Lancaster
Redevelopment Agency

FIVE-YEAR

IMPLEMENTATION PLAN

2005-2009

(Including the CCRL Section 33413(b)(4) Housing compliance Plan)

for the

Lancaster Residential, Lancaster Central Business District,
Lancaster Fox Field, Armagosa Redevelopment Projects,
and City of Lancaster Redevelopment Project Nos. 5 and 6,
and Redevelopment Project Area No. 7

Prepared By:
URBAN FUTURES, INC.
3111 N. Tustin Ave. Ste 230
Orange, CA 92865

In Conjunction With:
THE LANCASTER REDEVELOPMENT AGENCY

DECEMBER 2004

VOLUME I

TABLE OF CONTENTS

Page

LIST OF TABLES

LIST OF FIGURES

VOLUME II

THE LANCASTER REDEVELOPMENT AGENCY
FIVE YEAR IMPLEMENTATION PLAN
2005-2009

1.0 INTRODUCTION

This five-year Implementation Plan (the "Implementation Plan") is the third in a series of redevelopment implementation plans mandated since 1994 by the State legislature's adoption of Assembly Bill 1290 which added Section 33490 to the California Community Redevelopment Law ("CCRL," being Section 33000 et seq. of the California Health and Safety Code).

The Lancaster Redevelopment Agency (the "Agency") adopted its first implementation plan (the "1995-99 Implementation Plan") on November 21, 1994, and its second implementation plan (the "1999-04 Implementation Plan") on December 11, 1999. Additionally, and also pursuant to CCRL Section 33490, the Agency approved mid-term updates for its 1995-99 Implementation Plan (the "1995-99 Update") on November 25, 1997, by its Resolution No. 19-97 and for its 1999-04 Implementation Plan (the "1999-04 Update") on December 10, 2002, by its Resolution No. 18-02. All four documents listed above are on file with the City Clerk of the City of Lancaster (the "City Clerk" and the "City," respectively) and may be viewed during normal business hours. While this Implementation Plan includes some historic information about the Agency and its activities prior to 1999, in order to provide context to understand current activities the reader who is interested in a more complete historical understanding is encouraged to review the 1995-99 and 1999-04 Implementation Plans and their Updates.

This Implementation Plan includes (in this Volume I) the information identified below. Volume II includes a number of technical appendices of interest to the reader desiring more detailed information.

Volume I provides the Agency Board of Directors (the "Board") and interested community residents with: i) a concise review of Agency activities up to the end of Fiscal Year 2003-04[1] (Section 2); ii) a discussion of Agency goals and objectives for the next five years, derived, in part, from goals and objectives identified in the 1995-99 and 1999-04 Implementation Plans and in part from Agency staff's input (Section 3); iii) a description of the projects and programs the Agency intends to operate over the next five years to implement its goals and objectives (Section 4); iv) a description of how implementation of the projects and programs will eliminate blight within the various redevelopment project areas described in Section 2.2 and Volume II, Appendix C (Section 5); v) the CCRL Section 33413(b)(4) Compliance Plan (Section 6); vi) a description of the "ten-year" and "life-of-the-plan" requirements and how the Agency will meet these requirements (Section 7); vii) a discussion of the Implementation Plan's consistency with the City's General Plan (Section 8); and viii) a set of conclusionary statements (Section 9).

Pertinent portions of CCRL Section 33490 are provided in Volume II, Appendix A. These are provided for the convenience of the reader interested in understanding the legal requirements behind the need for this Implementation Plan and its contents. The full and complete text of CCRL Section 33490 can be found online at www.leginfo.ca.gov California Health and Safety Code, under Division 24, Part 1, Chapter 4, Article 16.5.

---

[1] Even though historic references in the Implementation Plan technically date through December 2004, from a practical perspective it is impossible to provide meaningful description of events which take place after the Agency closed its FY 2003-04 books on June 30, 2004.

Historic information contained in the Implementation Plan is based on Agency reports and budgets, the 1999-04 Implementation Plan (and to a minor extent the 1995-99 Implementation Plan), the 1999-04 Update, and discussion with Agency staff. Projections for FY 2005-06 through FY 2008-09 are based upon trends identified in the historic information, an understanding of anticipated Agency activities over the term of the Implementation Plan, and projections and calculations made by Urban Futures, Inc. (UFI), the Agency's Financial Advisor.

2.0 REVIEW OF AGENCY ACTIVITIES THROUGH 2004

2.1 Historical Overview

The City Council of the City (the "City Council") activated the Lancaster Redevelopment Agency (the "Agency") on April 7, 1979, for the primary purpose of providing a vehicle for eliminating blighting conditions within the community and thereby ensuring that the City's economic base would prosper. Subsequently, the Agency has adopted redevelopment plans (the "Redevelopment Plans") for seven (7) redevelopment projects. These redevelopment projects are: i) the Lancaster Residential Redevelopment Project (the "Residential Project"), ii) the Lancaster Central Business District Redevelopment Project (the "CBD Project"), iii) the Lancaster Fox Field Redevelopment Project (the "Fox Field Project"), iv) the Amargosa Redevelopment Project (the "Amargosa Project"), v) the City of Lancaster Redevelopment Project No. 5 ("Project No. 5"), vi) the Lancaster Redevelopment Project No. 6 ("Project No. 6"), and vii) the Lancaster Redevelopment Project Area No. 7 ("Project No. 7").

Collectively or in plural (depending on the context) these redevelopment projects may be identified hereafter as the "Projects"; the area of the Projects will be identified as a "Project Area(s)." Specific facts relating to: i) adoption and amendment dates; ii) terms of effectiveness; iii) base years and base year assessed values; iv) current assessed values; v) "caps" such as maximum tax increments and outstanding bonded indebtedness; vi) estimated total tax increments to date; and vii) last dates to incur debt and to condemn real property for the Projects are provided in detail for each Project in Volume II, Appendix "B." In general, however, the following historical information is true for the various Projects.

2.1.1 Adoption/Amendment and Plan Termination Dates

All Projects were adopted between 1979 and 1992 with most adoptions occurring between 1979 and 1984. Project No. 6 was adopted in 1989 and Project No. 7 in 1992. It has not been the Agency's policy to add land to an existing Project Area by amendment; therefore, any amendments to the various redevelopment plans have been for "technical" reasons. For instance, all redevelopment plans were amended on December 5, 1994, to bring them into conformance with provisions of the then recently enacted Assembly Bill 1290 which provided, in part, that: i) no then existing redevelopment plan could exceed 40 years in duration; and ii) established for each redevelopment plan a "last date to incur debt." Additionally, the redevelopment plans for the Residential, CBD, Fox Field, Amargosa, and Project No. 5 Projects were amended in 2004 to: i) eliminate the "last date to incur debt" pursuant to Senate Bill 211; and ii) extend the term of each redevelopment plan and the last date to collect tax increment by one year pursuant to Senate Bill 1045. The Redevelopment Plans for the Residential Project were amended in 1983 to add provisions to receive and expend property tax increment and for the CBD Project in 1993 to extend the term of the use of eminent domain authority within that Project Area.

The redevelopment of areas which exhibit the blight found in the various Project Areas necessarily is time consuming; consequently, the CCRL provides that new redevelopment plans may continue to be effective for up to 30 years and older redevelopment plans adopted prior to 1994 for up to 40 years (exclusive of the special extension provisions of SB 1045). Unless the CCRL is otherwise amended in the interim, the redevelopment plans for the various Projects will terminate starting in 2020 (the Residential Project) and will terminate through the 2020's and early 2030's until in 2032 Project No. 7 will terminate. It has been, and will continue to be, the Agency's intent to focus on the remedy of the bighting conditions within the Project Areas during the next three decades. While the Agency's activities have addressed a number of blighting conditions within each of the Project Areas, many of the blighting conditions that existed at the times of adoption of the various redevelopment plans for the Projects still exist within the Project Areas.

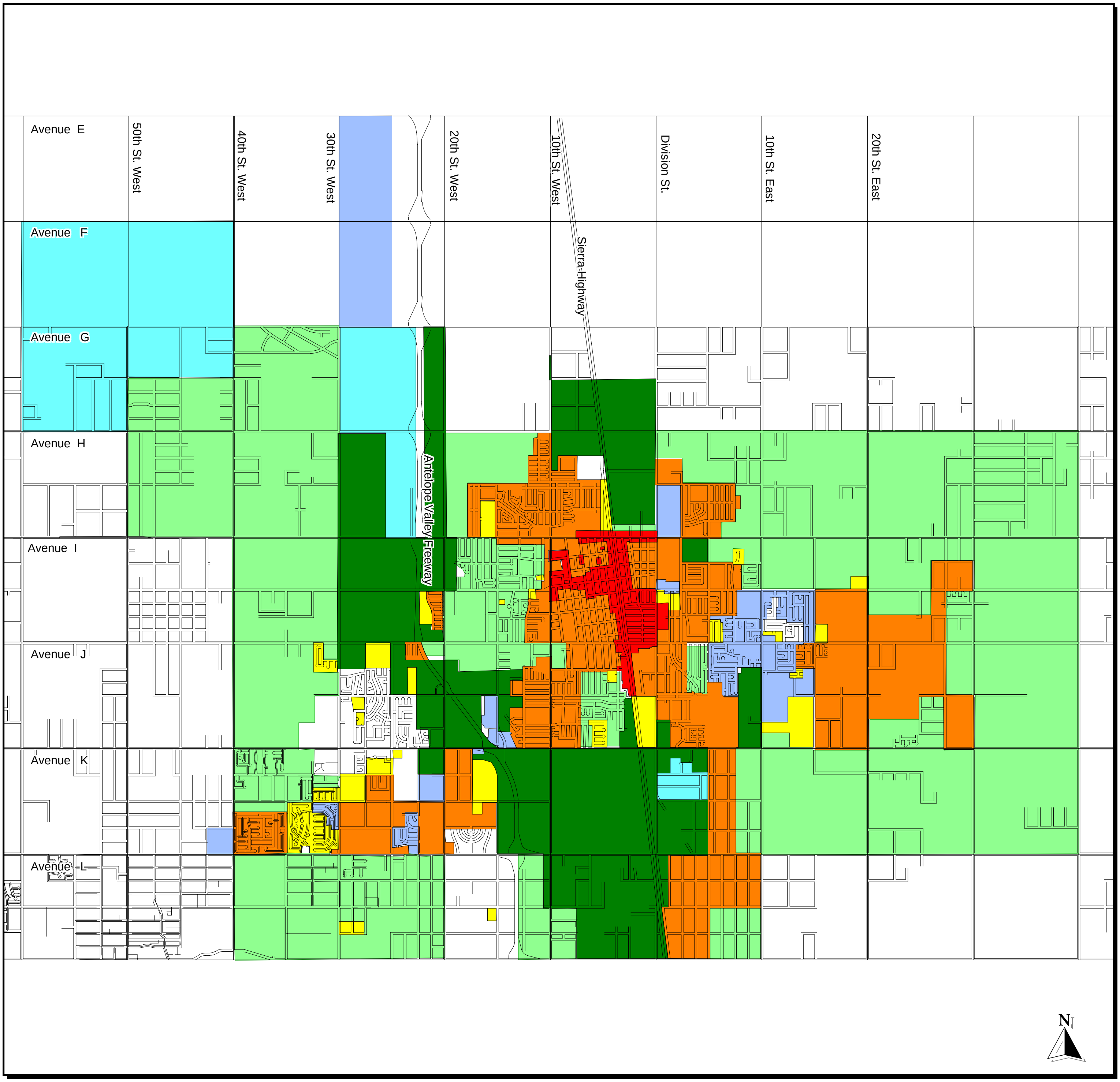
2.1.2 Project Areas' Location and Size

The location and boundaries of the various Project Areas are shown in Figure 1. Together, the Project Areas include 27,700 acres broken down as follows: Residential Project Area is 600 acres; CBD Project Area is 438 acres; Fox Field Project Area is 3,290 acres; Armagosa Project Area is 4,599 acres; Project Area No. 5 is 4,523 acres; Project Area No. 6 is 12,748 acres; and Project Area No. 7 is 1,504 acres. The size of Lancaster's redevelopment project areas has been one compelling reason for the success of the City's redevelopment efforts over the last quarter century. As has become clear during the recession of the 1990's, Lancaster is very susceptible to swings in real estate values. Such dramatic swings make the efficient implementation of land use planning difficult at best, leading to a "bust and boom" cycle that is deleterious to the City's long range goals to be a full service metropolitan area rather than a bedroom community. The Agency's ongoing ability to "diversify" its land value risks through large and heterogeneous redevelopment project areas has allowed it to maintain a healthy and relatively stable public investment program year in and year out which, in turn, has lead to a predictable program of blight elimination as mandated in the CCRL.

