bedroom Units					
3 Bedroom Units	4		6	53	63	3 Bedroom Units					
<b>Total Units Produced</b>	<b>2</b>		<b>3</b>	<b>53</b>	<b>63</b>	<b>Total Units Produced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(@2:1 Requirement)						(@2:1 Requirement)					
<b>Total Bedrooms</b>	<b>6</b>		<b>9</b>			<b>Total Bedrooms</b>					
Restricted Units Required	0	0	0	0	0	Restricted Units Required	0	0	0	0	0
<b>Total Constructed Units</b>	<b>62</b>	<b>85</b>	<b>91</b>	<b>1328</b>	<b>1571</b>	<b>Total Units Constructed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Restricted Provided</b>	<b>62</b>	<b>85</b>	<b>91</b>	<b>n.a.</b>	<b>238</b>	<b>Total Restricted Provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>
<b>Total Restricted Required</b>	<b>91</b>	<b>0</b>	<b>135</b>	<b>n.a.</b>	<b>226</b>	<b>Total Restricted Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>
<b>Production Surplus/(Deficit) *</b>	<b>(29)</b>	<b>41</b>	<b>n.a.</b>	<b>12</b>		<b>Production Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	

\* Affordability Covenant Restricted Per CRL Section 33334.6(b)(2)(B)(i)

<sup>1</sup> Numbers were developed from Community Development's Tustin Legacy Monitoring Report as of January 04, 2010 and the Agency's Affordable Housing Database

10/11-14/15 Estimated Affordable Housing Unit Production

Project	Units Constructed/Restricted Required					Project	Units Rehabilitated and/or Covenant Restricted*				
	very low	low	moderate	no restrict	TOTAL		very low	low	moderate	no restrict	TOTAL
<b>South Central/Town Center</b>											
Total Units Produced	38	11		13	62	Total Units Produced					
Restricted Units Required	4	6			9	Restricted Units Required (@2:1 Requirement)					
<b>Villages of Columbus (MCAS Tustin)</b>											
Total Units Produced <sup>1</sup>	36	61	56	188	341	Total Units Produced					
Restricted Units Required	20		31		51	Restricted Units Required (@2:1 Requirement)					
<b>TLCP (MCAS Tustin)</b>											
Total Units Produced <sup>1</sup>	126	95	162	1177	1560	Total Units Produced					
Restricted Units Required	94		140		234	Restricted Units Required (@2:1 Requirement)					
Total Constructed Units	200	167	218	1378	1963	Total Constructed Units					
Total Restricted Provided	200	167	218	n.a.	585	Total Restricted Provided					
Total Restricted Required	118	6	171	n.a.	294	Total Restricted Required					
<i>Production Surplus/(Deficit)</i>	82	208			291	<i>Production Surplus/(Deficit)</i>					

\* Affordability Covenant Restricted Per CRL Section 33334.6(b)(2)(B)(i)

<sup>1</sup> Numbers were developed from Community Development's Tustin Legacy Monitoring Report as of January 04, 2010 and the Agency's Affordable Housing Database

## **APPENDIX B**

### **REPLACEMENT HOUSING TABULATIONS**



Cum. FY 95/96 - 09/10

Replacement Unit Balance	34	328	130	n.a.	492
Replacement Bdrm. Balance	57	568	368	n.a.	993

Estimated FY 10/11 - 14/15

Cum. Replacement Required	4	4	0	n.a.	8
(@ 100% for low/mod) Bedrooms	6	12	0	n.a.	18
Cum. Replacement Available	34	328	130	n.a.	492
Cum. Replacement Bedrooms	57	568	368	n.a.	993

Replacement Unit Balance	30	324	130	n.a.	484
Replacement Bdrm. Balance	51	556	368	n.a.	975

Cumulative Affordable Housing Production

	Units Produced/Restricted Required				
	very low	low	moderate	no restrict	TOTAL

FY 95/96 - 09/10

Cum. Units Produced	205	515	136	1992	2853
Cum. Restricted Units Provided	205	106	340	n.a.	651
Cum. Restricted Units Required	132	0	195	n.a.	327
(Units include Olson Co Tustin Block Dev.)					
Cum. Restricted Balance/(Deficit)	73		251		324

