

Redevelopment Agency
of the
City of Brisbane
Agenda Report

TO: Honorable Chairman and Redevelopment Agency Board of Directors

FROM: Fred Smith via Clay Holstine, City Manager

DATE: Meeting of January 4, 2010

SUBJECT: Consider adoption of Resolution No. RA-2010-01 approving a Five-Year Implementation Plan and a Ten-Year Housing Compliance Plan for the Brisbane Redevelopment Project Area One and Project Area Two

CITY COUNCIL GOALS: Goal No. 4. To promote economic development that stabilizes and diversifies the tax base

DEPARTMENT OBJECTIVES: 2009/10 Objective for departments 7081, 7082 & 7083 - "Complete update of the Five Year Implementation Plan by December 31, 2009."

PURPOSE: To adopt a Five-Year Implementation Plan for the Redevelopment Project Areas as mandated by State law.

RECOMMENDATION:

1. Open and hold the Public Hearing on the Five-Year Implementation Plan.
2. Close the Public Hearing.
3. Adopt Resolution No. RA-2006-01.

BACKGROUND:

On January 17, 2006, the Brisbane Redevelopment Agency adopted its previous five-year implementation plan, which expired in January 1, 2010. A mid-term review of the plan was presented to the Agency at a public hearing on October 6, 2008.

Section 33490 of the California Community Redevelopment Law ("Law") requires that the Implementation Plan include the following information:

- Specific goals and objectives of the Agency for the Brisbane Community Redevelopment Project Areas,
- The specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years, and
- An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and will improve and increase the supply of housing affordable to very low, low, and moderate income households.

The Law also requires that the Implementation Plan address the Agency's affordable housing production needs and achievements. These items are specifically addressed in a Ten-Year Housing Compliance Plan, which is presented as a separate section of the Implementation Plan. The Law also requires that the Housing Compliance Plan include a description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund for Very Low, Low and Moderate income households in proportion to identified need over a 10-year period, as required by Health & Safety Code Section 33334.4

The purpose of the Implementation Plan and Housing Compliance Plan are to provide a general statement of what the Redevelopment Agency is doing and what direction it will be going in over the next five years. The Plan is not intended to be a mandate on the Agency to accomplish specific programs and projects and describing a project in the plan does not obligate the Agency to undertake that project. However, if the Agency does undertake a project, it should be consistent with the Implementation Plan. Thus the Plan is written broadly and is intended to be a flexible guide for the Agency. The primary purpose is to provide a vehicle for the Agency's board to consider policy issues and provide direction to its staff in light of current and anticipated conditions of the Agency. The Implementation Plan is also intended to help the Agency determine whether progress is being made in achieving the goals of the Redevelopment Plans.

The Agency has hired Keyser Marston Associates (KMA) to prepare the Five-Year Implementation Plan and the Ten-Year Housing Compliance Plan. KMA is the City's fiscal consultant for the Baylands and KMA has also prepared the mid-term review of the previous Implementation Plan. KMA has completed the attached draft of the proposed Implementation Plan for consideration by the Agency Board.

DISCUSSION:

Due to the limited resources available in both project areas, the proposed implementation plan sets forth a fairly modest set of programs for the five-year period. The main points discussed in the draft are summarized below.

Project Area One and Two programs mostly focus on repaying existing debt and monitoring and supporting the City's planning efforts with respect to the Baylands. The estimated available resources for projects and programs discussed in the plan are based on current cash flow to the project areas. Since it is not anticipated that there will be

substantial development occurring in the project areas, the plan does not attempt to project increased tax increment revenue from new development. This will be studied in more detail in the financial analysis of the Baylands Specific Plan that will be conducted by KMA as part of the review of that project.

Affordable housing programs over the life of Implementation Plan will focus primarily on the McLain Rd. project, a possible mixed use project at 163 Visitacion Ave. and the First Time Home Buyer Program. However, as the plans show, significant funding will be available for housing programs over the next five years. It will be necessary to implement one or more new housing projects over the planning period in order to avoid an excess surplus in the Housing Fund.

Redevelopment law requires that the Agency target its expenditure of Housing Funds to serve very low, low, and moderate income households at least in proportion to the identified level of need in the community (the City's RHNA numbers). These percentages are shown on page twenty four of the Implementation Plan. As noted, the Agency can spend greater percentages on very low and lower income groups but cannot exceed the moderate income target. Also, the Agency cannot spend proportionately more on seniors over the ten year period than the percentage of seniors in the low income population.

FISCAL IMPACT/FINANCING ISSUES

None at this time.

MEASURE OF SUCCESS:

Adoption of an Implementation Plan that will guide the Agency in its decision making while providing flexibility to meet changing circumstances over the next five years.


Department Head


City Manager

ATTACHMENTS:

Resolution RA-2010-01
Draft Five-Year Implementation Plan

RESOLUTION NO. RA-2010-01

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
BRISBANE APPROVING A FIVE-YEAR IMPLEMENTATION PLAN AND A
TEN-YEAR HOUSING COMPLIANCE PLAN FOR THE BRISBANE
REDEVELOPMENT PROJECT AREA ONE AND PROJECT AREA TWO**

WHEREAS, the City Council of the City of Brisbane has approved and adopted a Redevelopment Plan for the Brisbane Redevelopment Project Area One and Project Area Two ("Project Areas"); and

WHEREAS, pursuant to Health & Safety Code Section 33490, the Brisbane Redevelopment Agency (the "Agency") is required to conduct a noticed public hearing on, and to adopt an implementation plan for the Project Areas (the "Five-Year Implementation Plan"); and

WHEREAS, Health & Safety Code Section 33490 requires that the Five Year Implementation Plan include a description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund over a 10-year period as required by Health & Safety Code Section 33334.4 (the "Ten-year Housing Compliance Plan"); and

WHEREAS, Agency staff has prepared and presented to the Agency a proposed Five-Year Implementation Plan and Ten-Year Housing Compliance Plan, copies of which are on file with the Agency Secretary; and

WHEREAS, on the date of this resolution, the Agency has conducted and concluded a duly noticed public hearing on the Five-Year Implementation Plan and Ten-Year Housing Compliance Plan in accordance with Health & Safety Code Section 33490; and

WHEREAS, the Agency finds that the Five-Year Implementation Plan, with any modifications as considered and approved in connection with the public hearing, constitutes a statement of the Agency's goals and objectives for the Project Areas, a summary of the specific programs and proposed expenditures proposed to be made by the Agency during the next five years, and an explanation of how the goals and objectives, projects, and expenditures will eliminate blight within the Project Area and implement the affordable housing regulations of the Community Redevelopment Law; and

WHEREAS, the Agency finds that the Ten-Year Housing Compliance Plan, with any modifications as considered and approved in connection with the public hearing, constitutes a statement of how the Agency's housing program will implement the requirements of Health & Safety Code Section 33334.4 for the expenditures of moneys in the Low and Moderate Income Housing Fund over a 10-year period for various groups; and

WHEREAS, pursuant to Health & Safety Code Section 33490, approval of the Five-Year Implementation Plan, including the Ten-Year Housing Compliance Plan, does not

constitute a project for purposes of the California Environmental Quality Act ("CEQA"), and therefore no environmental documentation is required pursuant to CEQA.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Brisbane as follows:

1. The Agency hereby approves and adopts the Five-Year Implementation Plan and the Ten-Year Housing Compliance Plan for the Brisbane Redevelopment Project Areas.
2. The Agency hereby authorizes the Agency Executive Director to take such other actions as are appropriate to effectuate the intent of the Five-Year Implementation Plan and Ten-Year Housing Compliance Plan.
3. This Resolution shall take immediate effect from and after its passage.

* * * *

PASSED AND ADOPTED at a regular meeting of the Redevelopment Agency of the City of Brisbane held on the 4th day of January, 2010, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

W. Clarke Conway, Agency Chair

ATTEST:

Sheri Marie Spediacci, Agency Secretary

DRAFT

**Implementation Plan
January 2010 to December 2014
Brisbane Community Redevelopment Agency
Project Areas One and Two**

Prepared for:

Brisbane Community Redevelopment Agency

Prepared by:

Keyser Marston Associates, Inc.