2.1.3 Assessed Valuations and Tax Increments Generated from the Project Areas

Redevelopment agencies secure their funds through the use of "tax increments" which, in short, represent ad valorem property taxes generated from the incremental difference between a project area's assessed value at the time of its adoption (its "base year value") and the then current assessed value. Each Project Area's base year assessed value and its assessed value as of FY 2004-05 is provided in Volume II, Appendix B. Together, the Projects' base year assessed values equal $1.3 billion; current assessed values equal $5.1 billion. The property taxes generated on the difference between these two amounts has allowed the Agency to complete the extensive list of programs and projects described below in Section 2.4 and in the 1995-99 and 1999-04 Implementation Plans[2] and will continue to provide funding for Agency programs and projects to be completed during the planning cycle of this Implementation Plan. The redevelopment plan for each Project Area includes a "cap" on the amount of tax increment the Agency may collect over the life of the plan. The total capped amount for all Projects equals $2.5 billion; total tax increments collected to date equal $186 million. Thirty-one percent of total maximum tax increments have been collected in the Residential Project (the term of this Project is over one half complete); this ratio drops to slightly less than 20 percent in the Amargosa Project (which term is also over one half complete) and to less than fifteen percent in all other Project Areas. The Agency is in no current danger of exceeding its tax increment "caps" in any Project Area.

[2] Note that the Agency provides an extensive list of its accomplishments during the previous fiscal year in its annual Budget, copies of which are kept on file with the City Clerk and are available for review during normal business hours.



Prepared By: Urban Futures, Inc. LC_AB1290_2005-09

Dec 2004

LEGEND

- CBD Project Area
- Residential Project Area
- Foxfield Project Area
- Amargosa Project Area
- Project Area No. 5
- Project Area No. 6
- Project Area No. 7

Lancaster Project Areas

FIGURE 1

2.2 Summary of Blighting Conditions Existing in the Project Areas

The adoption of Assembly Bill 1290 in 1993 substantially changed the definition of blight which can be used to qualify portions of a community for inclusion into a redevelopment project area subsequent to January 1, 1994; all seven of the Lancaster Redevelopment Projects were adopted prior to this date and qualified under previous definitions. Pre AB 1290 conditions of blight are described in detail within the Agency's Reports to the City Council prepared prior to the adoption of the redevelopment plan for each of the Projects. The Agency's Reports to Council are incorporated herein by reference and copies of the same are available at the Agency offices.

Generally, those blighting conditions that remain within the Project Areas, as defined within CCRL Sections 33030 and 33031 include: i) buildings in which it is unsafe or unhealthy for persons to live or work, ii) factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots such as accessibility and lack of adequate infrastructure, iii) depreciated property values or impaired investments, iv) inadequate public facilities or utilities, and v) incompatible uses. Those blighting conditions that remain within the Project Areas as defined within Sections 33030 and 33031 are shown below in Table 1.

TABLE 1
BLIGHT CONDITIONS
REMAINING WITHIN THE PROJECT AREAS

BLIGHT DEFINITION	
PHYSICAL (33031(a))	ECONOMIC (33031(b))
• Unsafe Buildings • Physical Obsolescence • Mixed Character • Incompatible Land Uses • Shifting Uses • Irregularly Shaped Parcels • Inadequately Sized Parcels	• Depreciated or Stagnant Property Values • Economically Obsolete Buildings/Lots • High Crime Rates • High Rate of Business Vacancies
Inadequate Public Improvements (per CCRL Section 33030(c))	

Source: 1995-99 Implementation Plan, Reports to the City Council, and Ordinances adopting and amending the Redevelopment Plans over time.

Blighting conditions which were identified in each specific Project Area are summarized in Volume II, Appendix C.

2.3 Summary of Historic Purposes, Goals, and Objectives

Redevelopment plans are long-term documents and, accordingly, include generalized purposes and objectives which are intended to remain germane over the term of their effectiveness. These purposes are summarized as follows:

For the Residential Project, the redevelopment plan (Section III) includes nine "development actions" to eliminate blight which, in summary, provide for: participation by owners and tenants of properties located within the Project Area by extending preferences to remain or relocate within the Project Area; acquisition and disposition of real property; demolition or removal of certain buildings and improvements; installation, construction, or reconstruction of public improvements; rehabilitation, development or construction of low and moderate income housing within the City; redevelopment of land by private enterprise and public agencies; housing of families of all income levels, including low and moderate income families in accordance with the needs of the community.

For the CBD Project, Section 401 of the redevelopment plan includes 35 goal statements to eliminate blight which, in summary, provide for the Agency to control unplanned growth; rehabilitate existing structures; assemble land in the Herald Tract and throughout the Project Area into reasonably sized and shaped parcels served by improved public infrastructure and public facilities (which facilities are to be phased with private development); encourage the participation of owners and others in the revitalization of the Project Area; eliminate and prevent the spread of blight; achieve a high level of architectural, landscape, and urban design; preserve historical structures; preserve the distinctive character of the community; promote the community as a cultural center; provide housing to accommodate the needs and desires of various age, income, and ethnic groups; alleviate overcrowded, substandard housing conditions; promote the development of affordable housing; encourage the diversification of the Project Area's commercial base; provide employment opportunities (including local job opportunities); encourage and upgrade industrial development; improve the public circulation system (pedestrian and vehicular) and expand and improve public transportation services; enhance the Project Area's image and identity; protect the community from noise and pollution; coordinate revitalization efforts with other City programs; establish, as a first priority, a list of those actions which will achieve the highest economic, social, and environmental benefits to the Project Area; improve Lancaster Boulevard by providing parking, enhancing pedestrian activity, encouraging the development of vacant and blighted parcels, discouraging non-commercial traffic use, and improving its visual character; improve Sierra Highway by undergrounding utilities, providing streetscape improvements, improving accessibility, and improving automobile sales and service uses; intensify residential development in the Project Area; provide drainage improvements; and promote a safe urban environment.

For the Fox Field Project, the redevelopment plan (Section 401) includes five "development actions" to eliminate blight which, in summary, provide for the: installation, construction, reconstruction, redesign, or reuse of public improvements; acquisition and disposition of real property; redevelopment of land by private enterprise or public agencies; financing of private development as permitted by law to increase employment opportunities in the City; and rehabilitation of structures or development of vacant land, by present owners and the Agency, all in accordance with the redevelopment plan for the Project.

For the Amargosa Project, the redevelopment plan (Section 401) includes five "development actions" to eliminate blight which, in summary, provide for the: installation, construction, reconstruction, redesign, or reuse of public improvements; acquisition and disposition of real property; redevelopment of land by private enterprise or public agencies; financing of private development as permitted by law to increase employment opportunities in the City; and rehabilitation of structures or development of vacant land, by present owners and the Agency, all in accordance with the redevelopment plan for the Project.

For Project No. 5, the redevelopment plan (Section 401) includes five "development actions" to eliminate blight which, in summary, provide for the: installation, construction, reconstruction, redesign, or reuse of public improvements; acquisition and disposition of real property; redevelopment of land by private enterprise or public agencies; financing of private development as permitted by law, to increase employment opportunities in the City; and rehabilitation of structures or development of vacant land, by present owners and the Agency, all in accordance with the redevelopment plan for the Project.

For Project No. 6, the redevelopment plan (Section 401) includes six "development actions" to eliminate blight which, in summary, provide for the: installation, construction, reconstruction, redesign, or reuse of public improvements; acquisition and disposition of real property; redevelopment of land by private enterprise or public agencies; financing of private development as permitted by law, to increase employment opportunities in the City; rehabilitation of structures or development of vacant land, by present owners and the Agency; and other actions as may be permitted by law, all in accordance with the redevelopment plan for the Project.

For Project No. 7, the redevelopment plan (Section 401) includes eight "development actions" to eliminate blight which, in summary, provide for the: installation, construction, reconstruction, redesign, or reuse of public improvements; acquisition and disposition of real property; redevelopment of land by private enterprise or public agencies; construction and improvement of public (including recreational, community, and parking) facilities; acquisition, construction or rehabilitation of housing for low- and moderate-income families, seniors and handicapped individuals; financing of private development as permitted by law, to increase the employment opportunities in the City; rehabilitation of structures or development of vacant land, by present owners and the Agency; and other actions as may be permitted by law, all in accordance with the redevelopment plan for the Project.

As described above, implementation plans span a period of five years; consequently, the goals and objectives set forth in such short-term plans are more specific and are intended to be modified over time as they are met and/or events require their modification. Accomplishment of these goals, while advancing the redevelopment efforts of the Agency to eliminate blight, continue to leave many goals (and objectives) yet to accomplish.

Section IV of the 1995-99 Implementation Plan (pp 11 through 17) provided one goal for the Residential Project, two goals for each of the CBD, Fox Field, and Amargosa Projects, and three goals for each of Projects No. 5, 6, and 7. Each goal was accompanied by a number of more specific objectives. These goals and objectives are summarized in Volume II Appendix D-1 and may be reviewed in their entirety in the 1995-99 Implementation Plan on file with the City Clerk.

Section IV of the 1999-04 Implementation Plan (pp 31 through 36) retained all the goals and objectives found in the 1995-99 Implementation Plan and added a new goal (and new objectives for that goal) for each of the seven Projects. That new goal provided for the Agency to dispose of all Agency-owned property in a timely manner. The attendant objective for each of these similar goals was to dispose of said property "in such a manner that will benefit the Project Area."

For its 1999-04 Update, the Agency adopted a set of goals and objectives which made only minor adjustments to its then current goals and objectives as set forth in its 1999-04 Implementation Plan. Since this set of goals and objectives are the most recent statement of the Agency's intent over the near term, it has been provided in its entirety in Volume II, Appendix D-2.

2.4 Summary of Historic Activities

The Agency's accomplishments prior to 1994 are identified on Table 2 of the 1995-99 Implementation Plan (pp 8 and 9) and Appendix A of the 1999-04 Implementation Plan. Agency accomplishments between 1994 and 1999 are identified on Table 2 of the 1999-04 Implementation Plan (pp 15 through 30).

From 1999 through the end of FY 2003-04 (i.e., June 30, 2004), the Agency has completed activities identified in Volume II, Appendix E. Even a cursory review of these activities will show the Agency has been very active over the term of the 1999-04 Implementation Plan.

3.0 AGENCY FIVE-YEAR GOALS AND OBJECTIVES: 2005-2009

CCRL Section 33490(a)(1) states that an implementation plan shall contain a redevelopment agency's specific goals and objectives for "the project area" (in this case, for each Project Area). The Agency's currently adopted goals have been provided in Volume II, Appendix D-2 of this Implementation Plan. Based upon these existing goals and discussion with Agency staff, it is proposed that the Agency's goals and objectives for the 2005-09 planning cycle read as follows:

Located at the SEC of Ave. K and 10th St West (Amargosa Project), this Lowe's was made possible through the Agency's ability to acquire and assemble parcels. Assembly of smaller parcels into larger, more marketable parcels is an important tool for economic development and job creation.

Lancaster Residential Redevelopment Project Area

Goal No. 1: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide funding and/or technical assistance for residential development and rehabilitation throughout the City including both single- and multi-family units where appropriate.

b. Fund infrastructure improvements in residential neighborhoods which will promote development of affordable housing, as necessary, all in accordance with available funding sources and appropriate state law.

c. Provide assistance to residential developers when financially feasible and when affordability covenants can be secured.

d. Implement a program of infill housing within the City's Central Core area.[3]

Goal No. 2: Arrange for the timely disposition of all Agency-owned property.

Objective:

a. When appropriate, dispose of Agency-owned property when said disposition can be completed in such a manner that will benefit the Project Area.

[3] Agency staff and the community use the terms "Central Core," "Downtown," "Downtown Lancaster," and "CBD" generally to mean that portion of the City bounded by Sierra Highway, 10th Street West, Avenue J, and Avenue I.

Lancaster Central Business District Redevelopment Project Area

Goal No. 1: Continue revitalization of Downtown Lancaster.

Objectives:

a. Promote and assist in the planning and development of a balanced mix of residential, public (including educational), commercial retail, entertainment, and open space land uses and activities in the CBD.

b. Continue to fund infrastructure improvements in the CBD as required to ensure a high quality of service with regard to traffic/circulation, sewer/water, off-street parking and other public services.

c Assist private sector developers, when financially feasible, to provide public improvements in those instances where future cost savings and development potential are evident.

d Continue working with the Lancaster Old Town Site Committee and Chamber of Commerce to promote the benefits of conducting business in the CBD.

e Promote retail uses that serve senior citizens and others.

f. Continue implementing the rehabilitation assistance program in the Project Area by using Agency loans or through cooperative ventures with interested lending institutions and/or governmental agencies, if feasible.

g. Provide for the rehabilitation and revitalization of local commercial streets through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

h. Implement the North Downtown Transit Village Plan.

i Implement the Northeast Gateway Corridors Plan.

j. In tandem with programs established in other project areas, continue the implementation of a business retention and attraction program for the area utilizing Agency, County of Los Angeles, State and federal funding sources.

k. Provide economic development and technical assistance to commercial, industrial and public development projects.

l. Offer commercial/industrial rehabilitation loan and/or grant programs and other assistance programs as necessary and when economically feasible.

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

b. Provide, when possible, homebuyer assistance either in the form of non-interest fixed rate financing or down payment assistance or other programs as may be appropriate.

c. Continue to increase the supply of senior housing units through expenditure of LMI funds in proportion to the senior population of the City.

d. Continue a program of infill housing within the City's Central Core area.