Estimated FY 10/11 - 14/15

Cum. Units Produced	405	682	354	3370	4816
Cum. Restricted Units Provided	405	273	558	n.a.	1236
Cum. Restricted Units Required	250	6	367	n.a.	622

Cum. Restricted Balance/(Deficit)	155		459	n.a.	615
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## **APPENDIX C**

### **TOWN CENTER PROJECT AREA LOANS BETWEEN RDA & CITY**

Town Center Project Area Loans Between RDA and City				
Agreement Dates	Loan Amounts	Terms	Repayment Terms	Use of Proceeds
June 18, 1979	\$ 1,125,000	8% per annum	On unpaid balance	Town Center and El Camino Real undergrounding; (Note: Loan has been repaid to the City)
07/06/1981 <sup>(1)</sup>	\$ 1,125,000	8% simple interest per annum	Repaid in 3 years. If no tax increment funds available, no repayment necessary.	Project purposes; (Note: Loan has been repaid to the City)
Feb. 16, 1982	\$ 350,000	12% simple interest per annum	Loan terms reinforced by 6-21-1982 Agreement to be repaid within 3 years from tax increment. If no tax increment funds available, repayment not necessary.	Acquisition loan for Stevens Square "C" Street parking structure offered by minute action. (Note: Loan has been repaid to the City)
June 21, 1982	\$ 100,000	12% simple interest per annum	If no tax increment funds available, repayment not necessary.	Project purposes also included carryover of Feb. 16, 1982 \$350,000 loan. (Note: Loan has been repaid to the City)
June 17, 1996	\$ 360,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Sept. 10, 1997	\$ 360,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 17, 1998	\$ 175,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Sept. 7, 1999	\$ 180,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 21, 2000	\$ 190,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 20, 2001	\$ 240,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 19, 2002	\$ 350,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 18, 2003	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 16, 2004	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 15, 2005	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Aug. 7, 2006	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Sept. 2, 2008	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services
Oct. 6, 2009	\$ 300,000	No interest	If no tax increment funds available, repayment not necessary.	Services

(1) Same loan as authorized June 18, 1979, just reinforced

6/24/2010 CS based on review of Agency Actions/Resolutions

## **APPENDIX D**

### **SOUTH CENTRAL PROJECT AREA LOANS BETWEEN RDA & CITY**

<b>South Central Project Area Loans Between RDA and City</b>				
<b>Agreement Dates</b>	<b>Loan Amounts</b>	<b>Terms</b>	<b>Repayment Terms</b>	<b>Use of Proceeds</b>
June 18, 1984	\$ 125,000	12% simple interest per annum	If no tax increment funds available, loan can be forgiven.	RDA Project purposes; cash flow for capital improvements
June 2, 1986	\$ 250,000	12% simple interest per annum	If no tax increment funds available, loan can be forgiven.	Project purposes
June 1, 1987	\$ 600,000	12% simple interest per annum	If no tax increment funds available, loan can be forgiven.	Project purposes
June 6, 1988	\$ 300,000	12% simple interest per annum	If no tax increment funds available, loan can be forgiven.	Project purposes
June 18, 1990	\$ 500,000	8% simple interest per annum	If no tax increment funds available, loan can be forgiven.	Project purposes
May 27, 1992	\$ 1,100,000	8% simple interest per annum	If no tax increment funds available, loan can be forgiven.	Project purposes
June 2, 1993	\$ 5,000,000	.5% above City's average yield on investments.	Loan due prior to 6-30-1993. Payments to be made in semi-annual installments	Public improvements and facilities estimated at \$33M
June 12, 1996	\$ 2,400,000	Monthly LAIF rate	If no tax increment funds available, loan can be forgiven.	Project purposes
	\$ 406,000	No rate	If no tax increment funds available, loan can be forgiven.	Services
Sept. 10, 1997	\$ 1,750,000	Monthly LAIF rate	Due 8/31/1998. If no funds tax increment funds available, no repayment necessary.	Project purposes; Carryover loan from 1996-1997
	\$ 406,000	No interest	If no tax increment funds available, loan can be forgiven.	Services
August 17, 1998	\$ 1,712,000	Monthly LAIF rate	Due 8/31/1999 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; New loan
	\$ 288,000	Monthly LAIF rate	Due 8/31/99 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; Carryover loan from 1997-1998
	\$ 495,000	No interest	If no tax increment funds available, loan can be forgiven.	Services