December 2009

DRAFT

**Implementation Plan
January 2010 to December 2014
Brisbane Community Redevelopment Agency
Project Areas One and Two**

Prepared for:

Brisbane Community Redevelopment Agency

December 2009

KEYSER MARSTON ASSOCIATES, INC.

**Golden Gateway Commons
55 Pacific Avenue Mall
San Francisco, California 94111**

**500 South Grand Avenue, Suite 1480
Los Angeles, California 90071**

**1660 Hotel Circle North, Suite 716
San Diego, California 92108**

TABLE OF CONTENTS

Page

I. Introduction	1
A. Project Area and Description	2
B. Project Area Blighting Conditions	2
C. Overview of Plan Progress/Project Area Accomplishments to Date	7
II. Non Affordable Housing Goals, Objectives, Planned Programs, Expenditures for 5-Year Implementation Plan Period	9
A. Project Area Goals and Objectives	9
1. Project Area One	9
2. Project Area Two	10
B. Programs, Projects and Expenditures for the Next Five Years	11
1. Lease Revenue Bonds Debt Service Payments	11
2. 2001 Tax Allocation Bonds Debt Service Payments	12
3. The Baylands	12
4. Administration and Planning	13
C. How the Agency's Goals, Objectives, Projects and Programs will assist in the Elimination of Blight	14
D. Financing Redevelopment Activities	14
III. Housing Compliance and Plan	18
A. Introduction	18
B. Affordable Housing Production Compliance Status	19
C. Replacement Unit Compliance Status	19
D. Housing Fund Revenues and Expenditures	20
1. Housing Fund Resources, 2010 – 2014	20
2. Housing Fund Programs, Projects and Expenditures	22
3. Expenditures Relative to the Community's Need	23
4. Excess Surplus	28
E. Consistency with Housing Element	28

I. INTRODUCTION

This implementation plan for the Brisbane Community Redevelopment Project Area One and Project Area Two has been prepared pursuant to the requirements of Section 33490 of the California Community Redevelopment Law "CRL" (Health and Safety Code). Under the CRL, redevelopment agencies are required to adopt a new implementation plan every five years. The purpose of this Plan is to serve as a multi-year planning document for the Brisbane Community Redevelopment Agency (Agency), to establish the link between the projects to be undertaken and the alleviation of blight in the Project Area, and to demonstrate Agency compliance with affordable housing production and expenditure requirements. The Implementation Plan is intended to guide execution of the Redevelopment Plan, while allowing flexibility to the Agency to respond to specific redevelopment opportunities as they arise. The following information is contained in the Five-year Implementation Plan:

- The Agency's specific goals and objectives for the five-year implementation plan period (January 1, 2010 through December 31, 2014) for both non-housing and housing activities;
- Anticipated specific programs and expenditures for the five-year implementation plan period for both non-housing and housing activities;
- An explanation of how the goals, objectives, programs and expenditures will assist in the elimination of blight; and
- Specified information about the Agency's affordable housing program, including plans for deposits to and expenditures from the Low and Moderate Income Housing Fund, and means to achieve the Agency's affordable housing production and income targeting obligations;
- Other information related to the provision of affordable housing.

This implementation plan must be adopted after a noticed public hearing. The law requires that the plan must be reviewed in a public hearing, and by inference amended, if desirable, between two and three years after adoption. A new plan is required every five years.

Adoption of an implementation plan does not constitute an approval of the specific programs, projects, or expenditures, which allows flexibility for the Agency to adjust to changing or unforeseen market conditions, community needs, and priorities, and resident and developer interests.

This Implementation Plan is divided into two sections. The first section discusses the Agency's goals and objectives related to general (non-housing) redevelopment activities, and describes the proposed programs, projects, and expenditures that will assist with the elimination of blight.

The non-housing sections of this implementation plan cover the period from January 1, 2010 through December 31, 2014. The second section of this Plan discusses the Agency's goals and objectives related to its affordable housing activities and provides other information concerning the agency's compliance with the affordable housing obligations as required by the CRL. The sections that describe implementation of housing production, replacement, and income-targeting requirements address a ten-year compliance period. Pursuant to the CRL, the first ten-year income targeting compliance period is an extended period from January 1, 2002 through December 31, 2014.

A. Project Area Description and Limits

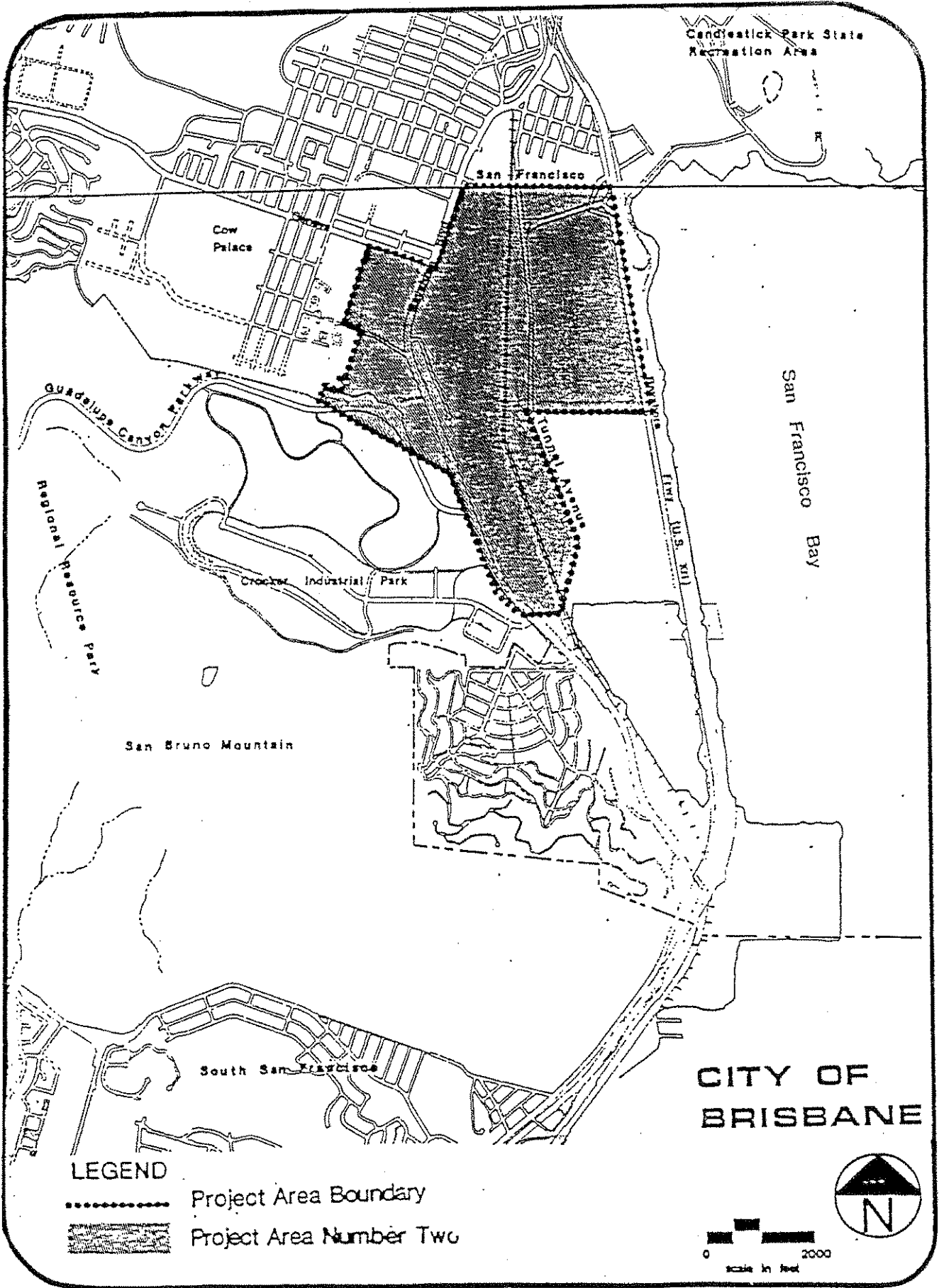
The Brisbane City Council approved and adopted the Redevelopment Plan for Brisbane Community Redevelopment Project Area One ("Project Area One") on December 6, 1976. Project Area One encompasses 1,147 acres within the City of Brisbane, including the Brisbane lagoon, the landfill directly north of the Brisbane lagoon, the entire bay frontage of the City, the area adjacent to the Bayshore Freeway Route 101, and the Sierra Point landfill.