Goal No. 3: Arrange for the timely disposition of all Agency-owned property.

Objective:

a. When appropriate, dispose of Agency-owned property when said disposition can be completed in such a manner that will benefit the Project Area.

Fox Field Redevelopment Project Area

Goal No. 1: Continue to promote and assist in the development of the highest and best uses of underutilized, stagnant and under productive land resources.

Objectives:

a. Continue to fund special studies necessary to promote and assist in the long-term economic development of the Project Area.

b. Continue to assist business and industrial development through technical assistance and/or funding, including loans, grants and other subsidies.

c. In tandem with programs established in other project areas, continue the implementation of a business retention and attraction program for the area utilizing Agency, County of Los Angeles, State and federal funding sources.

d. Assist in the development of industrial sites for new users.

e. Continue to acquire properties for the eventual development of industrial facilities and the creation of employment opportunities for low- and moderate-income workers.

f. Provide for the rehabilitation and revitalization of local commercial areas through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

g. Provide economic development and technical assistance to commercial, industrial and public development projects.

h. Offer commercial/industrial rehabilitation loan and/or grant programs and other assistance programs as necessary and when economically feasible.

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

b. In order to effectuate the timely development of both housing and non-housing uses, implement a program of upgrading infrastructure in deficient areas.

c. Assist private sector developers, when financially feasible, to provide infrastructure improvements in those instances where future cost savings and development potential are evident.

Amargosa Redevelopment Project Area

Goal No. 1: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding and/or technical assistance for residential development and rehabilitation throughout the City including both single- and multi-family units where appropriate.

b. Continue to fund infrastructure improvements in residential neighborhoods which will promote development of affordable housing, as necessary, and in accordance with available funding sources and appropriate state law.

c. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

Goal No. 2: Continue to encourage the development of projects/programs that will expand the area's economic base and provide new job opportunities for all segments of the community.

Objectives:

a. In tandem with programs established in other project areas, continue the implementation of a business retention and attraction program for the area utilizing Agency, County of Los Angeles, State and federal funding sources.

b. Implement the Northeast Gateway Corridors Plan.

c. Provide economic development and technical assistance to commercial, industrial and public development projects.

d. Offer commercial/industrial rehabilitation loan and/or grant programs and other assistance programs as necessary and when economically feasible.

e. Provide for the rehabilitation and revitalization of local commercial areas through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

Goal No. 3: Continue to sponsor necessary public improvements in the Project area.

Objectives:

a. Continue to fund infrastructure upgrading, including drainage improvements in the Project Area, to support proposed projects.

b. Continue implementing an economic development assistance program that will be tied into programs that encourage new economic investments in the Project Area and community overall.

c. Assist private sector developers, when financially feasible, to provide oversized improvements in those cases where future cost savings or development potential are evident.

Redevelopment Project Area No. 5

Goal No. 1: Continue to encourage the development of projects/programs that will expand the area's economic base and provide new job opportunities for all segments of the community.

Objectives:

a. Provide economic development and technical assistance to commercial, industrial and public development projects.

b. Offer commercial/industrial rehabilitation loan and/or grant programs and other assistance programs as necessary and when economically feasible.

c. Provide for the rehabilitation and revitalization of local commercial areas through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

d. Implement the Northeast Gateway Corridors Plan.

e. Implement the North Downtown Transit Village Plan.

f. In tandem with programs established in other project areas, continue the implementation of a business retention and attraction program for the area utilizing Agency, County of Los Angeles, State and federal funding sources.

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding assistance for housing rehabilitation using loans to those households meeting eligibility requirements, as appropriate and feasible.

b. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

c. Continue to implement homebuyer assistance programs in the Project Area and City-wide using Agency loans or through cooperative ventures with interested lending institutions and/or governmental agencies.

d. Continue a program of infill housing within the City's Central Core area.

Goal No. 3: Continue to sponsor necessary public improvements in the Project area.

Objectives:

a. Continue to fund infrastructure upgrading, including drainage improvements in the Project Area, to support proposed projects.

b. Continue implementing an economic development assistance program that will be tied into programs that encourage new economic investments in the Project Area and community overall.

c. Assist private sector developers, when financially feasible, to provide improvements in those cases where future cost savings and development potential are evident.

Redevelopment Project Area No. 6

Goal No. 1: Continue to promote and assist development of projects/programs that will provide job opportunities for all economic segments of the community.

Objectives:

a. Provide economic development and technical assistance to commercial, industrial and public development projects.

b. Offer commercial/industrial rehabilitation loan and/or grant programs and other assistance programs as necessary and when economically feasible.

c. Provide for the rehabilitation and revitalization of local commercial areas through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

d. In tandem with programs established in other project areas, continue implementing a business retention/development program utilizing not only Agency funding sources but also County, State and Federal sources as well.

e. Implement the Northeast Gateway Corridor Plan.

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding assistance for housing rehabilitation using loans to those households meeting eligibility requirements, as appropriate and feasible.

b. Provide assistance to developers when financially feasible and/or when affordability covenants can be secured.

c. Continue to implement homebuyer assistance programs in the Project Area using Agency loans or through cooperative ventures with interested lending institutions and/or government agencies in the forms of fixed-rate financing or down payment assistance.

d. Continue to work with Department of Veterans Affairs in development of the Veterans Home facility.

e. Implement the Northeast Gateway Corridors Plan.

Goal No. 3: Continue to sponsor necessary public improvements in the Project Area.

Objectives:

a. Assist in development funding for community facilities and development programs/projects in the Project Area.

b. Provide infrastructure assistance and other economic incentives, when financially feasible, to promote new industrial/commercial development projects.

Redevelopment Project Area No. 7

Goal No. 1: Continue to sponsor and to work with other public sector entities in providing necessary public improvements in the Project area.

Objectives:

a. Continue to implement and/or work with the County of Los Angeles to implement County public facilities which are of benefit to the Project Area.

b. Use Agency funding sources when possible as matching monies to leverage other possible infrastructure/community facilities funding sources.

c. Continue to implement programs to promote new commercial and industrial investments.

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide rehabilitation loans to very low-, low- and moderate-income individuals and families.

b. Provide programs to assist senior and other housing activities as deemed appropriate.

Goal No. 3: Continue to assist in the development of industrial and/or commercial sites for new uses that will provide job opportunities for all economic segments of the community.

Objectives:

a. Continue to assist local business to expand and/or upgrade existing facilities by providing technical and financial assistance as appropriate.

b. When appropriate, clear sites of existing structures and/or debris that promote blighting conditions in the Project Area.

c. In tandem with programs established in other project areas, continue to implement a business retention, attraction and expansion program utilizing not only Agency funding sources but also County, State and Federal sources as well as in concert with programs developed for other Project Areas.

d. Provide for the rehabilitation and revitalization of local commercial areas through such programs as facade improvement, landscaping, parking, and other types of improvements and assistance as appropriate and financially feasible.

e. Implement the Northeast Gateway Corridors Plan.

CCRL Section 33490(a)(1)(A) requires that each implementation plan prepared by an agency contain an "...explanation of how the goals and objectives ... will eliminate blight within the project area...." Table 2 below shows the relationship between the Agency's specific five-year goals identified above to the eradication of remaining blight, as defined within CCRL Sections 33030 and 33031, within the seven Project Areas.

TABLE 2
GOALS NEXUS TO BLIGHT ELIMINATION[1]

GOALS[2]	SUMMARY OF PHYSICAL CONDITIONS						SUMMARY OF ECONOMIC CONDITIONS			INFRA-STRUCTURE
	UNSAFE BUILDINGS	PHYSICAL OBSOLESCENCE	MIXED CHARACTER	INCOMPATIBLE LAND USES	SHIFTING OF USES	IRREGULAR/ INADEQUATELY SIZED PARCELS	DEPRECIATED OR STAGNANT PROPERTY VALUES	ECONOMIC OBSOLESCENCE (BUILDING/ LOTS)	HIGH RATE OF BUSINESS VACANCIES	INADEQUATE PUBLIC IMPROVEMENTS
Residential Project										
1. Continue to increase, improve & preserve City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓		✓	✓	✓	✓	
2. Arrange for timely disposition of all Agency-owned property	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CBD Project										
1. Continue revitalization of Downtown Lancaster	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Continue to increase, improve & preserve City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓		
3. Arrange for timely disposition of all Agency-owned property	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Fox Field Project										
1. Continue to promote & assist in development of highest & best uses of underutilized, stagnant & underproductive land resources	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Continue to increase, improve & preserve City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓	✓	

TABLE 2
GOALS NEXUS TO BLIGHT ELIMINATION[1]

GOALS[2]	SUMMARY OF PHYSICAL CONDITIONS						SUMMARY OF ECONOMIC CONDITIONS			INFRA-STRUCTURE
	UNSAFE BUILDINGS	PHYSICAL OBSOLESCENCE	MIXED CHARACTER	INCOMPATIBLE LAND USES	SHIFTING OF USES	IRREGULAR/ INADEQUATELY SIZED PARCELS	DEPRECIATED OR STAGNANT PROPERTY VALUES	ECONOMIC OBSOLESCENCE (BUILDING/ LOTS)	HIGH RATE OF BUSINESS VACANCIES	INADEQUATE PUBLIC IMPROVEMENTS
Amargosa Project										
1. Continue to increase, improve & preserve the City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2. Continue to encourage development of projects/programs to expand economic base and provide new job opportunities		✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Continue to sponsor necessary public improvements in the Project Area	✓	✓	✓		✓	✓	✓	✓		✓
Project No. 5										
1. Continue to encourage development of projects/programs to expand economic base and provide new job opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Continue to increase, improve & preserve the City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3. Continue to sponsor necessary public improvements in the Project Area	✓	✓	✓		✓	✓	✓	✓		✓
Project No. 6										
1. Continue to promote & assist development of projects/programs that will provide job opportunities for all economic segments of the community		✓	✓		✓		✓	✓	✓	
2. Continue to increase, improve & preserve the City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3. Continue to sponsor necessary public improvements in the Project Area		✓	✓		✓		✓	✓		✓

TABLE 2
GOALS NEXUS TO BLIGHT ELIMINATION[1]

GOALS[2]	SUMMARY OF PHYSICAL CONDITIONS						SUMMARY OF ECONOMIC CONDITIONS			INFRA-STRUCTURE
	UNSAFE BUILDINGS	PHYSICAL OBSOLESCENCE	MIXED CHARACTER	INCOMPATIBLE LAND USES	SHIFTING OF USES	IRREGULAR/ INADEQUATELY SIZED PARCELS	DEPRECIATED OR STAGNANT PROPERTY VALUES	ECONOMIC OBSOLESCENCE (BUILDING/ LOTS)	HIGH RATE OF BUSINESS VACANCIES	INADEQUATE PUBLIC IMPROVEMENTS
Project No. 7										
1. Continue to sponsor and work with other public sector entities in providing necessary public improvements in the Project Area		✓	✓	✓	✓		✓	✓		✓
2. Continue to increase, improve & preserve the City's supply of very low-, low- and moderate-income housing (including housing for seniors)	✓	✓	✓	✓	✓	✓	✓	✓		
3. Continue to assist in the development of industrial and/or commercial sites for new uses to provide job opportunities		✓	✓	✓	✓	✓	✓	✓	✓	

[1] Complies with Section 33490(a)(1)(A) of the CCRL.
[2] Objectives are not shown here. For purposes of this matrix attainment of Agency goals assumes realization of each of those objectives previously defined in Section II of this Implementation Plan.

4.0 AGENCY'S PLAN TO IMPLEMENT ITS FIVE-YEAR NON-HOUSING GOALS

The Agency's goals for its seven Project Areas provide, in general, for it to: i) assist in the retention and expansion of existing businesses; ii) attract retail, commercial, professional, entertainment, and industry jobs; and iii) encourage the creation and expansion of employment opportunities for the citizens of the City. In concert with the goals and objectives identified in Section 3 hereof, the Agency proposes to implement the following general economic development programs for the five-year period of the Implementation Plan. Table 3 found in Section 4.2 below describes how these programs and projects are proposed to be funded through the completion of the Implementation Plan planning cycle. Please note that the below Sections 4.1 and 4.2 do not include discussion of any housing programs (except insofar as such programs are an integral part of economic development programs) which discussion may be found in Section 6 of this Implementation Plan.

4.1 Projected Agency General Redevelopment Fund Programs and Related Expenditures (2005 to 2009)

CCRL Section 33490(a)(1)(A) requires that the implementation plan prepared and adopted by each redevelopment agency contain "...the specific programs, including potential projects and estimated expenditures proposed to be made during the next five years...."

The Agency maintains seven different Project Areas and is careful to expend non-housing funds in the Project Area from which they derive. However, a review of Figure 1 will show that the various Project Areas are, in fact, generally contiguous and include a number of "islands" of one Project Area within another. Consequently, larger scale projects (identified below in Subsections 4.1.1 through 4.1.5) undertaken by the Agency will cross Project Area lines in such a way as to make discussion of these specific projects within each Project Area impractical and the discussion in these Subsections focuses more on individual projects rather than on a description of projects or programs within any given Project Area. Subsections 4.1.6 through 4.1.11 focus on the non-housing projects and programs to be undertaken by the Agency on a Project Area basis over the next five years. Note that programs in the Residential Project Area will be discussed in Section 6.4.2.