## South Central Project Area Loans Between RDA and City

Agreement Dates	Loan Amounts	Terms	Repayment Terms	Use of Proceeds
Sept. 7, 1999	\$ 1,750,000	Monthly LAIF rate	Due 8/31/2000 unless renewed. If no tax increment funds available, loan can be forgiven.	Project purposes; Carryover loan from 1998-1999
	\$ 250,000	Monthly LAIF rate	Due 8/31/2000 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; new loan
	\$ 500,000	Monthly LAIF rate	Due 8/31/2000 unless renewed. If no tax increment funds available, no repayment necessary.	Services
August 21, 2000	\$ 2,050,000	Monthly LAIF rate	Due 8/31/2001 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 1999-2000 plus \$50,000
	\$ 520,000	No interest	If no tax increment funds available, no repayment necessary.	Services
August 20, 2001	\$ 2,400,000	Monthly LAIF rate	Due 8/31/2002 unless renewed; If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2000-2001 plus \$350,000
	\$ 962,000	No interest	If no tax increment funds available, no repayment necessary.	Services
August 19, 2002	\$ 3,000,000	Monthly LAIF rate	Due 8/31/2002 unless renewed. If no tax increment funds available, no repayment needed.	Project purposes; carryover loan from 2001-2002 plus \$600,000
	\$ 200,000	No interest	If no funds available, no repayment necessary.	Services
August 18, 2003	\$ 3,000,000	Monthly LAIF rate	Due 8/31/2004 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2002-2003
	\$ 180,000	No interest	If no tax increment funds available, no repayment necessary.	Services
August 16, 2004	\$ 3,000,000	Monthly LAIF rate	Due 8/31/2005 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2003-2004
	\$ 150,000	No interest	If no funds available, no repayment necessary.	Services

<b>South Central Project Area Loans Between RDA and City</b>				
<b>Agreement Dates</b>	<b>Loan Amounts</b>	<b>Terms</b>	<b>Repayment Terms</b>	<b>Use of Proceeds</b>
August 15, 2005	\$ 3,000,000	Monthly LAIF rate	Due 8/31/2006 unless renewed; If no funds available, no repayment necessary.	Project purposes; carryover loan from 2004-2005.
	\$ 150,000	No interest	If no funds available, no repayment necessary.	Services
August 7, 2006	\$ 3,000,000	Monthly LAIF rate	Due 8/31/2007 unless renewed; If no funds available, no repayment necessary.	Project purposes; carryover loan from 2005-2006.
	\$ 384,000	No interest	If no tax increment funds available, no repayment necessary.	Services
September 18, 2007	\$ 4,000,000	Monthly LAIF rate	Due 8/31/2008 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2006-2007 plus \$1,000,000
	\$ 400,000	No interest	If no tax increment funds available, no repayment necessary.	Services
September 2, 2008	\$ 4,650,000	Monthly LAIF rate	Due 8/31/2009 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2007-2008 plus \$650,000
	\$ 630,000	No interest	If no tax increment funds available, no repayment necessary.	Services
October 6, 2009	\$ 4,650,000	Monthly LAIF rate	Due 8/31/2010 unless renewed. If no tax increment funds available, no repayment necessary.	Project purposes; carryover loan from 2008-2009
	\$ 630,000	No interest	If no tax increment funds available, no repayment necessary.	Services

(1) A \$1,000,000 increase in \$3,000,000 carryover loan  
6/24/2010 CS based on review of Aging Actions/Resolutions