The City Council approved and adopted the Redevelopment Plan for Brisbane Community Redevelopment Project Area Two ("Project Area Two") on June 14, 1982. Project Area Two encompasses 586 acres within the City. The northern boundary of Project Area Two encompasses the area between Daly City and the Bayshore Freeway Route 101 along the boundary between the City and County of San Francisco and the City of Brisbane. The southern boundary encompasses the area between Bayshore Boulevard and Tunnel Avenue south to the intersection of the Caltrain railroad tracks and Tunnel Avenue. Project Area Two also includes an area surrounding Guadalupe Canyon Parkway and the PG&E substation. A profile of the Project Areas including plan limits and acreages are provided on Table 1. The boundaries of the two project areas are shown on the following maps.

B. Project Area Blighting Conditions

Table 2 summarizes the blight conditions in existence when the Project Areas were adopted. Project Area One suffers from parcels with multiple ownerships, underwater subdivision of unusable lots, vacant and underutilized land, inadequate vehicular and pedestrian access, unavailability of public utilities, geologic impediments, lack of public access to the bay, physical unattractiveness, and declining tax revenues. The blighting conditions in Project Area Two include vacant and underutilized land, contaminated sites, lack of public infrastructure and utilities, flooding, inadequate access, and deteriorated buildings.

Although redevelopment efforts have been undertaken to remove the blighting conditions since the date of the original plan adoption and the subsequent amendments, many are still prevalent today throughout the Project Areas. The Five-Year Implementation Plan is designed to assist the Agency in its efforts to continue to eliminate blighting conditions in the Project Area.



BOUNDARY MAP

Brisbane Community Redevelopment
 Project Area Number Two

Ironside & Associates
 Planning Consultants

TABLE 1
BRISBANE COMMUNITY REDEVELOPMENT PROJECT AREAS PROFILE
FIVE-YEAR IMPLEMENTATION PLAN, 2010-2014
BRISBANE COMMUNITY REDEVELOPMENT AGENCY

	<u>Project Area One</u>	<u>Project Area Two</u>
Date Adopted	December 6, 1976	June 14, 1982
Land Area	1,147 acres	586 acres
<i>Time Limits</i>		
Deadline for Incurring Debt	n/a ¹	n/a ⁵
Deadline for Redevelopment Activities	December 6, 2019 ²	June 14, 2025 ⁶
Deadline to Receive Tax Increment	December 6, 2029 ²	June 14, 2035 ⁶
Deadline for Eminent Domain	May 13, 2014 ³	July 22, 2014 ⁷
<i>Financial Limits</i>		
Annual Tax Increment	\$2.1 million ⁴	\$4.7 million ⁸
Tax Increment Limit	n/a	\$211 million ⁹
Bond Indebtedness Limit	\$50 million ³	\$75 million ⁷

Notes:

Project Area 1

1. Repealed, 4th amendment.
2. 6th amendment.
3. 3rd amendment.
4. 1976 dollars; to be adjusted by SF/Oakland CPI, as maintained by Bureau of Labor Statistics, US Dept. of Labor.

Project Area 2

5. Repealed, 5th amendment.
6. 7th amendment.
7. 4th amendment.
8. 1982 dollars; to be adjusted by SF/Oakland CPI, as maintained by Bureau of Labor Statistics, US Dept. of Labor.
9. Nominal dollars (1st amendment).

Source: BCRA.

**TABLE 2
BLIGHT CONDITIONS AT TIME OF ADOPTION BY PROJECT AREA
FIVE-YEAR IMPLEMENTATION PLAN, 2010-2014
BRISBANE COMMUNITY REDEVELOPMENT AGENCY**

	Project Area One	Project Area Two
BLIGHT CONDITIONS — LAW AT THE TIME OF PLAN ADOPTION		
Multiple Ownerships	X	
Underwater subdivision of unusable lots	X	
Vacant and underutilized land	X	X
Inadequate vehicular and pedestrian access	X	X
Inadequate public utilities, public improvements, facilities	X	X
Lots laid out in disregard to contours, topography, physical characteristics and surround conditions	X	X
Lack of public access to the bay	X	
Physical unattractiveness	X	
Declining tax revenues	X	
Impaired property values, due in significant part, to hazardous wastes		X
Economic dislocation, deterioration and disuse resulting from faulty planning		X
Lots of irregular form, shape and size		X
Lack of open space		X

Source: Brisbane Community Redevelopment Agency; KMA
 Prepared by: Keyser Marston Associates, Inc.
 Filename: \\SF-fs1\wp\10\10815\10815.006\Brisbane 12.03.09.xls; Table 2; 12/3/2009; hgr

C. Overview of Plan Progress/Project Area Accomplishments

As detailed in the following list, during the prior implementation plan period the Redevelopment Agency engaged in the following projects and programs.

- *Purchase of Park and Ride Lot.* In 2004/05, the Agency purchased a Park & Ride lot that the Agency had been leasing. The lot is located in Project Area One and provides an amenity in that Project Area. The lot was purchased for \$539,789.
- *Tunnel Avenue Bridge Project.* Between 2005/06 and 2006/07, the Agency spent \$482,149 from Project Area 2 and \$336,000 from Project Area One on the Tunnel Bridge project. The project replaced the substandard Tunnel Avenue railroad overcrossing, which was damaged in the Loma Prieta earthquake. The project was also funded by Federal/State transportation grants, private landowner contributions, and assessment district funds. The bridge project is now complete.
- *Baylands.* This 447 acre site (655 including the lagoon area) lies within both Project Area One and Project Area Two. The Agency has monitored and supported the City's planning activities in this area. As part of the EIR process, the City retained the services of Dyett & Bhatia to develop a community preferred alternative to be studied in the EIR at the same level of detail as the developer's proposed project. The City's costs for this process are being reimbursed by the land owner.
- *Sierra Point Hotel/Condominium Project.* In 2006 the City hired urban design firm Freedman, Tung and Bottomley (now Freedman, Tung and Sasaki) to evaluate and update the design guidelines for the Sierra Point Office Park. Specific objectives were to enhance the project's sense of place, improve public spaces, increase opportunities for community use, and strengthen the relationship between private development and public space to the benefit of the overall project. A total of \$81,000 was spent during the implementation plan period.
- *HCP Brisbane LLC.* In May 2008, the City Council approved the General Plan amendment, rezoning and design permit for HCP Brisbane LLC's 540,000 square foot research and development complex with 15,000 square feet of retail on a 22 acre site southeast of Sierra Point Parkway at Shoreline Court.
- *3000-3500 Marina Boulevard.* On April 2009, City Council approved the design permit and variance for two office buildings totaling 448,000 square feet.
- *Retired 1986 Tax Allocation Bonds.* Project Area #2 funded the debt service for the 1986 Tax Allocation Bond \$2,020,000 issuance. The proceeds of the bond funded the

acquisition and development of park land in the City. The Agency retired the debt in fiscal year 2005-06.

- *Ongoing Debt Service Obligations.* The Agency continued to fund debt service obligations for three other bond issuances: 2005 Lease Revenue Bonds; 2001 Tax Allocation Bonds; and 1998 Housing Tax Allocation Bonds. Debt service on the 1998 Housing Tax Allocation Bonds, which financed the construction of the senior housing project, is funded from the Low/Moderate Income Housing Fund. The 2005 Lease Revenue Bonds, which refunded the COPs for the fire station, were issued by the Brisbane Public Financing Authority, which entered into an agreement with the Agency to pay 66.5% of the debt service. The 2001 Tax Allocation Bonds refunded the outstanding bonds for the construction of the Marina and retired the debt to MetLife.