4.1.1 General Statement of Intent in the Implementation of Programs and Projects

In order to eliminate blight and enhance employment opportunities in the Project Areas, the Agency will continue to attract wealth-importing companies to positively impact the jobs/housing imbalance that currently exists in the Antelope Valley region. Agency-sponsored economic development activities are targeted to create local employment opportunities for those City residents who must currently commute to the Los Angeles/San Fernando Valley employment concentrations, thereby continuing to reduce the amount of time and energy wasted and the air pollution created by such commuting patterns. The Agency intends to continue to

Jobs and job diversification characterize the Campus Business Park (located within the Lancaster Business Park). The Agency has committed to diversifying the City's employment base beyond aerospace in order to mitigate previous "boom and bust" business cycles.

encourage economic diversification, beyond aerospace, by providing sites to attract large, medium, and small businesses that require rail-served properties, freeway access, or other infrastructure.

4.1.2 The North Downtown Lancaster Transit Village

The 100+ acre North Downtown Lancaster Transit Village (the "Transit Village") is located in the CBD Project Area and Project Area No. 5. It is generally bounded by Avenue I, W. Lancaster Boulevard, 10th Street West and the railroad tracks just east of North Sierra Highway.[4] Development of the Transit Village over what is likely to be the next decade represents a major commitment on the Agency's part to create a viable, "full service" downtown for the community, a geographic area which up to the present could more readily be characterized as lacking in "desired amenities." To accomplish this major undertaking, the Agency will use the existing "downtown" commercial strip (located generally along W. Lancaster Boulevard between Sierra Highway and 10th Street West), which evolved to serve the largely rural/suburban Lancaster population of the 1950's to 1970's and which is now wholly inadequate to serve a suburban/urban population of some 130,000 persons, as a "springboard" to create the community's vision of a viable downtown by: i) enhancing existing residential and commercial opportunities; ii) expanding public and quasi-public facilities; iii) improving internal circulation; iv) expanding and improving vehicular, rail, and pedestrian access to the Village; and v) providing additional public spaces within Downtown Lancaster. It has been shown throughout the United States that these "core" uses are vital to the creation of a viable, self-sustaining downtown. The Agency is investing a major portion of its financial resources in the Transit Village in an effort to create a "sustainable environment" that simultaneously strengthens the environmental, economic, and social dimension of the community.

The Agency and City have already begun investing in the area comprising the Transit Village through the provision of public buildings, a vital component of any meaningful downtown area. Over a decade ago the Agency invested in the Performing Arts Center located on Lancaster Boulevard to bring night-time activity to the downtown. The City has shown its commitment to the downtown by construction of the City Hall fronting the west side of N. Fern Avenue, the Los Angeles County Library along Lancaster Boulevard, and the Fire Station located along Elm Avenue. Los Angeles County has cooperated in this effort by establishing the Lancaster Sheriff's Station on Beech Avenue. All these developments, scattered throughout the Transit Village, provide Lancaster with a sense of place, a public "anchor" for further retail and housing development in the Transit Village.

Computer-enhanced view of Avenue I (looking west) showing how it could be improved with street medians, and well designed condominium town homes to add vitality and community to the Transit Village.

[4] Note that the Transit Village comprises the northern half of the Downtown Area.

More specifically, and as shown on Figure 2, the Transit Village is proposed as a pedestrian and transit-oriented mixed-use development which will include new public spaces (including a new neighborhood park fronting the south side of W. Jackman and new street and parking improvements throughout); quasi-public spaces (including a major commitment to educational facilities generally to the east and west of the new neighborhood park and connecting it to the existing Civic Center and a new child care center directly to the northwest of the neighborhood park); and new and rehabilitated housing and commercial uses located throughout the Transit Village (with mixed residential and commercial uses along the south side of Avenue I). This metamorphosis will redevelop an aging area into an urban village within walking distance of the Lancaster MetroLink Station (located south of Lancaster Boulevard between N. Sierra Highway and the railroad tracks).[5] The concept is that individuals living within the "village" will find many of their day-to-day needs fulfilled within walking distance, while those traveling to the area for educational or commercial activities may do so on public transit, knowing that once they have reached their destination, all these services will be within easy walking distance.

Agency staff anticipates that full redevelopment of the Transit Village will cost $75 million including private sector investment and will be completed within the next decade. Clearly much of the cost of this effort will be shouldered by the private sector and a variety of public sources. Agency staff anticipates the expenditure of approximately $7 million of Agency funds (expended equally from the CBD Project and Project No. 5) on this project over the term of the Implementation Plan, which amount is identified in Volume II, Appendix F (CBD and Project No. 5 Tables). These costs include costs of land acquisition, assembly, and disposition pursuant to appropriate agreements.

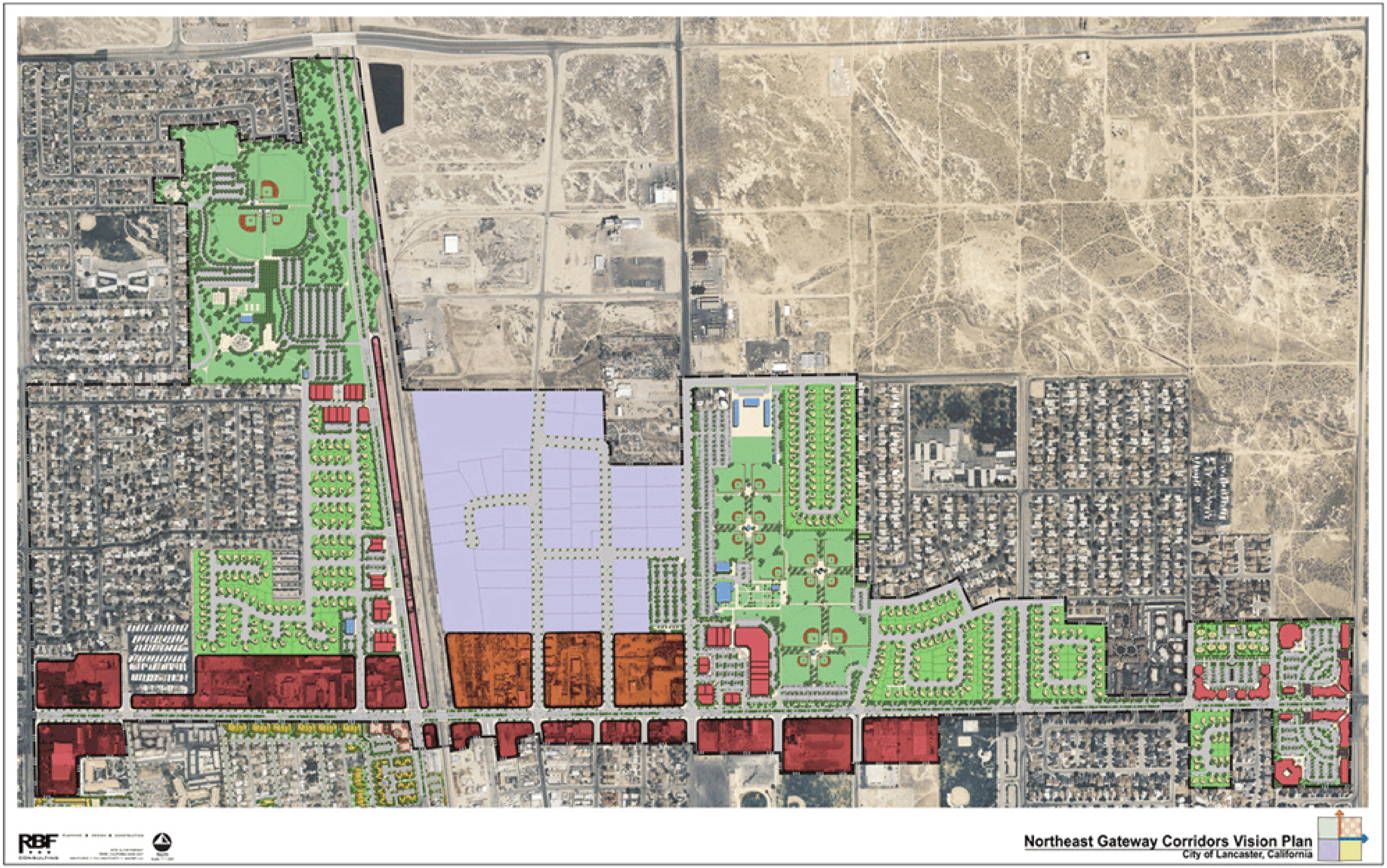
4.1.3 The Northeast Gateway Corridors

The Northeast Gateway Corridors project ("Northeast Gateway Corridors," shown on Figure 3) is a proposed 501-acre project located adjacent to and northeast of the Transit Village. The Northeast Gateway Corridors is located in portions of five of the Agency's seven Project Areas (excluding only the Fox Field and Residential Project Areas, please see Figure 1). While still in the early planning stage, the general concept is to provide for: i) a new center for higher education (the "Lancaster University Center," discussed below) and local-serving recreational facilities to be housed on the old fairgrounds located at Division and Avenue I; ii) new and rehabilitated housing (please see Section 6 of this Implementation Plan for a more detailed description of this housing); iii) upgraded and expanded commercial facilities; and iv) the continuation of the upgrade of Avenue I being undertaken in the Transit Village project.

[5] The MetroLink Station will serve as the Transit Village's "transportation hub" by including within its walls a major stop for the AVTA fixed route bus line, the City's dial-a-ride services and the Lancaster stop for the Greyhound Bus Lines. This "multi-modal" use for what was once merely a train stop is one of the hallmarks of a transit village.

FIGURE 2: TRANSIT VILLAGE SITE PLAN

FIGURE 3: NORTHEAST GATEWAY CORRIDORS SITE PLAN



The first component of Northeast Gateway Corridors is the Lancaster University Center, a partnership among Antelope Valley College (a two year institution) and the California State Universities at Bakersfield (CSUB) and Fresno (CSUF). The Agency has already invested $3.5 million in rehabilitating the old 20,000 square foot Challenger Memorial Center into a state-of-the-art university center which includes 13 classrooms, two labs, two distance learning rooms, and office space. Based on the presence of the aerospace industry in and near the City, CSUB and CSUF will offer 11 undergraduate degrees (including degrees in computer, electrical, and mechanical engineering), four graduate degrees and one certificate program. It is intended that this cooperative effort will eventually lead to a fully accredited California State University in Lancaster.

Committed to higher education in the Antelope Valley, the Agency invested $3.5 million in upgrading the old Challenger Memorial Center. Blight eradication through adaptive reuse represents a "win/win" solution for the community.

Another component of the Northeast Gateway Corridors project will be the development of up to 15 new youth baseball fields and other recreational uses as well as a new high school, commercial uses, and residential development at the old Fairgrounds now owned by the Agency.

Inasmuch as the Northeast Gateway Corridors project is still largely in the planning and initial implementation phases, it is difficult to assign a value to projected future expenditures. Consequently, this Implementation Plan has reserved $750,000 per year ($150,000 from each of the five Project Areas which include some portion of the Northeast Gateway Corridors project) commencing in FY 2005-06 for ongoing implementation of this project. This $3.0 million amount is identified in Volume II, Appendix F (all Project Tables except Fox Field and Residential Projects). These costs include costs of land acquisition, assembly, and disposition pursuant to appropriate agreements.

4.1.4 15th Street West/Avenue J Project

This project started in the summer of 2004 after repeated attempts by the Agency to purchase deteriorated multi-family residences located along Avenues J-2 and J-3 near 15th Street West. The sellers' unwillingness to sell at any reasonable price and the Agency's unwillingness to purchase real estate at inflated prices led to a review of alternative methods of eradicating blight in this portion of Project Areas No. 5 and 6. Internal discussions among Agency staff have lead to a decision to expand the original focus of interest to include a larger, 77.4 acre portion of the community which is preliminarily proposed to be located within the area bounded by Avenue J-8, 15th Street West, Avenue J and 10th Street West. The Agency has retained a consultant to facilitate a "visioning strategy" with community residents and other key stakeholders to concentrate on ways and means of eliminating blight and improving the area. While specific outcomes cannot be pre-determined, Agency staff anticipates that the results of this visioning will acknowledge the need to: i) expand commercial uses on currently underutilized commercial land; ii) encourage the construction of mixed-use, commercial, and residential developments where traffic volumes, public transit, and neighborhood residential-oriented amenities allow; iii) encourage the development of new multi-family residential uses (either for sale or rent); and iv) provide for the rehabilitation of existing single-family residences.

Agency staff has estimated that planning costs (including costs for the visioning process and drafting an action plan) should be approximately $40,000 in FY 2005-06. UFI has provided for expenditures equaling $100,000 in FY 2006-07 and $200,000 in each of FY 2007-08 and FY 2008-09. These amounts should be considered "place holders" given the preliminary nature of this project; the Agency will be in a better position to provide projected expenditures at its next mid-term review of this Implementation Plan. Note that costs are shared equally from Project No. 5 and Project No. 6 as shown in Volume II, Exhibit F.