## **APPENDIX E**

### **TOWN CENTER AND SOUTH CENTRAL TAX INCREMENT LIMIT**

**Town Center  
Tax Increment Limit  
FY 1976/1977 to FY 2009/2010**

Fiscal Year	Tax Increment	Project - 80%	Housing Set-Aside	ERAF/SERAF Payments	Cumulative Tax Increment Limit
1976-77		\$0.00	\$0.00		\$0.00
1977-78	\$219,649.83	\$175,719.86	\$43,929.97		\$219,649.83
1978-79	\$450,997.99	\$360,798.39	\$90,199.60		\$670,647.82
1979-80	\$751,804.98	\$601,443.99	\$150,361.00		\$1,422,452.80
1980-81	\$741,147.09	\$592,917.67	\$148,229.42		\$2,163,599.89
1981-82	\$1,229,255.71	\$983,404.57	\$245,851.14		\$3,392,855.60
1982-83	\$1,168,631.64	\$934,905.31	\$233,726.33		\$4,561,487.24
1983-84	\$1,404,803.26	\$1,123,842.61	\$280,960.65		\$5,966,290.50
1984-85	\$1,563,236.73	\$1,250,589.39	\$312,647.35		\$7,529,527.24
1985-86	\$1,535,542.62	\$1,228,434.10	\$307,108.52		\$9,065,069.86
1986-87	\$1,658,198.35	\$1,326,558.68	\$331,639.67		\$10,723,268.21
1987-88	\$1,934,047.51	\$1,547,238.01	\$386,809.50		\$12,657,315.72
1988-89	\$1,257,114.99	\$1,005,692.00	\$251,423.00		\$13,914,430.71
1989-90	\$2,331,751.81	\$1,865,401.45	\$466,350.36		\$16,246,182.53
1990-91	\$2,454,293.93	\$1,963,435.14	\$490,858.79		\$18,700,476.45
1991-92	\$2,455,822.50	\$1,964,658.00	\$491,164.50		\$21,156,298.95
1992-93	\$2,035,603.11	\$1,628,482.49	\$407,120.62		\$23,191,902.06
1993-94	\$2,569,197.41	\$2,055,357.93	\$513,839.48		\$25,761,099.47
1994-95	\$2,439,874.05	\$1,951,899.24	\$487,974.81		\$28,200,973.53
1995-96	\$2,080,093.59	\$1,664,074.87	\$416,018.72		\$30,281,067.11
1996-97	\$2,156,514.99	\$1,725,211.99	\$431,303.00		\$32,437,582.10
1997-98	\$2,217,237.54	\$1,773,790.03	\$443,447.51		\$34,654,819.64
1998-99	\$2,337,427.49	\$1,869,941.99	\$467,485.50		\$36,992,247.13
1999-2000	\$2,555,057.96	\$2,044,046.37	\$511,011.59		\$39,547,305.09
2000-01	\$2,741,804.23	\$2,193,443.38	\$548,360.85		\$42,289,109.32
2001-02	\$2,951,060.56	\$2,360,848.45	\$590,212.11		\$45,240,169.88
2002-03	\$2,961,945.06	\$2,369,556.05	\$592,389.01	\$73,940.88	\$48,128,174.06
2003-04	\$3,157,276.09	\$2,525,820.87	\$631,455.22	\$187,259.12	\$51,098,191.03
2004-05	\$3,331,481.37	\$2,665,185.10	\$666,296.27	\$206,474.14	\$54,223,198.26
2005-06	\$3,730,397.39	\$2,984,317.91	\$746,079.48	\$266,908.80	\$57,686,686.85
2006-07	\$3,980,400.51	\$3,184,320.41	\$796,080.10		\$61,667,087.36
2007-08	\$4,299,226.24	\$3,439,380.99	\$859,845.25		\$65,966,313.60
2008-09	\$5,652,841.30	\$4,522,273.04	\$1,130,568.26		\$71,619,154.90
2009-10	\$4,855,751.14	\$3,884,600.91	\$971,150.23	\$1,697,646.95	\$74,777,259.10
<b>Total:</b>	<b>\$77,209,488.98</b>	<b>\$61,767,591.19</b>	<b>\$15,441,897.80</b>	<b>\$2,432,229.89</b>	<b>\$74,777,259.10</b>
<b>Maximum Cumulative Tax Increment Limit:</b>			<b>\$90,000,000.00</b>	<b>BALANCE:</b>	<b>\$15,222,740.90</b>