Agency progress in preserving and expanding the supply of housing available to low-and moderate-income households is described in Section III of this Plan.

II. NON-AFFORDABLE HOUSING GOALS, OBJECTIVES, PLANNED PROGRAMS, EXPENDITURES FOR 5-YEAR IMPLEMENTATION PLAN PERIOD

A. Project Area Goals and Objectives

The original objectives for the Redevelopment Project Areas included blight removal, job creation, economic growth and the creation of public utilities. These principal goals remain relevant for the 2010 - 2014 Implementation Plan. Agency goals and objectives for the Project Areas set forth in the Redevelopment Plans are summarized as follows:

1. Project Area One

Goals

- *Remove blight.* Provide an improved physical, social and economic environment within the city of Brisbane by the elimination of the social, economic and physical blight existing within the Project Area.
- *Create Jobs.* Expand employment opportunities for jobless, underemployed and low-income persons.
- *Facilitate Economic Growth.* Provide an environment for the social, economic, and psychological growth and well being of all citizens.

Objectives

- *Access.* Provide vehicular and pedestrian access to the Project Area.
- *Transportation.* Develop an integrated approach to transportation.
- *Utilities.* Construct public utilities in the Project Area.
- *Visual Environment.* Beautify and enhance the Project Area to create an improved visual environment and to promote comfort, convenience, safety, and visual unity in the Project Area.
- *Parking.* Create off-street parking facilities.
- *Recreational Uses.* Develop a wide variety of recreational uses, including public access to the bay.
- *Public Facilities.* Provide public facilities needed to support the Project Area, which may include any reasonably required public buildings, facilities, structures, or improvements.
- *Employment.* Provide expanded employment opportunities during the construction phase and on an on-going basis in the Project Area.
- *Land Acquisition.* Acquire property and install and construct any building, facility, structure, or other improvement reasonably required to carry out the activities set forth above.

2. Project Area Two

Goals

- *Improve Public Utilities.* Provide the public infrastructure and utilities necessary for development to occur within the Project Area.
- *Remove blight.* Provide an improved physical, social and economic environment within the city of Brisbane by the elimination of the social, economic and physical blight existing within the Project Area.
- *Create Jobs.* Expand employment opportunities for jobless, underemployed and low-income persons.
- *Facilitate Economic Growth.* Provide an environment for the social, economic, and psychological growth and well being of all citizens.

Objectives

- *Traffic Access.* Provide and improve traffic access to the Project Area.
- *Flooding.* Alleviate flooding and other associated problems within the Project Area.
- *Water and Sewer.* Provide water and sewer utilities in the Project Area.
- *Access.* Provide vehicular and pedestrian access to the Project Area.
- *Transportation.* Develop an integrated approach to transportation.
- *Utilities.* Construct public utilities in the Project Area.
- *Visual Environment.* Beautify and enhance the Project Area to create an improved visual environment and to promote comfort, convenience, safety, and visual unity in the Project Area.
- *Parking.* Create off-street parking facilities.
- *Recreational Uses.* Develop a wide variety of recreational uses, including public access to the bay.
- *Public Facilities.* Provide public facilities needed to support the Project Area, which may include any reasonably required public buildings, facilities, structures, or improvements.
- *Employment.* Provide expanded employment opportunities during the construction phase and on an on-going basis in the Project Area.
- *Property Acquisition.* Acquire property and install and construct any building, facility, structure, or other improvement reasonably required to carry out the activities set forth above.
- *Housing.* Provide an increased and improved supply of housing available at an affordable cost to persons and families of very low, low and moderate income.

B. Programs, Projects and Expenditures for the Next Five Years and How They Will Assist in the Elimination of Blight

The Agency has identified programs and projects that may be implemented during the five-year period of the subject implementation plan (FY 2009/10 to 2013/14). Due to the overall economic recession and the lack of developer activity in Brisbane, the Agency does not anticipate launching any new non-housing programs or projects over the next five years. However, the Agency will further advance existing projects and programs. Descriptions of the activities as well as the blighting conditions to be addressed are as follows:

1. Lease Revenue Bonds Debt Service Payments

The Brisbane Public Financing Authority issued a \$4,745,000 Certificates of Participation (COP) in December 1995 to refinance the \$4,500,000 1988 COP that funded the new fire station on Bayshore Blvd. and the Margaret Rd. water tank. The City entered into a lease agreement with the Agency whereby the City funds 33.5% of debt service payments and the Agency funds the remaining 66.5%. In 2005, Lease Revenue Bonds were issued to refinance the 1995 COPs. This was done to take advantage of available lower interest rates. The issuance of the Lease Revenues Bonds provided the City with the opportunity to refund the outstanding COPs and without extending the payoff schedule, still have annual savings of about \$33,000 for the life of the refunding bonds.

Expenditures

The Agency anticipates contributing \$1,061,972 during the planning period to repay its portion of the debt service associated with these bonds. The Agency's share of the remaining debt will be \$855,589 at the end of the planning period.

Timeline

Repayment of the bonds will be completed in 2018.

Plan Objectives the Project Will Address

- Provide public facilities needed to support the Project Area, which may include any reasonably required public buildings, facilities, structures, or improvements.
- Acquire property and install and construct any building, facility, structure, or other improvement reasonably required to carry out the activities set forth above.

Conditions of Blight the Project Will Address

- Inadequate Public Improvements/Facilities

2. 2001 Tax Allocation Bonds Debt Service Payments

In March 2001, the Agency refunded the 1984 Series Bond with the 2001 Tax Allocation Bonds; new bond proceeds were used to conclude the lease/leaseback agreement with Metropolitan Life by paying off the outstanding debt for public facilities in Project Area One. The 2001 Bonds were issued in the amount of \$26,300,000.

Expenditures

The Agency anticipates contributing \$9,665,600 during the planning period to pay the existing debt service associated with these bonds. After the planning period has expired, the Agency will still owe \$23,188,800 of principal debt and interest payments over the remaining life of the bond.

Timeline

Repayment of the bonds will be completed in 2026.

Plan Objectives the Project Will Address

- Provide public facilities needed to support the Project Area, which may include any reasonably required public buildings, facilities, structures, or improvements.
- Acquire property and install and construct any building, facility, structure, or other improvement reasonably required to carry out the activities set forth above.

Conditions of Blight the Project Will Address

- Inadequate Public Improvements/Facilities

3. The Baylands

The Brisbane Baylands Planning Subarea encompasses approximately 660 acres generally bordered on the west by Bayshore Boulevard, north by City and County of San Francisco, east by the U.S. Hwy 101 causeway, and south by Brisbane Lagoon. The Baylands Subarea lies within both Project Area One and Project Area Two. Universal Paragon Corporation, the primary property owner, submitted a Specific Plan in February 2006 for the easterly approximately 300 acres of the site. The City is now in the process of developing alternatives to the proposed project for study in the Environmental Impact Report.

Expenditures

The draft Specific Plan identifies significant capital improvement costs associated with the development of the Baylands. It is expected that a portion of the costs will be funded by the property owner and a portion will be funded by the Agency, assessment district bonds and other possible sources such as Measure A funding and federal TEA-21 funds. Possible Agency's expenditures include funding for road improvements, pedestrian and bicycle paths, public utilities, public plazas, etc.

Assuming the Agency does not implement any more projects than are listed in this Plan, during the next five years and the Agency does not issue any additional debt, the Agency has the capacity to pledge up to \$7.2 million over the five year period if there is no SERAF payment, and up to \$5.1 million if there is a SERAF payment. However, the Agency might issue additional bonds, which would allow the Agency to provide additional funding to projects in this planning period.

Timeline

It is anticipated that the EIR will be published in 2010, which will allow for public hearings on the Specific Plan to commence. Once the Specific Plan is approved, there will still be levels of review required before development can commence. The timeframe is difficult to specifically predict but the Agency does not anticipate development occurring within this planning period.