4.1.5 Facade Improvement Program

As financial resources and priorities allow, the Agency intends to implement a commercial facade improvement program throughout the various Project Areas (except for the Residential Project Area) in order to assist in the revitalization of the City's commercial corridors. This program will be "folded into" the Transit Village and Northeast Gateway Corridors programs when utilized in either of these geographic areas; however, the program will be available in other parts of the Project Areas on an "as needed" and targeted basis. As shown in Volume II, Exhibit F (all Tables), it is anticipated that the Agency will expend approximately $15,000 in FY 2005-06 establishing the program and $60,000 per year thereafter implementing it. Funds for this program are allocated to each of the six Project Areas (except for the Redevelopment Project Area) except that for simplicity, the start-up funding of $15,000 has been allocated to the CBD Project.

4.1.6 CBD Project

The Agency's main emphasis in this Project Area is, of course, the Transit Village, and to a lesser extent, the Northeast Gateway Corridors project, discussed above. Additionally, the Agency continues to facilitate the creation of new employment opportunities through the sale of Agency-owned property which is not a part of the Transit Village project. In conjunction with this effort, the Agency continues to encourage the expansion of small business concerns that may be adjacent to Agency-owned parcels. As shown in Volume II Exhibit F, the Agency has allocated $100,000 per year commencing in FY 2005-06 for these other economic development projects and $150,000 per year commencing in FY 2005-06 for land acquisition costs.[6]

4.1.7 Fox Field Project

The Agency's main commitment in this Project Area has been the provision and improvement of public infrastructure. For instance, the Agency has widened Avenues G and H during the term of the 1999-04 Implementation Plan. During the term of this Implementation Plan the Agency will provide infrastructure improvements on 45th Street West and 47th Street West. Additionally, and very importantly, the Agency will provide infrastructure improvements in conjunction with and to assist private industrial development. Such improvements could include, but would not be limited to, street lights, the expansion of public streets to accommodate industrial widths, etc. Further, the Agency will seek to assemble land to encourage industrial development on parcels which currently are of inadequate size or shape to support modern industrial developments. A review of Volume II, Appendix F (Fox Field) will show the Agency is projecting the expenditure of a half million dollars per year commencing in FY 2005-06 for infrastructure projects ($400,000 per year) and for other economic development projects ($100,000 per year). Given the inexact nature of such projections over time, it is likely that actual costs within each of these two line items will differ somewhat from the total projected for both line items. Additionally,

---

6 It is anticipated that the bulk of these funds will be added to and spent in support of the Transit Village and Northeast Corridors projects; however, other projects as yet undefined could also utilize these funds as and when land assembly becomes a necessary component of such projects or programs.

the Agency is projecting the expenditure of $150,000 per year commencing in FY 2005-06 for land acquisition costs.

4.1.8 Amargosa Project

The Agency continues to pursue the reuse of under-utilized retail structures by encouraging new and alternative uses/users to occupy these previously commercial-related spaces. The Agency is also encouraging the revitalization of under-utilized shopping centers and commercial properties, and will continue to market and promote the Lancaster Business Park as a location for small to medium light industrial and office business and office users seeking a controlled campus-like environment for job creation.

In addition, the Agency will continue to encourage restaurant, retail, and sports/entertainment-type uses to locate in the remaining properties in Front Row Center. The Agency has allocated $150,000 per year commencing in FY 2005-06 for these other economic development projects as well as $100,000 per year commencing in FY 2005-06 for land acquisition. Further, the Agency will implement the Northeast Gateway Corridors project.

4.1.9 Project No. 5

The primary focus in this Project Area will be the Transit Village and, as it becomes active, the rehabilitation of properties as part of the 15th Street West/Avenue J Project. Further, the Agency will implement the Northeast Gateway Corridors project. In order to provide for activities in Project No. 5 which are not now "in the pipeline" the Agency has allocated $100,000 per year for other economic development activities commencing in FY 2005-06. Further, the Agency has allocated $100,000 per year commencing in FY 2005-06 for land acquisition activities.[7]

4.1.10 Project No. 6

Following the creation of a Vision Plan, the primary focus in this Project Area will be the activities revolving around the 15th Street West/Avenue J Project. Further, the Agency will implement the Northeast Gateway Corridors project. In order to provide for activities in Project No. 5 which are not now "in the pipeline" the Agency has allocated $100,000 per year for other economic development activities commencing in FY 2005-06. Further, the Agency has allocated $100,000 per year commencing in FY 2005-06 for land acquisition activities.

4.1.11 Project No. 7

The Agency will implement the Northeast Gateway Corridors project and respond to development opportunities as they become apparent. In order to provide for activities in Project No. 5 which are not now "in the pipeline" the Agency has allocated $100,000 per year for other economic development activities commencing in FY 2005-06. Further, the Agency has allocated $100,000 per year commencing in FY 2006-07 for land acquisition activities.

Agency participation in the rehab of a vacant store into a modern "call center" where 200 employees work and spend money locally. The previously moribund retail center is now leased and contributing to the community.

[7] It is anticipated that the bulk of these funds will be added to and spent in support of the Transit Village and Northeast Corridors projects; however, other projects as yet undefined could also utilize these funds as and when land assembly becomes a necessary component of such projects or programs.

4.2 Projected Income and Expenditures in the General Redevelopment Fund: FY 2004-05 through FY 2008-09

As shown in Table 3 and based upon a review of the Agency's FY 2004-05 Budget,[8] this Implementation Plan projects that the Agency will begin the five-year cycle of the Implementation Plan with a Beginning Balance of $14,884,138 for all seven Project Areas. Tax increments due the Agency for all Project Areas in FY 2004-05 have been identified in the FY 2004-05 Budget to be $4,500,000. UFI projects that total assessed valuations in all Project Areas except for the CBD Project Area will increase by three percent per year; total assessed valuations in the CBD Project Area are projected to increase only by two percent per year based on growth patterns in the past. Tax increments generated from these projected assessed valuations are shown in Table 3 for the period FY 2005-06 through FY 2008-09. The Agency anticipates the issuance of a $10.75 million, tax exempt tax allocation bond in December 2004; a net $9.5 million in bond proceeds has been shown in FY 2004-05. The income from the "Performing Arts Theater" is projected to remain at a flat $420,000 per year; "Incubator Rents" are projected to increase two percent per year; "Grants" have been projected at a conservative $1 million per year ($400,000 less than shown in the Budget for FY 2004-05);[9] "Land Sales" are projected at a flat $1 million per year for four years,[10] and "Other" revenues are projected to equal $200,000 per year after FY 2004-05.

Expenditures identified in the FY 2004-05 Budget for FY 2004-05 include: i) $1.6 million for operations (increased by two percent per year over the term of the Implementation Plan); ii) $3.9 million in debt service payments during FY 2004-05 increasing to $4.2 million in FY 2005-06, $4.5 million in FY 2006-07, and $4.6 million thereafter to accommodate the increased debt service payments from the $10.75 million tax allocation bond identified above; iii) business park expenditures at $286,000 (increased by two percent per year over the term of the Implementation Plan); iv) $16.7 million in Specific Projects (Including Infrastructure);[11] (and remaining between $2.8 million and $3.5 million per year thereafter[12]) v) $3.9 million in Land Acquisition costs; vi) $588,000 in Project-Specific studies; and vi) $550,000 in repayment to the LMI Fund for previous loans to make ERAF payments.[13]

---

[8] UFI used the FY 2004-05 Budget to provide the Beginning Balance for FY 2004-05 and revenues and expenditures for the same fiscal year. Revenues and expenditures from FY 2005-06 onwards are based upon UFI projections and discussions with Agency staff.

[9] It is extremely difficult to project the receipt of grant funds over a five-year term; however, since Agency staff relays that the Agency can anticipate receipt of a $2 million grant for Lancaster University in the next four years, it is likely that the Agency can generate an additional $2 million from other sources over the remaining term of the Implementation Plan.

[10] The FY 2004-05 Budget identifies $3.9 million in Land Acquisition expenditures in FY 2004-05. This Implementation Plan assumes the Agency will expend an additional $2.7 million over its term, giving the Agency an "inventory" of a projected $6.6 million worth of land to dispose of. This Implementation Plan assumes the Agency will receive approximately $4 million on the sale of this land over the term of the Implementation Plan based upon the following assumptions: i) that land purchased in any given year will not be sold until at least the following year; and ii) that the Agency will sell its land at some discount from its cost to acquire (costs to acquire assumed to include relocation and goodwill benefits as well as standard acquisition costs which are not attributable to land value). While it is extremely difficult to ascribe an "average" discount, it would be safe to assume that the Agency would not be likely to dispose of its land at much above 80 percent of its cost to acquire; therefore, total revenues would equal approximately $5.28 million (say, $5 million). Assuming land purchased in FY 2008-09 is not sold until the next year indicates that total revenues from land sales over the term of the Implementation Plan would equal $4 million.

[11] The term "Specific Projects (Including Infrastructure)" is a general category used in this Implementation Plan to identify the more than 35 specific line items found in the FY 2004-05 Budget. The reader interested in specific projects to be completed by the Agency during FY 2004-05 is referred to pages 361 through 363 in the Budget.

[12] See Appendix F, Volume II for a breakdown of these amounts.

[13] "ERAF" is the acronym for the Educational Relief Augmentation Fund currently operating under provisions established by the adoption of SB 1096 to provide local assistance to the State during its budget crisis.

TABLE 3
PROJECTED GENERAL REDEVELOPMENT FUND PROGRAM RECEIPTS AND EXPENDITURES FOR ALL PROJECT AREAS
FY 2004-05 THROUGH FY 2008-09[1]

PROGRAM CATEGORY	FISCAL YEAR					TOTAL
	2004-05[2]	2005-06[8]	2006-07	2007-08	2008-09	
BEGINNING BALANCE (GENERAL FUNDS)	$14,884,138	$13,455,024	$12,322,438	$10,912,749	$8,932,096	
Estimated Receipts						
A. Tax Increment[3]	$4,500,000	$4,685,463	$4,876,457	$5,073,148	$5,275,719	$24,410,787
B. Bond Proceeds[4]	$9,480,000	$0	$0	$0	$0	$9,480,000
C. Interest (2% of Beginning Balance)	$297,683	$269,100	$246,449	$218,255	$178,642	$1,210,129
D. Performing Arts Lease	$420,000	$420,000	$420,000	$420,000	$420,000	$2,100,000
E. Incubator Rents	$189,172	$192,955	$196,815	$200,751	$204,766	$984,459
F. Grants[5]	$1,400,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,400,000
G. Land Sales[6]	$3,761,420	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$7,761,420
H. Other[7]	$6,039,934	$200,000	$200,000	$200,000	$200,000	$6,839,934
TOTAL AVAILABLE	$40,972,347	$21,222,543	$20,262,158	$19,024,904	$17,211,223	
Estimated Expenditures						
A. Operational Costs[8]	$1,616,568	$1,648,899	$1,681,877	$1,715,515	$1,749,825	$8,412,685
B. Debt Service[8]	$3,927,974	$4,154,485	$4,479,977	$4,583,787	$4,565,199	$21,711,422
C. Business Park[8]	$286,000	$291,720	$297,554	$303,505	$309,576	$1,488,355
D. Specific Projects (Including Infrastructure Improvements)[9]	$16,691,041	$2,805,000	$2,890,000	$3,490,000	$3,490,000	$29,366,041
E. Land Acquisition	$3,857,860	$0	$0	$0	$0	$3,857,860
F. Project Specific Studies	$587,880	$0	$0	$0	$0	$587,880
G. ERAF	$550,000	$0	$0	$0	$0	$550,000
TOTAL PROJECTED EXPENDITURES	$27,517,323	$8,900,104	$9,349,409	$10,092,807	$10,114,600	$65,974,243
YEARLY ENDING BALANCE	$13,455,024	$12,322,438	$10,912,749	$8,932,096	$7,096,623	

1 Complies with CCRL § 33490(a)(1)(A)
2 Based upon Agency's FY 2004-05 Budget.
3 Tax increment revenues are based on actual assessed value for FY 2004-05 as provided by the Los Angeles Auditor Controller. Future growth in assessed value is projected to increase by 3% per year in all Project Areas except for the CBD Project where increases are projected to be 2% per year.
4 Gross $11.5 million tax exempt bond, nets approximately $10 million to the Agency. Projected sales date is 12/04.
5 Estimated at $1 million per year. Based on anticipated receipt of $2 million for the Lancaster University project plus an additional $2 million based on staff estimates.
6 Estimated at $1 million per year. See discussion in text.
7 Includes one-time only revenues identified in the FY 2004-05 Budget (Library Repayment, Loan from City, Loan from Housing, Traffic Impact Loans, etc.) Consequently, projects only $200,000 per year during term of Implementation Plan.
8 Based on FY 2004-05 Budget; increased by 2% per year.
9 See Tables in Volume II, Appendix F, for breakdowns. See discussion in text for description.