The **Town Center Tax Increment Limit** is defined in Section 600 – Limitations on Finances of the 1989 Second Amendment as follows: the “limitation is exclusive of: (1) any payments to taxing agencies to alleviate financial burden made by the Agency pursuant to Section 33401 of the Community Redevelopment Law and Section 306 of this Plan; and (2) any funds required by Section 33334.2 of the Community Redevelopment Law to be deposited by the Agency in a Low and Moderate Income Housing Fund as a result of such payments to taxing agencies.” Based on projections by Taussig and Associates, Inc. that the annual tax increment (assuming 0% growth) will be approximately \$4,675,353, the Agency would reach its Tax Increment Limit of \$90,000,000 in FY 2013/14 or earlier if tax increment growth occurs more rapidly. Pursuant to CRL §33331.5, the Agency can extend the last date to receive tax increment/repay debt for each year the Agency makes a Supplemental Educational Revenue Augmentation Fund (SERAF) payment as required by the 2009-10 state budget (adoption of ABX4-26). In accordance with ABX4-26, the Agency made a SERAF payment in FY 2009-10 and is scheduled to make another SERAF payment in FY 2010-11. After Sacramento Superior Court Judge Lloyd Connelly upheld the legality of the SERAF payments, the California Redevelopment Association filed an appeal with the Third District Court of Appeal to overturn ABX4-26. The Agency is waiting for a decision to be made on the appeal before extending the time limits. In determining the Cumulative Tax Increment Limit, the Agency excluded the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) payments in the calculation.

**South Central  
Tax Increment Limit**  
FY 1983/1984 to FY 2009/2010

Fiscal Year	Tax Increment	OCWD Payments	Project - 80%	Housing Set- Aside	Cumulative Tax Increment Limit
1983-84			\$0.00	\$0.00	
1984-85	\$130,391.05		\$104,312.84	\$26,078.21	\$130,391.05
1985-86	\$138,360.92		\$110,688.74	\$27,672.18	\$268,751.97
1986-87	\$568,092.18		\$454,473.74	\$113,618.44	\$836,844.15
1987-88	\$1,051,142.30		\$840,913.84	\$210,228.46	\$1,887,986.45
1988-89	\$1,723,811.02		\$1,379,048.82	\$344,762.20	\$3,611,797.47
1989-90	\$1,635,096.61		\$1,308,077.29	\$327,019.32	\$5,246,894.08
1990-91	\$2,144,742.69	\$2,000.00	\$1,713,794.16	\$428,948.54	\$7,391,636.77
1991-92	\$2,161,651.67	\$2,000.00	\$1,727,321.33	\$432,330.33	\$9,553,288.44
1992-93	\$2,407,750.65	\$2,000.00	\$1,924,200.52	\$481,550.13	\$11,961,039.08
1993-94	\$2,256,882.12	\$2,000.00	\$1,803,505.70	\$451,376.42	\$14,217,921.20
1994-95	\$2,249,500.70	\$2,000.00	\$1,797,600.56	\$449,900.14	\$16,467,421.91
1995-96	\$1,485,968.28	\$2,000.00	\$1,186,774.62	\$297,193.66	\$17,953,390.19
1996-97	\$1,755,919.25	\$2,000.00	\$1,402,735.40	\$351,183.85	\$19,709,309.44
1997-98	\$1,971,978.26	\$2,000.00	\$1,575,582.61	\$394,395.65	\$21,681,287.70
1998-99	\$1,841,772.67	\$2,000.00	\$1,471,418.14	\$368,354.53	\$23,523,060.37
1999-2000	\$1,989,547.91	\$2,000.00	\$1,589,638.33	\$397,909.58	\$25,512,608.28
2000-01	\$2,247,623.40	\$2,000.00	\$1,796,098.72	\$449,524.68	\$27,760,231.68
2001-02	\$2,652,016.54	\$2,000.00	\$2,119,613.23	\$530,403.31	\$30,412,248.22
2002-03	\$2,483,040.62	\$2,000.00	\$1,984,432.50	\$496,608.12	\$32,895,288.84
2003-04	\$2,709,779.91	\$2,000.00	\$2,165,823.93	\$541,955.98	\$35,605,068.75
2004-05	\$3,282,318.44	\$2,000.00	\$2,623,854.75	\$656,463.69	\$38,887,387.19
2005-06	\$3,490,842.35	\$2,000.00	\$2,790,673.88	\$698,168.47	\$42,378,229.54
2006-07	\$3,844,298.37	\$2,000.00	\$3,073,438.70	\$768,859.67	\$46,222,527.91
2007-08	\$4,480,710.92	\$2,000.00	\$3,582,568.74	\$896,142.18	\$50,703,238.83
2008-09	\$4,555,086.41	\$2,000.00	\$3,642,069.13	\$911,017.28	\$55,258,325.24
2009-10	\$4,440,994.62	\$2,000.00	\$3,550,795.70	\$888,198.92	\$59,699,319.86
<b>Total:</b>	<b>\$59,699,319.86</b>	<b>\$40,000.00</b>	<b>\$47,719,455.88</b>	<b>\$11,939,863.97</b>	<b>\$59,699,319.86</b>