Plan Objectives the Project Will Address

- Create an improved visual environment and to promote comfort, convenience, safety, and visual unity.
- Provide public facilities needed to support the Project Area.
- Acquire property and install and construct any building, facility, structure, or other improvement reasonably required to carry out the activities set forth above.
- Alleviate flooding and other associated problems within the Project Area.
- Provide water and sewer utilities in the Project Area.
- Provide vehicular and pedestrian access to the Project Area.
- Develop an integrated approach to transportation.
- Create off-street parking facilities.

Conditions of Blight the Project Will Address

- Depreciated/stagnant property values; impaired investments
- Physical conditions that limit the economic viability and use of lots/buildings

4. Administration and Planning

The administration and planning activities of the Agency cover on-going operations of the Agency as well as feasibility and planning studies, redevelopment plan adoptions and amendments, and other administrative and planning activities necessary to implement the Redevelopment Plan.

Unforeseen projects in addition to those identified may be pursued in the implementation of the specific programs identified. In all cases, the Agency will only undertake those projects that are

feasible given the resources at the time. There is no commitment to undertake projects beyond the resources of the Agency, nor is the identification of possible projects and programs in this implementation plan constitute a formal approval by the Agency of any specific project. It is anticipated that the Agency will periodically review the above-proposed programs, projects and expenditures and adjust its priorities based on the resources available at that time.

C. How the Agency's Goals, Objectives, Projects and Programs will assist in the Elimination of Blight

The proposed redevelopment projects and programs delineated in this Plan will advance the agency's goals and objectives and eliminate blighting conditions in the Project Area. The relationship between each goal, objective and proposed program and the elimination of blighting conditions is summarized in Table 3.

D. Financing Redevelopment Activities

Estimates of the Agency's revenues, expenditures and net revenues available for projects and programs over the next 5 years are shown on Table 4. It is estimated that Project Area One will generate a total of \$16.2 million of gross tax increment (net of deposits to the Low/Mod. Housing Fund) over the five year period. The Agency's expenses include debt service obligations, payments to taxing agencies and administration expenses. Debt service expenses in Project Area One are estimated to total \$9.7 million over the period, taxing agency payments are estimated to total \$510,000 and administration expenses are estimated to total \$990,000. As shown on Table 4, the combined cumulative total of expenditures over the 5 years is anticipated to total \$11.2 million.

Project Area Two is estimated to generate a total of \$4.8 million of gross tax increment (net of deposits to the Low/Mod. Housing Fund) over the five year period. The Agency's expenses include debt service obligations, payments to taxing agencies and administration expenses. Debt service expenses in Project Area Two are estimated to total \$1.1 million over the period, taxing agency payments are estimated to total \$1.2 million and administration expenses are estimated to total \$1.5 million. As shown on Table 4, the combined cumulative total of expenditures over the 5 years is anticipated to total \$3.8 million.

The amount of net revenues that will be available to the Agency to fund future discretionary projects and programs will be significantly impacted by the ultimate outcome of the SERAF legislation (SB 26 4x). Under this recently approved legislation, the Agency will be obligated to make a payment of approximately \$1.7 million in FY 2009/10 and a payment of approximately \$350,000 in FY 2010/11. The legislation is currently being legally challenged.

If the legislation is upheld, the Agency can use any legally available funds to make the SERAF payment. As summarized in the following chart, if the legislation is upheld, then the Agency will

have approximately \$5.1 million available for new projects and programs over the 5-year period. If, however, the legislation is overturned, then the Agency's available funds would increase to approximately \$7.2 million.

Net Non-Housing Increment Available for Projects and Programs, FY 2009/10 – FY2013/14			
	<i>Project Area One</i>	<i>Project Area Two</i>	<i>Total</i>
Beginning Balance	\$998,000	\$82,000	\$1,080,000
Tax Increment Net of Housing	\$16,232,000	\$4,818,000	\$21,049,000
Existing Obligations, Administrative Costs, and Pass-Throughs	\$11,173,000	\$3,757,000	\$14,930,000
Net Available Before SERAF	\$6,057,000	\$1,143,000	\$7,199,000
Potential SERAF Payment			\$2,071,000
Net Available After SERAF			\$5,128,000

TABLE 4
Projected Net Tax Increment Available for Non-Housing Redevelopment Activities
FIVE-YEAR IMPLEMENTATION PLAN, 2010-2014
BRISBANE COMMUNITY REDEVELOPMENT AGENCY

PROJECT AREA ONE

	<u>FY2009-10</u>	<u>FY2010-11</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>FY2013-14</u>	<u>Total, 5 Years</u>
Revenues						
Beginning Balance	\$997,562					\$997,562
Gross Tax Increment ¹	\$2,900,000	\$3,010,000	\$3,056,200	\$3,103,324	\$4,162,190 ⁶	\$16,231,714
Interest Income and Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$3,897,562	\$3,010,000	\$3,056,200	\$3,103,324	\$4,162,190	\$17,229,277
Fixed Obligations and Administrative Expenses						
Taxing Agency Payments ²	\$92,620	\$94,470	\$96,359	\$98,287	\$131,822	\$513,558
Administration ³	\$187,122	\$192,730	\$198,512	\$204,467	\$210,601	\$993,432
Debt Service ⁴	\$1,931,200	\$1,932,600	\$1,934,800	\$1,932,200	\$1,934,800	\$9,665,600
Total Fixed and Administration, Before SERAF	\$2,210,942	\$2,219,800	\$2,229,671	\$2,234,954	\$2,277,224	\$11,172,591
Total Available Funding, Before SERAF	\$1,686,620	\$790,200	\$826,529	\$868,370	\$1,884,967	\$6,056,686

PROJECT AREA TWO

	<u>FY2009-10</u>	<u>FY2010-11</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>FY2013-14</u>	<u>Total, 5 Years</u>
Revenues						
Beginning Balance	\$82,333					\$82,333
Gross Tax Increment ¹	\$930,872	\$946,872	\$963,192	\$979,838	\$996,818	\$4,817,592
Interest Income and Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$1,013,205	\$946,872	\$963,192	\$979,838	\$996,818	\$4,899,925
Fixed Obligations and Administrative Expenses						
Taxing Agency Payments	\$232,718	\$236,718	\$240,798	\$244,960	\$249,204	\$1,204,398
Administration ³	\$280,884	\$289,253	\$297,931	\$306,869	\$316,075	\$1,491,011
Debt Service ⁵	\$212,283	\$214,245	\$212,682	\$210,812	\$211,950	\$1,061,972
Total Fixed and Administration, Before SERAF	\$725,885	\$740,216	\$751,411	\$762,640	\$777,229	\$3,757,380
Total Available Funding, Before SERAF	\$287,320	\$206,656	\$211,781	\$217,199	\$219,588	\$1,142,544

TOTAL AVAILABLE FUNDING WITH AND WITHOUT SERAF

Project Areas One and Two, Combined						
Total Available Funding, Without SERAF	\$1,973,940	\$996,856	\$1,038,310	\$1,085,569	\$2,104,555	\$7,199,230
Potential SERAF Obligation	\$1,717,528	\$353,266				\$2,070,794
Total Available Funding, With SERAF	\$256,412	\$643,590	\$1,038,310	\$1,085,569	\$2,104,555	\$5,128,436

¹ Gross tax increment is net of Low/Mod Housing Fund Deposits

² FY2009-10 and FY2010-11 from Agency Budget. FY2011-12 and FY2012-13 based on 2% annual growth, per Agency staff. FY2013-14 based on percent of gross tax increment to account for increase in tax increment (see note 6).

³ FY2009-10 and FY2010-11 from Agency Budget. Later years estimated based on 3% annual growth.

⁴ Debt service payments for 2001 Refunding of MetLife bonds.

⁵ Debt service payments for 2005 Brisbane Refunding Lease Revenue Bond.

⁶ Includes preliminary estimate of tax increment generated by portion of HCP Brisbane LLC's Sierra Point project.