Source: Urban Futures, Inc., FY 2004-05 Budget, and Agency Staff.

As is clear from even a casual review of the Agency's Budget and the discussion of projected programs and projects identified above, this Agency administers a complicated and "entrepreneurial" redevelopment program which is challenging to predict. Large capital expenditures in one year may disappear altogether in the next, while whole new projects come on line as opportunity presents itself (please review the discussion relating to the 15th Street West/Avenue J project which did not exist a year ago and is a creative alternative method of eradicating blight when a more direct method —the purchase of deteriorated properties— was not well received). Consequently, Table 3 projects expenditures only in the most general fashion.

5.0 STATEMENT THAT THE PROGRAMS AND EXPENDITURES WILL ELIMINATE BLIGHT WITHIN THE PROJECT AREAS

CCRL Section 33490(a)(1)(A) requires that the implementation plan prepared by each agency provide an explanation of how the programs and expenditures will eliminate blight within a redevelopment agency's project area(s). Table 4 shows the relationship of the proposed projects/programs categories to the eradication of remaining blight, as defined in CCRL Section 33031, within the Project Areas.

Located in the Lancaster Business Park, the occupant of this building is the largest employer in Lancaster; 1600 employees enjoy the opportunity work locally because of the Agency's ability to eradicate blight through land acquisition and assembly.

6.0 CCRL SECTION 33413(b)(4) HOUSING COMPLIANCE PLAN AND EVIDENCE OF AGENCY COMPLIANCE WITH CCRL SECTION 33334.4

CCRL Section 33413(b)(4) requires each redevelopment agency to adopt a compliance plan as part of the implementation plan required by CCRL Section 33490 indicating how the agency will comply with the requirements set forth in CCRL Section 33413(b). This Section 6 of the Implementation Plan complies with this requirement and is the Agency's Housing Compliance Plan. Further, this Section 6 describes how the Agency intends to expend monies in the LMI Fund consistent with the provisions of CCRL Section 33334.4.

TABLE 4
PROGRAM & EXPENDITURES NEXUS TO BLIGHT ELIMINATION[1]

PHYSICAL CONDITIONS							ECONOMIC CONDITIONS			INFRASTRUCTURE
PROGRAM EXPENDITURES[2]	UNSAFE BUILDINGS	PHYSICAL OBSOLESCENCE	MIXED CHARACTER	INCOMPATIBLE LAND USES	SHIFTING OF USES	IRREGULAR/ INADEQUATELY SIZED PARCELS	DEPRECIATED OR STAGNANT PROPERTY VALUES	ECONOMIC OBSOLESCENCE (BUILDING/ LOTS)	HIGH RATE OF BUSINESS VACANCIES	INADEQUATE PUBLIC IMPROVEMENTS
Transit Village	✓	✓	✓	✓	✓		✓	✓	✓	✓
Northeast Gateway Corridors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Facade Improvements		✓	✓	✓	✓		✓	✓	✓	
Infrastructure		✓					✓	✓		✓
General Redevelopment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Land Acquisition	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

[1] Complies with CCRL Section 33490(a)(1)(A).
[2] Reference Section V, *Proposed Agency Projects and Programs and Related Expenditures* for a projected expenditures analysis and estimated cost for each program.

6.1 Compliance Requirements

One of the fundamental goals of redevelopment in California is the production, improvement and preservation of the supply of housing affordable to very low-, low-, and moderate-income households. This goal is accomplished, in part, through the execution of four different, but interrelated requirements imposed on redevelopment agencies by the CCRL. These requirements are:

- An agency must use at least 20 percent of its tax increment revenue to increase, improve and preserve the supply of very low-, low-, and moderate-income housing in the community (CCRL Section 33334.2);
- An agency must replace, in equal or greater number, very low-, low-, and moderate-income housing units and bedrooms which are destroyed or removed as a result of a redevelopment project (the "replacement rule," CCRL Section 33413(a));
- An agency must ensure that a fixed percentage of all new or substantially rehabilitated dwelling units developed by the agency are affordable to very low-, low-, and moderate-income persons and families (the "inclusionary rule," CCRL Section 33413(b)(1)); and
- An agency must ensure that a fixed percentage of all new and substantially rehabilitated dwelling units developed within the project area by public or private entities or persons other than the Agency are affordable to very low-, low-, and moderate-income persons (the "inclusionary rule," CCRL Section 33413(b)(2)).

Each of these four requirements were explained in detail in the 1995-99 and 1999-04 Implementation Plans. For reference, these explanations have been included herein in Volume II, Appendix G. Additionally, Appendix G provides information on the definitions of "affordable" housing, descriptions of how long such housing must remain affordable, and discussion of how LMI fund monies may be legally spent, both inside and outside the Project Areas.

6.2 Tabulations Showing Existing Replacement and Inclusionary Housing Obligations (FY 1999-00 through FY 2003-04)

The information provided on Tables 5 through 9 presents an analysis of the Agency's compliance with CCRL affordable housing mandates through the end of FY 2003-04. The information contained in these tables, in concert with the other parts of this Implementation Plan, ensure compliance with CCRL Sections 33490, 33413, 33334.2, 33334.3, 33334.4, and/or 33334.6. The tables and discussion presented below and in subsequent sections of this Implementation Plan represent what is required by law regarding affordability, replacement, and inclusionary housing requirements established in the CCRL. It should be noted that replacement and inclusionary obligations are calculated and identified to the nearest tenth while units which count toward fulfillment of these obligations are, of course, counted in whole numbers. While this results in some rounding issues and complication, it most effectively enumerates the Agency's obligations without exacerbating these obligations due to rounding within the calculation regime.

The reader will note two differences between housing tables in this Implementation Plan and previous implementation plans. In the first place, previous implementation plans "broke out" the accounting for replacement and inclusionary housing by Project Area, so that those plans provided individual tables for each Project Area for much of the housing computations. This process was deemed redundant and unnecessarily confusing for application in this Implementation Plan for three reasons: i) the CCRL allows a redevelopment agency to aggregate new or substantially rehabilitated housing units in one or more project areas if the agency finds that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation (CCRL Section 33413(b)(2)(v)); ii) the CCRL allows a redevelopment agency to assist "affordable" housing anywhere in the community if such assistance will be of benefit to the project (CCRL Section 33334.2(g)); and iii) the break-out of housing statistics by Project Area was not complete in any event (for instance, in the 1999-04 Update, Tables 7, 9, and 10 do not identify housing by Project Area, while Tables 8 and 11 do). The resolutions required by CCRL Section 33413(b)(2)(v) and 33334.2(g) for (i) and (ii) above should be adopted by the Agency and/or City. The second major difference between this Implementation Plan and previous implementation plans is a more complete view of the definition of the term "developed by an agency" (CCRL Section 33413(b)(1)). Previous implementation plans assumed that virtually any Agency involvement in the housing development process fit the definition of "developed by an agency" and therefore identified such housing as being developed pursuant to CCRL Section 33413(b)(1). However, in many cases the Agency only provided financing for such housing (either through loans or grants) and therefore, this Implementation Plan assumes these units were developed under regulations found in CCRL Section 33413(b)(2)(A)(i). Consequently, a number of units previously identified on the tables which count units developed by the Agency have been transferred to the tables which count units developed "by public or private entities or persons other than the agency...." This technical difference becomes important since 30 percent of all units developed under regulations found in CCRL Section 33413(b)(1) must be income restricted, while only 15 percent of units developed under regulations found in CCRL Section 33413(b)(2)(A)(i) must be income restricted.

Additionally, please note that CCRL Section 33490 requires an Implementation Plan to locate the housing which has been income restricted by the Agency. Given the fact that the Agency has income restricted literally thousands of residential units throughout the Lancaster community, it would be mind boggling in the extreme to locate these units in this Implementation Plan. However, the Agency, like all redevelopment agencies in California, must provide the State Department of Housing and Community Development (HCD) with an annual report which does, in fact, locate all units which have been income restricted by the Agency. These reports are on file with HCD and in the offices of the Agency and are, by this reference, made a part of this Implementation Plan as if fully set forth herein.

<u>Table 5</u>:

As shown in the "Balance Forward" row in Table 5, the Agency began the 1999-04 Implementation Plan cycle with having caused, by agreement, the removal or destruction of 46 very low-income, 30 lower-income, and 48 low- and moderate-income residential units within the Project Areas. These 124 units contained a total of 194 bedrooms. However, by reference to the 1995-99 Update and discussion with Agency staff, UFI is able to "credit" the Agency with the development or rehabilitation of 147 residential units including 324 bedrooms (94 very low-income, seven lower-income, and 46 low- and moderate-income units). A review of the "Difference" column in the "Balance Forward" row shows that the Agency started the previous planning cycle with a surplus of 23 very low-income units and a surplus of 130 bedrooms.

During the 1999-04 Implementation Plan planning cycle; however, the Agency caused the removal or demolition of more units than it replaced so that, by the end of the planning cycle the Agency was in a deficit position of 118 very low-income units, three low- and moderate-income units, and 22 bedrooms.

The CCRL requires that housing units within a redevelopment project area removed or destroyed by actions taken pursuant to an agreement with the Agency must be replaced within four years. A review of Table 5 will show that the Agency remains within this time limitation. For instance, as of FY 1999-00 the Agency enjoyed a surplus so that there were no accumulated "rolling" deficits at that time. In FY 2000-01 the Agency caused the removal of 43 units, 40 of which units were "replaced" the next year, leaving a surplus of four units. In FY 2001-02, 2002-03, and 2003-04 the Agency caused the removal of 120 units thereby leaving a deficit of 121 units (of which 118 were very low-income units and three were low- and moderate-income units). The Agency will need to continue focusing on replacing units during the early years of this Implementation Plan cycle in order to overcome this deficit.

<u>Table 6</u>:

As shown on the "Balance Forward" row, the Agency began the 1999-04 Implementation Plan cycle by having developed or substantially rehabilitated a total of 115 residential units. Thirty percent of these units (or 34.5 units) had to be income restricted. In fact, the Agency had income restricted 113 units (25 units to low- and moderate-income households and 88 units to very low-income households); therefore, the Agency started the 1999-04 Implementation Plan planning cycle with a surplus of 7.8 low- and moderate-income housing units and 70.8 very low-income units. During the term of the 1999-04 Implementation Plan planning cycle, the Agency "developed" (or substantially rehabilitated) an additional 31 units and income restricted all of them. Consequently, the Agency completed the planning cycle with a surplus of 13.1 low- and moderate-income units and 87.1 very low-income units which it developed.

<u>Table 7</u>:

The Agency did not develop or assist in the development of any affordable housing outside a Project Area.

<u>Table 8</u>:

As shown on the "Balance Forward" row, the Agency began the 1999-04 Implementation Plan cycle with a substantial number of housing units developed by others within the Project Areas. In fact, a review of Column 3 shows that fully 15,476 such units had been developed or substantially rehabilitated within the Project Areas by FY 1998-99, leading to an "inclusionary" obligation on the part of the Agency of some 2,321.4 units. As of the beginning of the 1999-04 Implementation Plan planning cycle, the Agency had income restricted only 104 units (eight low- and moderate-income units and 96 very low-income units), leading to the deficits identified in the "Cumulative Difference" column. During the term of the 1999-04 Implementation Plan private developers constructed an additional 2,362 units, of which most were single family, for sale residences. Such housing units are relatively difficult to income restrict and, upon subsequent sale, tend to cease being income restricted either through a sale at a price above the regulated value or a sale to a family whose income exceeds the regulated annual income cap.

Consequently, the Agency made a decision to concentrate its resources on income restricting whatever multi-family developments were constructed in the community. Fewer than 400 of these units were developed during the term of the 1999-04 Implementation Plan and virtually all of them (322 units) were income restricted by the Agency.

A simple calculation will show that the 2,362 units developed in the Project Areas generated an inclusionary obligation on the part of the Agency of some 354 (354.3) units and that the Agency income restricted only 322 units during this same period of time. In short, during the 1999-04 Implementation Plan planning cycle, the Agency slightly worsened its situation with reference to inclusionary housing obligation with the income restriction of 185 low- and moderate-income units and 137 very low-income units.

Table 9:

Column 1 ("a" through "d") in Table 9 summarizes the information provided in Tables 6 through 8 which relates to income restriction of new and substantially rehabilitated dwellings. Column 2 ("a" through "d") in Table 9 adds information not previously discussed about income restriction of existing units through the purchase of covenants.

Column 1 of the "Balance Forward" row identifies 217 units which were income restricted as a part of their construction or substantial rehabilitation. Column 2 identifies a total of 570 units where income restrictions had been purchased or otherwise acquired prior to the beginning of the 1999-04 Implementation Plan. Note that the Agency actually income restricted 396 low- and moderate-income housing units and 368 very low-income units during this time period; however, since CCRL Section 33413(b)(2)(C) precludes an agency from "counting" more than 50 percent of units restricted through the purchase of affordability covenants Table 9 only "counts" those units which will equal 50 percent of all income restricted units in the "TOTALS" row at the bottom of Table 9.