<b>Maximum Cumulative Tax Increment Limit:</b>	<b>\$115,000,000</b>	<b>BALANCE:</b>	<b>\$55,300,680</b>
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<b>Avg Annual Tax Increment:</b>	<b>\$2,500,000</b>
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The **South Central Tax Increment Limit** is defined in Section 600 - Limitations on Finances of the 1985 South Central Project Area Amendment as follows: "The average yearly tax increment which may be collected shall not exceed 2.5 million dollars." The South Central Project Area's last date to receive tax increment is July 15, 2028, 46 Fiscal Years from the Plan adoption date of August 1, 1983. Multiplying the 46 years times the annual average of \$2.5 million, equals a Cumulative Tax Increment Limit of \$115,000,000. Based on March 2010 projections by HdL, Coren & Cone that the annual tax increment (assuming 0% growth) received will be approximately \$4,412,000, the Agency would reach its Tax Increment Limit of \$115,000,000 in FY 2022/23 or earlier if tax increment growth occurs more rapidly. Pursuant to CRL §33331.5, the Agency can extend the last date to receive tax increment/repay debt for each year the Agency makes a Supplemental Educational Revenue Augmentation Fund (SERAF) payment as required by the 2009-10 state budget (adoption of ABX4-26). The Agency made a payment in FY 2009-10 and is scheduled to make another in FY 2010-11. After Sacramento Superior Court Judge Lloyd Connelly upheld the legality of the SERAF payments, the California Redevelopment Association filed an appeal with the Third District Court of Appeal to overturn ABX4-26. The Agency is waiting for a decision to be made on the appeal before extending the time limits. If the time limits are extended, the cumulative tax increment limit will increase to \$120,000,000. The cumulative amount of tax increment received is determined before pass through payments and Housing Set-Aside funds are allocated.