III. HOUSING COMPLIANCE AND PLAN

A. Introduction

This is the Affordable Housing Compliance portion of the Implementation Plan. It has been prepared to meet the requirements of the California Redevelopment Law (CRL) and to guide the Redevelopment Agency in its housing related activities over the next five years. Neither Redevelopment Project Area One nor Project Area Two contain any residentially-zoned land; therefore, the Agency is under no obligation to produce new affordable housing units within the Project Areas. The Agency is required, however, to allocate 20% of the Property Tax Increment to a Low and Moderate Income Housing Fund for the purpose of increasing, improving and preserving Brisbane's supply of affordable housing. The legal requirements are explained in more detail below.

Specifically, this report addresses the following section of the California Health and Safety Code:

- Low and moderate-income housing production requirements (Section 33413)
- Replacement housing requirements (Section 33413)
- Twenty percent (20%) housing fund requirements (Section 33334.2)
- Housing fund expenditure targeting requirements (Section 33334.4)

In 1991, the California State Legislature adopted Assembly Bill 315, which added Subsection 33413(b)(4) to the State Health and Safety Code. AB 315 requires each redevelopment agency to adopt a plan demonstrating how the agency will comply with the affordable housing production requirements of the Code. The plan is often referred to as an AB 315 Plan.

In 1993, the Legislature adopted Assembly Bill 1290, a comprehensive redevelopment reform bill. One of the key provisions is the requirement that each agency prepare and adopt an overall Implementation Plan. The Implementation Plan incorporates the AB 315 requirements for the housing portion of redevelopment activities and establishes a time frame and process for the plan as a whole. AB 1290 also specifies additional requirements with respect to housing production compliance and expenditures of the Agency's Low- and Moderate-Income Housing Fund monies. As with existing law, AB 1290 also requires that the Plan be consistent with the City's Housing Element, which has its own time line for adoption and amendment.

In 2002, Assembly Bill 637 and Senate Bill 211 were added to the Community Redevelopment Law. AB 637 changes the redevelopment agency affordable housing production, replacement housing, and Low- and Moderate-Income Housing Fund requirements. SB 211 established a simplified procedure to eliminate debt incurrence time limits for pre-1994 plans, allowed amendments to redevelopment plans to extend plan effectiveness/tax increment receipt deadlines for pre-1994 plans, and required that certain affordable housing obligations be met by

the end of the redevelopment plans. Due to several inconsistencies created by these two pieces of new legislation in the Community Redevelopment Law, a third piece, Senate Bill 701, was adopted in 2003 to “clean up” and clarify much of the confusion created by AB 637 and SB 211, and to make some additional changes to the Redevelopment Law.

This section, therefore, is the Brisbane Community Redevelopment Agency’s AB 315 Plan as well as the housing portion of the Agency’s AB 1290 Implementation Plan, updated with the changes required by the three pieces of newly-adopted legislation, AB 637, SB 211 and SB 701. Per AB 315 and as amended by SB 637, the Agency is required to meet its housing production requirements during each specific ten year period (from January 1, 2005 to December 31, 2014). Per SB 701, the Agency actually has an initial 13-year compliance period (from January 1, 2002 to December 31, 2014) to meet its first round of Housing Fund targeting requirements. Under the provision, 2014 becomes the ending date for compliance with both sets of requirements.

Per AB 1290, the Agency must adopt an Implementation Plan, with its housing component, for 2010-2014. The law requires that the Plan be reviewed in a public hearing, and by inference amended if desirable, between two and three years after adoption. A new Implementation Plan is required to be prepared and adopted every five years.

B. Affordable Housing Production Compliance Status

As noted above, there is no residentially-zoned land in either Project Area, no residential units have been constructed to date and the Agency does not anticipate that any residential development will occur in either Project Area One or Project Area Two. Given the absence of any residential development in the Project Areas, the CRL’s affordable housing production requirements do not apply to either Project Area One or Two.

C. Replacement Unit Compliance Status

California Redevelopment Law requires that dwelling units housing persons and families of low- or moderate-income removed as a result of redevelopment action must be replaced by an equal number of units that have an equal or greater number of bedrooms as those removed. Prior to January 1, 2002, 75% of the replacement units were required to be affordable to households at the same or lower income levels as the household displaced. Post January 1, 2002, 100% of the replacement units must be affordable to households at the same or lower income levels as those displaced. Demolished units must be replaced within four years of being removed.

There have been no demolished units in either Project Area One or Project Area Two. Currently, there are no housing units in either of the Project Areas. Therefore, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced.

D. Housing Fund Revenues and Expenditures

The CRL requires a redevelopment agency to direct at least 20% of all gross tax increment revenues generated in its project area to a separate Low and Moderate Income Housing Fund. These funds must be used for the purpose of increasing, improving or preserving the supply of low and moderate income units within the community. To fulfill this purpose, agencies may expend funds on a fairly broad range of uses for affordable housing, including land acquisition, building acquisition, construction of new units, on- and off-site improvements, rehabilitation of existing units, a portion of principal and interest payments on bonds, loans and subsidies to buyers or renters, and other programs that meet the stated objectives.

This section summarizes the Agency's Housing Fund resources now available and expected to be available over the next 5 years, and how those resources will be expended to meet the purposes summarized above.

1. Housing Fund Resources, 2010 – 2014

The Agency receives revenue solely from the property tax increment on property within the redevelopment project areas and from interest on fund balances. Upon receipt, this revenue is divided into three funds. These funds are identified as: *Fund 281 – Redevelopment Operating – Project Area One*, *Fund 282 – Redevelopment Operating – Project Area Two* and *Fund 283 – Redevelopment – Low/Mod Housing*. There is one Low/Mod Housing Fund for both project areas. The Redevelopment Law requires that no less than 20% of gross tax increment (for both Project Areas One and Two) must be deposited into Fund 283 (Low/Mod Housing Fund) and used strictly for low- to moderate-income housing activities.

The cash flow projection for the Low and Moderate Income Housing Fund is presented on Table 5. As shown, it is estimated that the Low/Mod Housing Fund had a balance of \$5,562,950 at the beginning of FY2009/10. Over the next five years housing fund deposits are expected to average \$1,050,000 per year, totaling \$5.3 million over the 5-year period. The cumulative total of available resources over the 5-year period including the beginning balance is anticipated to approximate \$10.8 million.

Estimated Annual Tax Increment Deposits into Low/Mod Income Housing Fund	
FY 2009/10	\$958,000
FY2010/11	\$989,000
FY2011/12	\$1.00 million
FY2012/13	\$1.02 million
FY2013/14	\$1.29 million
<i>Total Deposits</i>	<i>\$5.26 million</i>

Table 5
Projected Low and Moderate Income Housing Fund Revenues and Expenditures, 2010-2014
FIVE-YEAR IMPLEMENTATION PLAN, 2010-2014
BRISBANE COMMUNITY REDEVELOPMENT AGENCY

<u>Revenues</u>	<u>FY2009-10</u>	<u>FY2010-11</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>FY2013-14</u>	<u>Total, 5 Years</u>
Beginning Balance	\$5,562,950	\$3,939,430	\$2,467,578	\$1,959,693	\$2,362,329	\$5,562,950
Gross Tax Increment ¹	\$957,718	\$989,218	\$1,004,848	\$1,020,791	\$1,289,752 ⁴	\$5,262,327
Interest Income						\$0
Other Revenues						\$0
Total Revenues	\$6,520,668	\$4,928,648	\$3,472,426	\$2,980,483	\$3,652,081	\$10,825,276
<u>Fixed Obligations and Administrative Expenses</u>						
Administration ²	\$96,263	\$99,325	\$102,305	\$105,374	\$108,535	\$511,802
Debt Service ³	\$115,243	\$117,915	\$115,429	\$117,780	\$114,968	\$581,334
Total Fixed and Administration	\$211,506	\$217,240	\$217,734	\$223,154	\$223,503	\$1,093,136
<u>Available For Discretionary Projects and Programs</u>						
<i>Anticipated Discretionary Projects and Programs</i>						
Professional Services	\$13,232	\$3,830	\$5,000	\$5,000	\$5,000	\$32,062
Contributions - HIP Housing	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
McLain Road Acquisition and Predevelopment	\$2,035,000	\$1,050,000	\$1,000,000	\$200,000	\$2,000,000	\$4,085,000
163 Visitacion Ave	\$10,000	\$1,000,000	\$100,000	\$185,000	\$185,000	\$3,310,000
First Time Homebuyer Program	\$306,500	\$185,000	\$185,000	\$395,000	\$2,195,000	\$1,046,500
Total Discretionary Expenditures	\$2,369,732	\$2,243,830	\$1,295,000	\$395,000	\$2,195,000	\$8,498,562
Ending Balance	\$3,939,430	\$2,467,578	\$1,959,693	\$2,362,329	\$1,233,579	\$1,233,579

¹ Estimates provided by Agency.