During the term of the 1999-04 Implementation Plan the Agency secured price restrictions on 353 new or substantially rehabilitated units. Additionally, though not spelled out in Table 9 for reasons identified above, the Agency purchased income restrictions in FY 2001-02 on an additional 258 existing residential units (111 low- and moderate-income units and 147 very low-income units). Because no more than 50 percent of all restricted units may be restricted through the purchase of such restrictions on existing product, Table 9 "counts" 228 low- and moderate-income units and 342 very low-income units where restrictions were purchased. As described above, the Agency will be able to "bank" the additional 452 units and count them toward its inclusionary deficits as an equal number of new units are developed or substantially rehabilitated.

In summary, and as shown in Column 8 ("a" through "d") the Agency finished the 1999-04 Implementation Plan planning cycle with an inclusionary deficit of 1,171.3 low- and moderate-income units and 408.2 very low-income units.

TABLE 5
TOTAL DWELLING UNITS DESTROYED OR REMOVED BY THE AGENCY INSIDE THE PROJECT AREA INCLUDING AN INVENTORY OF REPLACEMENT UNITS PROVIDED[1] REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2004

FISCAL YEAR	NO. OF UNITS DESTROYED OR REMOVED AFFECTING					NO. OF UNITS REHABILITATED, DEVELOPED, OR CONSTRUCTED[9,10,11]					CUMULATIVE REMOVAL/REPLACEMENT OBLIGATION (DEFICIT[-])/(SURPLUS[+])			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	VERY LOW INCOME[3]	LOWER INCOME[4]	LOW-MOD INCOME[5]	TOTAL UNITS DESTROYED OR REMOVED[6,7,8]	TOTAL NO. BEDROOMS DESTROYED OR REMOVED	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL UNITS PROVIDED	TOTAL NO. BEDROOMS PROVIDED[12]	VERY LOW INCOME (f - a + previous year balance)	LOWER INCOME (g - b + previous year balance)	LOW-MOD INCOME (h - c + previous year balance)	TOTAL NO. BEDROOMS[12] (j - e + previous year balance)
BALANCE FORWARD[2]	46	30	48	124	194	94	7	46	147	324	23	0	0	130
1999-2000	16			16	16						7	0	0	114
2000-01	43			43	43						(36)	0	0	71
2001-02	44			44	44	40			40	62	(40)	0	0	89
2002-03	54			54	66						(94)	0	0	23
2003-04	19		3	22	45						(118)	0	(3)	(22)
TOTALS	222	30	51	303	408	134	7	46	187	386	(118)	0	(3)	(22)

[1] Complies with CCRL Section 33413(a), (c), (d)(1), and 33334.5. The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2).
[2] Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 1999.
[3] As defined by Health & Safety Code Section 50105.
[4] As defined by Health & Safety Code Section 50079.5.
[5] As defined by Health & Safety Code Section 50093.
[6] Removed from low- or moderate-income housing market, as part of a redevelopment project. When units are planned for destruction or removal, locations for suitable replacement units must be identified (CCRL Section 33413.5).
[7] Replacement units must be provided within four years of removal or destruction (CCRL Section 33413(a)).
[8] Total units destroyed or removed housing persons and families of low or moderate income from the low- and moderate-income housing market as part of redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency (CCRL Section 33413(a)).
[9] Within territorial jurisdiction of agency; must be an equal number of replacement units as those destroyed or removed provided within 4 years of removal (CCRL Section 33413(a)).
[10] When units are destroyed or removed after September 1, 1989, 75 percent of the replacement units shall replace dwelling units available at affordable housing cost to persons in the same or lower income category (very low, low, or moderate) as the persons displaced from those destroyed or removed units; effective January 1, 2002, this requirement was increased to 100 percent (CCRL Section 33413(a)).
[11] Reference CCRL Section 33413(c) for applicable covenants.
[12] Must be an equal or greater number of bedrooms as those removed or destroyed (CCRL Section 33413(f)).

TABLE 6
DWELLING UNITS DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY INSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2004

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3] MULTI-FAMILY	SUBSTANTIAL REHAB[3] SINGLE FAMILY	TOTAL	REQUIRED TO BE AT LEAST 30% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 50% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
BALANCE FORWARD[2]	17	0	98	115	34.5	17.3	25	17.3	88					7.8	70.8
1999-2000														7.8	70.8
2000-01	6		11	17	5.1	2.6	10	2.6	7			+7.5	+4.5	15.2	75.2
2001-02	5			5	1.5	0.8		0.8	5	-0.8			+4.3	14.5	79.5
2002-03	9			9	2.7	1.4		1.4	9	-1.4			+7.7	13.1	87.1
2003-04														13.1	87.1
TOTALS	37	0	109	146	43.8	21.9	35	21.9	109					13.1	87.1

[1] Compliance with Sections 33413(b)(1), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).

[2] Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 1999.

[3] Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).

[4] As defined by Health & Safety Code Section 50093.

[5] As defined by Health & Safety Code Section 50105.

[6] Calculated on a cumulative year-to-year basis.

[7] See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

[8] In accordance with CCRL Section 33413(b)(1).

TABLE 7
DWELLING UNITS DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY OUTSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2004

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3] MULTI-FAMILY	SUBSTANTIAL REHAB[3] SINGLE FAMILY	TOTAL	REQUIRED TO BE AT LEAST 30% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 50% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
BALANCE FORWARD[2]															
1999-2000															
2000-01						NO ACTIVITY									
2001-02															
2002-03															
2003-04															
TOTALS															

1 Compliance with Sections 33413(b)(2), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v). Agency must have made findings pursuant to CCRL Section 33334.2(g) to develop units outside the Project Area. The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii).

2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 1999.

3 Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).

4 As defined by Health & Safety Code Section 50093.

5 As defined by Health & Safety Code Section 50105.

6 Calculated on a cumulative year-to-year basis.

7 See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

8 In accordance with CCRL Section 33413(b)(1).

TABLE 8
DWELLING UNITS DEVELOPED AND SUBSTANTIALLY REHABILITATED BY PUBLIC OR PRIVATE ENTITIES OR PERSONS OTHER THAN THE AGENCY INSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2004

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3]		TOTAL	REQUIRED TO BE AT LEAST 15% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 60% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 40% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
		MULTI-FAMILY	SINGLE FAMILY												
BALANCE FORWARD[2]	15,348	0	128	15,476	2,321.4	1,392.8	8	928.6	96					(1,384.8)	(832.6)
1999-2000	211			211	31.7	19.0	12	12.7		-7.0	-12.7			(1,391.8)	(845.2)
2000-01	593			593	89.0	53.4		35.6	137	-53.4			+101.4	(1,445.2)	(743.8)
2001-02	504			504	75.6	45.4	161	30.2			-30.2	+115.6		(1,329.6)	(774.0)
2002-03	427			427	64.1	38.4	12	25.6		-26.4	-25.6			(1,356.0)	(799.7)
2003-04	627			627	94.1	56.4		37.6		-56.4	-37.6			(1,412.4)	(837.3)
TOTALS	17,710	0	128	17,838	2,675.7	1,605.4	193	1,070.3	233					(1,412.4)	(837.3)

1 Compliance with Section 33413(b)(2), (c), and (d)(1). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).
2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 1999.
3 Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).
4 As defined by Health & Safety Code Section 50093.
5 As defined by Health & Safety Code Section 50105.
6 Calculated on a cumulative year-to-year basis.
7 See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).
8 In accordance with CCRL Section 33413(b)(1).

TABLE 9
SUMMARY OF DWELLING UNITS DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY AND OTHERS INCLUDING AN INVENTORY OF THE AGENCY'S INCLUSIONARY UNIT OBLIGATION[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2004

FISCAL YEAR	PRICE RESTRICTED (NEW CONST[3] AND SUB REHAB[4])				PRICE RESTRICTED (PURCHASE/ ACQUISITION OF EXISTING UNITS)[5]				NEW CONSTRUCTION[6]		SUBSTANTIAL REHABILITATION[4,7]		REHABED[8]	BOND FINANCED	OTHER	CUMULATIVE INCLUSIONARY UNITS EARNED/OWED [+]/[-][9]			
	LOW-MOD[10]		VERY LOW[11]		LOW-MOD		VERY LOW									LOW-MOD		VERY LOW	
	1a*	1b**	1c*	1d**	2a*	2b**	2c*	2d**	3a*	3b**	4a*	4b**	5	6	7	8a*,[12]	8b**,[13]	8c*,[14]	8d**,[15]
BALANCE FORWARD[2]	33	0	184	0	228	0	342	0	15,365	0	226	0	0	0	0	(1,149.1)	0.0	(419.8)	0.0
1999-2000	12								211							(1,156.1)	0.0	(432.5)	0.0
2000-01	10		144						599		11					(1,202.0)	0.0	(326.6)	0.0
2001-02	161		5						509							(1,087.1)	0.0	(352.6)	0.0
2002-03	12		9						436							(1,114.9)	0.0	(370.6)	0.0
2003-04									627							(1,171.3)	0.0	(408.2)	0.0
TOTALS	228	0	342	0	228	0	342	0	17,747	0	237	0	0	0	0	(1,171.3)	0.0	(408.2)	0.0
ADJUSTMENTS																			
CALCULATION TO TRANSFER CREDITS BETWEEN PROJECT AREA AND OUTSIDE PROJECT AREA (IF NEEDED)[16]																-	-	-	-
SUBSTITUTE SURPLUS VERY LOW FOR LOW-MOD (IF NEEDED)																-	-	-	-
TOTAL ADJUSTED INCLUSIONARY UNITS DEFICIT/SURPLUS																(1,171.3)	0.0	(408.2)	0.0

* Inside the Project Area.
** Outside the Project Area.
1 Complies with CCRL Sections 33334.2(a), 33490(a)(2)(A).
2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 1999.
3 Pursuant to CCRL Sections 33413(b)(1), (2), and 33413(c).
4 Substantial Rehabilitation as defined in CCRL Section 33413(b)(2)(A)(iv). After 1/1/02 inclusionary obligation applies to substantially rehabilitated units using agency assistance. Prior to 1/1/02, inclusionary obligation applied to substantially rehabilitated structures: i) with one or two units using agency assistance; and, ii) with 3 or more units regardless of status of agency assistance (CCRL Section 33413 (b)(2)(iii)).
5 Not more than 50% of the units made available, pursuant to CCRL Sections 33413(b)(1) and (2)(A), may be assisted through the purchase or acquisition of long-term affordability covenants pursuant to CCRL Section 33413(b)(2)(B); therefore, the amounts entered in Column 2 cannot be more than 50% of the combined totals of Columns 1 and 2.
6 The sum of Columns 3a and 3b equal the sum of Column 1 from Tables 6, 7, and 8 for each fiscal year.
7 The sum of Columns 4a and 4b equal the sum of Column 2 from Tables 6, 7, and 8 for each fiscal year.
8 Does not include units that are defined as substantially rehabilitated, pursuant to CCRL Sections 33413(b)(2)(A)(iii) and (iv).
9 Units included in columns 1 and 2 count for inclusionary credits, pursuant to CCRL Section 33413(b)(1) and (2). Columns 3 and 4 represent the total number of units constructed or substantially rehabilitated. See Tables 6, 7, and 8. Units included in Columns 5 through 8 do not qualify for inclusionary credit.
10 The sum of Columns 1a and 1b equal the sum of Column 5b from Tables 6, 7, and 8 for each fiscal year.
11 The sum of Columns 1c and 1d equal the sum of Column 6b from Tables 6, 7, and 8 for each fiscal year.
12 Equals the sum of Columns 1a and 2a minus the sum of Column 5a from Tables 6 and 8 for each fiscal year. Calculated on a cumulative year-to-year basis.
13 Equals the sum of Columns 1b and 2b minus the sum of Column 6a from Tables 6 and 8 for each fiscal year. Calculated on a cumulative year-to-year basis.
14 Equals the sum of Columns 1c and 2c minus the sum of Column 5a from Table 7 for each fiscal year. Calculated on a cumulative year-to-year basis.
15 Equals the sum of Columns 1d and 2d minus the sum of Column 6a from Table 7 for each fiscal year. Calculated on a cumulative year-to-year basis.
16 The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii)).

6.3 Affordable Housing Goals and Objectives

The Agency's housing goals and objectives have been identified in Section 3.0 of this Implementation Plan and are copied here for the convenience of the reader and to provide for a complete housing compliance plan. Note that for a complete listing of the Agency's goals and objectives please refer to Section 3 of this Implementation Plan.

Lancaster Residential Redevelopment Project Area

Goal No. 1: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide funding and/or technical assistance for residential development and rehabilitation throughout the City including both single- and multi-family units where appropriate.

b. Fund infrastructure improvements in residential neighborhoods which will promote development of affordable housing, as necessary, all in accordance with available funding sources and appropriate state law.

c. Provide assistance to residential developers when financially feasible and when affordability covenants can be secured.

d. Implement a program of infill housing within the City's Central Core area.