## **APPENDIX F**

### **1998 TOWN CENTER TAX ALLOCATION BONDS DEBT SERVICE SCHEDULE**

Town Center Redevelopment Project Area  
Tax Allocation Refunding Bonds, 1998 Series A  
Remaining Debt Service Schedule

Date	Principal	Interest	Total Debt Service of the Bonds
1-Dec-10	\$1,205,000.00	\$235,652.50	\$1,440,652.50
1-Jun-11		\$207,636.25	\$207,636.25
<b><i>FY 2010-11</i></b>			<b>\$1,648,288.75</b>
1-Dec-11	\$1,255,000.00	\$207,636.25	\$1,462,636.25
1-Jun-12		\$177,830.00	\$177,830.00
<b><i>FY 2011-12</i></b>			<b>\$1,640,466.25</b>
1-Dec-12	\$1,315,000.00	\$177,830.00	\$1,492,830.00
1-Jun-13		\$145,941.25	\$145,941.25
<b><i>FY 2012-13</i></b>			<b>\$1,638,771.25</b>
1-Dec-13	\$1,380,000.00	\$145,941.25	\$1,525,941.25
1-Jun-14		\$112,131.25	\$112,131.25
<b><i>FY 2013-14</i></b>			<b>\$1,638,072.50</b>
1-Dec-14	\$1,445,000.00	\$112,131.25	\$1,557,131.25
1-Jun-15		\$76,006.25	\$76,006.25
<b><i>FY 2014-15</i></b>			<b>\$1,633,137.50</b>
1-Dec-15	\$1,525,000.00	\$76,006.25	\$1,601,006.25
1-Jun-16		\$37,881.25	\$37,881.25
<b><i>FY 2015-16</i></b>			<b>\$1,638,887.50</b>
1-Dec-16	\$1,595,000.00	\$37,881.25	\$1,632,881.25
1-Jun-17			
<b><i>FY 2016-17</i></b>			<b>\$1,632,881.25</b>

## **APPENDIX G**

### **TAX ALLOCATION HOUSING BONDS, Series 2010 DEBT SERVICE SCHEDULE**

**Tax Allocation Housing Bonds, 2010 Series  
Debt Service Schedule**

<b>Bond Year Ending (September 1)</b>	<b>Principal Amount</b>	<b>Interest</b>	<b>Total</b>
2010	\$1,255,000	\$568,787.66	\$1,823,787.66
2011	\$695,000	\$1,131,756.26	\$1,826,756.26
2012	\$715,000	\$1,110,906.26	\$1,825,906.26
2013	\$735,000	\$1,089,456.26	\$1,824,456.26
2014	\$760,000	\$1,067,406.26	\$1,827,406.26
2015	\$785,000	\$1,040,806.26	\$1,825,806.26
2016	\$815,000	\$1,009,406.26	\$1,824,406.26
2017	\$850,000	\$976,806.26	\$1,826,806.26
2018	\$880,000	\$942,806.26	\$1,822,806.26
2019	\$920,000	\$907,606.26	\$1,827,606.26
2020	\$955,000	\$870,806.26	\$1,825,806.26
2021	\$995,000	\$832,606.26	\$1,827,606.26
2022	\$1,035,000	\$791,562.50	\$1,826,562.50
2023	\$1,080,000	\$747,575.00	\$1,827,575.00
2024	\$1,125,000	\$701,675.00	\$1,826,675.00
2025	\$1,180,000	\$645,425.00	\$1,825,425.00
2026	\$1,240,000	\$586,425.00	\$1,826,425.00
2027	\$1,300,000	\$524,425.00	\$1,824,425.00
2028	\$950,000	\$459,425.00	\$1,409,425.00
2029	\$550,000	\$411,925.00	\$961,925.00
2030	\$580,000	\$384,425.00	\$964,425.00
2031	\$605,000	\$355,425.00	\$960,425.00
2032	\$640,000	\$323,662.50	\$963,662.50
2033	\$675,000	\$290,062.50	\$965,062.50
2034	\$710,000	\$254,625.00	\$964,625.00
2035	\$745,000	\$217,350.00	\$962,350.00
2036	\$785,000	\$178,237.50	\$963,237.50
2037	\$825,000	\$137,025.00	\$962,025.00
2038	\$870,000	\$93,712.50	\$963,712.50
2039	\$915,000	\$48,037.50	\$963,037.50
<b>TOTALS</b>	<u>\$26,170,000</u>	<u>\$18,700,156.52</u>	<u>\$44,870,156.52</u>