² FY2009-10 and FY2010-11 from Agency Budget. Later years estimated based on 3% annual growth.

³ Debt service payments for 1998 TAB.

⁴ Includes preliminary estimate of tax increment generated by portion of HCP Brisbane LLC's Sierra Point project.

2. Housing Fund Programs, Projects, and Expenditures

The Agency's anticipated annual Housing Fund expenditures for the next five years are presented in Table 5. The Housing Fund's only debt obligation is debt service on the 1998 bond issue. Debt service will total \$581,000 over the 5-year period. In addition to debt service, it is estimated that the Agency will incur approximately \$512,000 of administrative expenses over the 5-year period. Administrative expenses include employee salaries, supplies, and equipment.

As shown on Table 5, after deducting the Fund's fixed and administrative expenses, it is estimated that the Housing Fund will have a total of \$9.7 million available to fund discretionary expenditures over the next 5 years. Major projects and programs over the next five years include the following:

- Continue to facilitate development of the McLain Road affordable housing project, including completion of the land purchase, predevelopment expenses, acquisition of density transfer donor parcels, road and utility extensions, and possibly funding construction loans to the developer. The project is anticipated to provide 20-25 ownership units, all of which would be restricted to Very Low income households. The Agency is in contract to purchase the site for \$1,980,000. Not including the possible construction loans, the Agency anticipates expending \$4,085,000 on this project over the next three years.
- Continue in the conceptual planning for the Agency-owned 163 Visitacion Avenue site, including exploring the acquisition of the adjacent site to assemble a sufficient site for a mixed use project with a ground floor library with housing above. The existing site is 11,900 square feet in size and is designated for mixed use development. The property was purchased in 2003 for \$800,000 using Low/Mod Housing Fund revenues.

Still in the conceptual stages, it is thought that the larger assembled site would accommodate between 10 and 20 affordable ownership units with an undetermined income mix. The Agency anticipates spending \$10,000 in FY2009-10 on planning for the site. Acquisition of the adjacent site is anticipated for the following year, and is estimated to cost in excess of \$1.0 million. Design, engineering and other predevelopment expenses are anticipated to total \$300,000 or more. And, if necessary, the Agency will consider providing a portion of the construction financing. For planning purposes, the Agency has budgeted approximately \$3.3 million for this project over the next five years.

- Continue to search for other opportunities to increase the supply of affordable housing. The Agency will continue to look for underutilized properties that are suitable to be redeveloped with affordable housing and opportunities to acquire existing rental properties that are in need of rehabilitation. A budget has not been established but it is estimated that the Agency will have approximately \$1.2 million in funds beyond anticipated expenditures that could be used to acquire an additional property.

- Continue to fund the Agency's First Time Homebuyer Program. The Agency will provide financial assistance to interested low and moderate income first time home buyers. Under the program, low income and moderate income buyers are able to receive loans up to \$200,000. The program was revised and expanded to the entire city of Brisbane in 2004 (previously, the program was limited to a certain neighborhood and the loan amounts were very small). In FY2007-08, the Agency increased the loan limits to encourage use of the program. Since 2004, when the program was revised, the Agency provided one loan of \$125,000 in FY2005-06, and recently closed on a second loan of \$185,000 in FY2009-10. The Agency is currently processing a loan for \$121,500. In addition, the Agency anticipates processing one loan per year, for approximately \$185,000 each, for the rest of the planning period. All of the loans (made and planned) are for moderate income households.

- The Agency will continue to monitor the availability of alternative and/or additional sites for affordable housing developments.

- The Agency will continue to pursue the possibility of purchasing existing apartment projects, for the agency to rehabilitate and convert into deed-restricted affordable housing.

It should be noted that the Agency will only undertake those projects that are feasible given the actual resources that are available at the time and there is no commitment to undertake projects beyond the resources of the Agency.

The actual number of units to be assisted is difficult to measure, but it is estimated that the Agency's funds will be used to assist the following number of households over the 5-year period:

Affordable Units Assisted	
2009-10	2
2010-11	1
2011-12	1
2012-13	1
2013-14	31-46

3. Expenditures Relative to the Community's Need

Under CRL Section 33334.4, the Agency must target its Housing Fund expenditures to assist: (1) low and very low-income households in proportion to the units needed to assist such households as determined by the regional fair share allocation; and (2) all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census. These "Housing Fund Targeting Requirements" must be

satisfied for 10-year periods throughout the life of the Plan, with the initial period extending 13 years, from January 2002 through December 2014.

a. *Proportionality by Income Levels*

The income proportionality test requires that the Agency target set-aside expenditures to the relative percentage of unmet need for very low-, low-, and moderate income units, as defined in the City's most recently approved Housing Element. The City's final Regional Housing Need Allocation (RHNA) for the 2007-2014 General Plan Housing Element is as follows.

2007 to 2014

91 very low-income units;
66 low income units;
77 moderate income units; and

The distribution of the prior RHNA was as follows:

107 very low-income units;
43 low income units; and
112 moderate income units

Consistent with these distributions, the Agency's minimum required allocation for very low- and low income expenditures, and maximum moderate income housing expenditures are as follows:

2002 to 2006

Very Low Income	At least 41%
Low Income (excluding very low)	At least 17%
Moderate Income (excluding very low and low)	No more than 42%

2007 to 2014

Very Low Income	At least 39%
Low Income (excluding very low)	At least 28%
Moderate Income (excluding very low and low)	No more than 33%

The Agency is entitled to expend a disproportionate amount of funds for very low-income households, and to subtract a commensurate amount from the low and/or moderate income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate income households. In no event can the expenditures targeted to moderate income households exceed the established threshold amount.

As shown on Table 6, over the 13-year targeting period, the Agency intends to spend approximately 68% (\$6.8 million) of its projects and program expenditures on Very Low income housing, which significantly exceeds the RHNA requirement of 39%. The Agency plans to spend \$2.1 million on Low Income units, or 20%. Combined expenditures to assist very low and low income households, at \$8.9 million or 88%, exceed the targeting requirement of 67%. In total, the Agency anticipates spending approximately \$10.1 million on projects and programs over the period extending from 2002 through 2014.

	Very Low Income	Very Low + Low Income	Moderate Income	Total
Required Proportionate Target (most stringent)	At least 39%	At least 67%	No more than 33%	
Intended Appropriation of Housing Fund (% of Spending)	\$6.8 million (68%)	\$8.9 million (88%)	\$1.2 million (12%)	\$10.1 million

Table 6
Low and Moderate Income Housing Expenditure Plan
FIVE-YEAR IMPLEMENTATION PLAN, 2010-2014
BRISBANE COMMUNITY REDEVELOPMENT AGENCY

	Estimated 2001-02	Estimated 2002-03	Estimated 2003-04	Estimated 2004-05	Estimated 2005-06	Estimated 2006-07	Estimated 2007-08	Estimated 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Cumulative
Breakout of Expenditures on Projects and Programs														
McLain Road: Very Low							\$5,000	\$89,881	\$2,035,000	\$1,050,000	\$1,000,000			\$4,174,881
HIP Housing: Very Low							\$267	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$35,000
First Time Home Buyers Program: Moderate				\$10,979	\$125,000	\$0	\$267	\$0	\$306,500	\$185,000	\$185,000	\$185,000	\$185,000	\$1,182,746
Habitat for Humanity: Very Low				\$15,548	\$13,898	\$245,253	\$110,037							\$584,736
163 Visitacion Ave: Low (50%)									\$5,000	\$500,000	\$50,000	\$100,000	\$1,000,000	\$2,055,000
163 Visitacion Ave: Very Low (50%)									\$5,000	\$500,000	\$50,000	\$100,000	\$1,000,000	\$2,055,000
Total	\$0	\$1,000,000	\$0	\$26,526	\$138,898	\$245,253	\$115,304	\$94,881	\$2,356,500	\$2,240,000	\$1,290,000	\$390,000	\$2,190,000	\$10,087,362

	Estimated 2001-02	Estimated 2002-03	Estimated 2003-04	Estimated 2004-05	Estimated 2005-06	Estimated 2006-07	Estimated 2007-08	Estimated 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Cumulative
Expenditure Targeting														
Annual Expenditures, Very Low	\$0	\$600,000	\$0	\$15,548	\$13,898	\$245,253	\$115,037	\$94,881	\$2,045,000	\$1,555,000	\$1,055,000	\$105,000	\$1,005,000	\$6,849,617
Annual Expenditures, Low	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$500,000	\$50,000	\$100,000	\$1,000,000	\$2,055,000
Annual Expenditures, Moderate	\$0	\$0	\$0	\$10,979	\$125,000	\$0	\$267	\$0	\$306,500	\$185,000	\$185,000	\$185,000	\$185,000	\$1,182,746
Total	\$0	\$1,000,000	\$0	\$26,526	\$138,898	\$245,253	\$115,304	\$94,881	\$2,356,500	\$2,240,000	\$1,290,000	\$390,000	\$2,190,000	\$10,087,362
% Very Low, Cumulative				60%	54%	62%	65%	67%	79%	75%	76%	74%	68%	68%
% Low Cumulative				39%	34%	28%	26%	25%	10%	15%	13%	13%	20%	20%
% Moderate, Cumulative				1%	12%	10%	9%	8%	11%	10%	11%	13%	12%	12%
Senior	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Senior	\$0	\$1,000,000	\$0	\$26,526	\$138,898	\$245,253	\$115,304	\$94,881	\$2,356,500	\$2,240,000	\$1,290,000	\$390,000	\$2,190,000	\$10,087,362
Total	\$0	\$1,000,000	\$0	\$26,526	\$138,898	\$245,253	\$115,304	\$94,881	\$2,356,500	\$2,240,000	\$1,290,000	\$390,000	\$2,190,000	\$10,087,362
% Senior, Cumulative				0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Non-Senior, Cumulative				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

b. *Proportionality by Age*

The age restriction proportionality requirements of Section 33334.4 require moneys in the Low and Moderate Income Housing Fund be used to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low income households of the community as reported in the most recent census of the United States Census Bureau. According to Census 2000 (CHAS Data Book), low-income senior households represent approximately 21% of the low-income households within the City. Conversely, low income households without a member over age 65 represent approximately 79% of households in Brisbane. Consistent with this age distribution for low income households, the Agency is required to expend at least 79% of its Low and Moderate Income Housing Fund from January 1, 2002 through December 31, 2014 on non-age restricted projects. As reported by the Census 2000, Brisbane's population was 3,597 with the population under 65 totaling 3,305.

As shown on Table 6, the Agency does not intend to assist any age-restricted projects over the period. Therefore, it is anticipated that the Agency will be in full compliance with the age-restriction targeting requirements.

	Non-Senior	Senior	Total
Proportionate Target (most stringent)	At least 79%	No more than 21%	
Target Appropriation of Housing Fund (% of Spending)	\$10.1 million (100%)	\$0 (0%)	\$10.1 million

c. *Prior Implementation Plan Period Targeting Expenditures*

Pursuant to Section 33490 (a)(2)(C)(iv), the Implementation Plan shall identify the following relative to the prior Implementation Plan period (2004-2009):

- i. *Amounts of Low and Moderate Income Housing Fund monies utilized during the prior implementation plan period to assist units affordable to and occupied by extremely low, very low and low income households. The Agency did not assist any units restricted to extremely low income households. The breakdown of expenditures by income category is as follows:*

	Extremely Low	Very Low	Low
2005 – 2009	\$0	\$484,617	\$0

- ii. *Number, location, and level of affordability of newly constructed units with other locally controlled governmental assistance and without Agency assistance and that have the requisite deed restrictions. During the prior implementation plan period, no deed restricted units were built with locally controlled assistance and without Agency assistance.*

- iii. *The amount of Low and Moderate Income fund moneys utilized to assist housing units available to families with children and the location, number and level of affordability of those units.*

As presented in Table 6, the Agency spent a total of \$621,000 of Low and Moderate Income funds on non-age restricted housing during the prior implementation plan period. Funds were used for first time homebuyer loans, the McLain Road project, the Habitat for Humanity Project and donations to HIP Housing. The non-age restricted recipients of assistance are as follows:

2005 – 2009	Very Low	Low	Moderate
McLain Road	\$89,881		
HIP Housing	\$10,000		
First Time Home Buyers Program			\$136,246
Habitat for Humanity	\$384,736		\$0
Total	\$484,617	\$0	\$136,246

4. Excess Surplus

At the end of FY2005/06, the Agency entered into “Excess Surplus” status, as the unencumbered funds in the Housing Fund exceeded the amount allowable under Redevelopment Law by \$394,769. The amount of excess surplus continued to increase each year, as shown below.

Excess Surplus	
End of 2005/06	\$394,769
End of 2006/07	\$858,260
End of 2007/08	\$1,488,864

While the amount had been increasing, the Agency annually expended sufficient amounts to be in compliance with the legal requirements of Section 33334.12.

Excess Surplus must be spent or encumbered within three years from the time the amount became an Excess Surplus. As discussed above, the Agency is in contract to purchase a site on McLain Road for affordable housing development; encumbering the funds for this purchase has eliminated the FY2005/06 and FY2006/07 excess surplus and part of the FY2007/08 excess surplus. The Agency anticipates expending and encumbering sufficient funds during the Implementation Plan period to eliminate the remaining Excess Surplus.

E. Consistency with Housing Element

AB 1290 and AB 315 require that the Agency’s affordable housing activities be consistent with the City’s Housing Element. The Housing Element addresses the housing issues of the entire City of Brisbane of which the Project Area is a part. The following are some of the commitments

set forth in the City's Draft 2009 General Plan Housing Element which will enhance both the City's and the Agency's ability to increase the supply of affordable housing in Brisbane.

As detailed below, the City's housing goals, as specified in the Draft General Plan, include:

- Study alternatives for use of the City's Redevelopment Low and Moderate Income Housing Fund to provide affordable housing, and support affordable housing programs as opportunities arise and funds become available.
- Maintain a diverse population by responding to the housing needs of all individuals and households, especially seniors and those with income constraints or special needs.
- Provide housing opportunities for all persons, regardless of age, sex, race, ethnic background, income, marital status, disability, family composition, national origin, or sexual orientation.
- Encourage compact, in-fill, mixed use and transit oriented development to reduce vehicle miles traveled and greenhouse gas emissions.

The Agency's programs and expenditures are consistent with and supportive of the General Plan Housing Element's affordable housing objectives. As discussed in this Plan the Agency funds the following programs:

- Assistance for new construction. The Agency will continue to help assemble development sites for new housing projects and provide assistance for the development of new affordable housing. Over the next five years, it is estimated that the Agency will spend \$7.4 million on new affordable housing development.
- The Agency's First Time Homebuyer program, which provides second mortgages to low and moderate households purchasing homes in Brisbane, helps the City maintain a diverse population and provide housing opportunities for households who otherwise would not be able to purchase homes in Brisbane.
- The Agency is in the planning process for a mixed use project at 163 Visitacion Avenue. The Agency is currently exploring the concept of a ground-floor library with housing above.
- The Agency continues to explore new alternatives for use of the Low and Moderate Income Housing Fund to provide affordable housing.