Lancaster Central Business District Redevelopment Project Area

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

b. Provide, when possible, homebuyer assistance either in the form of non-interest fixed rate financing or down payment assistance or other programs as may be appropriate.

c. Continue to increase the supply of senior housing units through expenditure of LMI funds in proportion to the senior population of the City.

d. Continue a program of infill housing within the City's Central Core area.

Fox Field Redevelopment Project Area

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

b. In order to effectuate the timely development of both housing and non-housing uses, implement a program of upgrading infrastructure in deficient areas.

c. Assist private sector developers, when financially feasible, to provide infrastructure improvements in those instances where future cost savings and development potential are evident.

Amargosa Redevelopment Project Area

Goal No. 1: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding and/or technical assistance for residential development and rehabilitation throughout the City including both single- and multi-family units where appropriate.

b. Continue to fund infrastructure improvements in residential neighborhoods which will promote development of affordable housing, as necessary, and in accordance with available funding sources and appropriate state law.

c. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

Redevelopment Project Area No. 5

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding assistance for housing rehabilitation using loans to those households meeting eligibility requirements, as appropriate and feasible.

b. Provide assistance to residential developers when financially feasible and/or when affordability covenants can be secured.

c. Continue to implement homebuyer assistance programs in the Project Area and City-wide using Agency loans or through cooperative ventures with interested lending institutions and/or governmental agencies.

d. Continue a program of infill housing within the City's Central Core area.

Redevelopment Project Area No. 6

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Continue to provide funding assistance for housing rehabilitation using loans to those households meeting eligibility requirements, as appropriate and feasible.

b. Provide assistance to developers when financially feasible and/or when affordability covenants can be secured.

c. Continue to implement homebuyer assistance programs in the Project Area using Agency loans or through cooperative ventures with interested lending institutions and/or government agencies in the forms of fixed-rate financing or down payment assistance.

d. Continue to work with Department of Veterans Affairs in development of the Veterans Home facility.

e. Implement the Northeast Gateway Corridors Plan.

Redevelopment Project Area No. 7

Goal No. 2: Continue to increase, improve and preserve the City's supply of very low-, low- and moderate-income housing units (including units for senior citizens in proportion to the senior population of the City) through expenditure of LMI funds.

Objectives:

a. Provide rehabilitation loans to very low-, low- and moderate-income individuals and families.

b. Provide programs to assist senior and other housing activities as deemed appropriate.

6.4 Projected Agency LMI Fund Projects and Programs and Related Expenditures (2005 to 2009)

An important element of the City and Agency activities is to provide housing opportunities for very low-, lower-, and low- and moderate-income persons, families, and households. In 1992, the Agency developed a Low- and Moderate-Income Housing Program Strategy which identified a number of program opportunities that the Agency could pursue. Many of these programs have since been implemented. Presented on the following pages is a description of those primary projects and programs which the Agency intends either to continue or to implement for the first time during the term of this Implementation Plan. A listing of the Agency's housing related accomplishments since 1999 is provided in Volume II, Appendix E; Agency housing related accomplishments prior to 1999 may be found in the 1995-99 and 1999-04 Implementation Plans.

The Agency is in the process of issuing a $12.3 million taxable bond, proceeds of which will be deposited into its LMI Fund. Predicated upon this special funding, as well as other, on-going funding availability during the planning cycle of this Implementation Plan, the Agency will continue to implement the following general housing activities and programs. Note that the programs discussed below are in addition to the HOME, Community Development Block Grant Program (CDBG) and the County of Los Angeles Mortgage Credit Certificate (MCC) Program; which programs the Agency uses to leverage its own LMI Fund funds to finance, purchase and develop affordable housing in the City.

A review of the below described housing projects will show the extent to which the Agency has become, in effect, a "housing agency". Fully aware of its commitment to reduce its "inclusionary deficit" and to maintain an adequate supply of decent, safe, and sanitary housing for all income levels of the community, the Agency will continue to provide the funding necessary to purchase the bricks and mortar, "sticks" and stucco necessary to secure such shelter. But, as importantly, the Agency understands that neighborhood revitalization is not accomplished by any one dimensional shelter construction program, but rather by a total approach to community building which recognizes and relishes the human need for education, recreation, access, employment, entertainment, goods and services, leisure and community; the whole plethora of daily activities. For instance, the Transit Village and the Northeast Gateway Corridors projects transcend the old distinction between "housing" programs and "non-housing" programs by incorporating this holistic concept into one project. Those "non-housing" funds identified, for instance, in Sections 4.1.2 and 4.1.3 will be expended along with funds identified in Section 6.4.4 to address the whole geographies of the Transit Village and Northeast Gateway Corridors projects. It is anticipated that future Agency activities will use these two projects as a model.

6.4.1 General, Community-Wide Programs

Home Buyer Program

The Home Ownership Mortgage Loan Program allows the Agency to assist very low-, and low-income families to purchase rehabilitated or new mobile homes and locate them in one of the two mobile home parks owned by the Agency (Brierwood Estates and Desert Sands Estates).

Mortgage Credit Certificate Program

The Agency will continue participating in the County program to allow eligible City residents to participate in this federal tax credit program pertaining to first-time home buyers.

It is anticipated these programs will require $200,000 per year in funding commencing in FY 2004-05 continuing through the term of the Implementation Plan (see Table 15).

6.4.2 Residential Project Area

The Agency is intending to continue its rehabilitation and revitalization activities in the Residential Project Area. These ongoing activities have been instrumental in reducing blighting conditions to date. Table 15 shows the Agency expending $100,000 per year in this Project Area commencing in FY 2005-06 through the term of the Implementation Plan.

6.4.3 On-going Project-Specific Activities

Fairgrounds Housing Site

The Agency has purchased the former Antelope Valley Fairgrounds and has entered into a contract with a residential developer to construct 72 single family residences at its northeast corner. These units will be sold to low- and moderate-income households, but will not have affordability covenants recorded against them. The area between Division Street East and 5th Street East and between Avenue H-8 and Avenue I has one of the highest poverty levels in the City. This area suffers from dilapidation, business vacancies, abandoned buildings and vacant or underutilized sites. Development of the former Fairgrounds will establish a critical mass of land for the redevelopment of the entire area.[14]

Land Acquisition/New Construction Programs

Over the term of the 1995-99 and 1999-04 Implementation Plans, the Agency has been acquiring various sites in order to effectuate the redevelopment and construction of new housing opportunities for very low-, and low- and moderate-income families. As of the date of this Implementation Plan, the Agency still has a significant amount of residentially designated acres of land to dispose of. The Agency continues to pursue public, public/private, and/or private partnerships to effectuate the development of cost effective affordable housing opportunities. The sites the Agency has available for affordable housing development are listed as follows:

[14] Please refer to Section 4 for a discussion of the Agency's involvement in the Fairgrounds area for non-housing development.

1. 80th St. West & West Avenue L . . . . 185 Acres (in escrow)
2. 26th - 27th Street East & Lancaster Boulevard . . . . 2+ Acres
3. 35th Street East & Avenue L . . . . 46 Acres (in escrow)

As these parcels are sold, the Agency will be working to develop the appropriate affordability restrictions.

State Veteran's Home

As referenced previously, the Agency continues to facilitate the development of a State Veteran's Home in the City. This permanent housing residential facility will be one of four in Southern California and is currently projected to include at least 110 beds, which amount may be increased in the future based on need and funding. Construction of the facility is scheduled to commence in early 2007 and, per information provided by the State, to be completed in May 2008.

Aurora Village L.P. (Part II)

Aurora Village L.P. (Part I) has been successfully completed. Currently the Agency is working with the developer who completed Part I to provide affordable housing opportunities through the sale of Agency-owned land, this project will produce a number of affordable units which will go towards the inclusionary housing requirement during this Implementation Plan period.

Lancaster Community Shelter

The Agency will continue to provide ongoing funding for the Shelter's maintenance.

Although extremely difficult to project costs for such disparate activities (especially activities that depend upon cooperation with third party entities and the vagaries of the private market place), this Implementation Plan has "reserved" a total of $5 million for all activities over the course of the term of the Implementation Plan. The acquisition of land especially can be quite expensive and could easily absorb the lion's share of this amount. It should be noted that costs for these programs will not be evenly spread over all five years of the Implementation Plan, but in the absence of specific knowledge of future activities, average expenditures of $1 million per year do not seem out of line.

6.4.4 New Project-Specific Activities

The FY 2004-05 Budget shows substantial amounts for the on-going development of affordable housing in the Transit Village and Northeast Gateway Corridors programs (see Section 4 above for discussion of these programs). These programs will be funded through the LMI Fund as identified below.

Transit Village

Agency staff have identified five specific housing projects in the Transit Village. The first of these projects is Arbor Gardens Street, a 76-unit development for senior citizens which will be reserved to very low-income households and is scheduled for completion in February 2005. The Agency has identified units in this development as replacing units removed or destroyed pursuant to agreements with the Agency. Arbor Gardens is located at 44941 Elm

Avenue. The second project is the Arbor Grove, a 150-unit development located at 10th Street West and Jackman. Units in this project will be used to help satisfy the Agency's inclusionary obligations in the very low-income category. Neither of the above two projects will involve the use of LMI Funds and so are not discussed further. A third project, the Jamboree Housing project, will provide 72 new, multi-family units reserved for very low-income households. This project is currently obtaining financing (including public funding), with completion anticipated in late FY 2005-06. The fourth program includes the acquisition of properties along Avenue I for their redevelopment into mixed-use housing and retail/commercial. As with all land acquisition activities, it is difficult to project costs for activities where bona fide offers have not been made and accepted; suffice it to say that this project will be expensive. Consequently, this Implementation Plan reserves $750,000 per year commencing in FY 2005-06. The last program includes the rehabilitation of housing units in a three-block area within the Transit Village known as the "Restoration/Preservation Area." Agency staff estimates this program will cost an additional approximately $500,000 per year commencing in FY 2006-07. The Agency is leveraging its local funds with approximately $7.0 million in HOME funds.

Brierwood Mobilehome Estates and Desert Sands Estates Rehabilitation Project

This project involves the rehabilitation of these two Agency-owned mobilehome parks. The Agency has begun initial activities in FY 2004-05 and has budgeted $1.3 million to complete this project in FY 2006-07.

Northeast Gateway Corridors

The Agency has identified three housing projects which it intends to implement over the term of this Implementation Plan within the Northeast Gateway Corridors area.[15] The first of these projects provides for the construction and sale of 72 single family residences which will be sold to persons and families of low or moderate income. This project will be located in close proximity to the Lancaster University Center. This project will not provide for the recordation of any affordability covenants against units. The Agency executed a disposition and development agreement for the project in July 2004 and anticipates commencement of construction in FY 2004-05. The second project is a 79 unit single family residential development located north of Avenue I and west of Beech Avenue. The Agency entered into a disposition and development agreement with the developer in December 2003 and anticipates start of construction in the near future. Twenty percent of these units will be income restricted to low-income households and will therefore be applicable to the Agency's inclusionary housing obligation. The third housing project will provide for the development of 42 single family dwellings, 20 percent of which will be income restricted to low-income households and will also be applicable to the Agency's inclusionary housing obligation. The Agency executed a disposition and development agreement with the developer in November 2004.

As full development of the Northeast Gateway Corridors project continues over the term of this and subsequent implementation plans, the Agency will continue to implement its commitment to providing housing at affordable housing cost to persons and families in all income categories. Although extremely difficult to project costs associated with providing affordable housing (especially when the provision of such housing is dependant upon

15 Please see Section 4 for a discussion of non-housing projects to be implemented in the Northeast Gateway Corridors project.

cooperation with third party entities and the vagaries of the private market place), this Implementation Plan has "reserved" a total of $6 million for all activities over the course of its term commencing in FY 2005-06. It should be noted that costs for these programs will not be evenly spread over all five years of the Implementation Plan, but in the absence of specific knowledge of future activities, average expenditures of $1.5 million per year do not seem out of line.

15th Street West/Avenue J Project

This project is currently in the planning stages and is therefore difficult to budget. As a consequence, this Implementation Plan reserves $500,000 per year for this project commencing in FY 2006-07 (total of $1.5 million) as a "place marker" so that funds will be reserved. The Agency will further review this program during the mid-term review of this Implementation Plan.

6.5 Tabulations Showing Projected Replacement and Inclusionary Housing Obligations (FY 2004-05 through FY 2008-09)

Tables 10 through 14 present an analysis of the Agency's housing assistance obligations projected to occur within the next five years. The information contained in these tables, in concert with the other parts of this Implementation Plan, ensure compliance with CCRL Sections 33490, 33413, 33334.2, 33334.3, and 33334.4 and/or 33334.6. The tables and discussion presented below and in subsequent sections of this Implementation Plan represent what is required by law regarding affordability, replacement and inclusionary requirements established in the CCRL. It should be noted that replacement and inclusionary obligations are calculated and identified to the nearest tenth while units which count toward fulfillment of these obligations are, of course, counted in whole numbers. While this results in some rounding issues and complication, it most effectively enumerates the Agency's obligations without exacerbating these obligations due to rounding within the calculation regime.

Table 10:

The "Balance Forward" mirrors the "Totals" row in Table 5. The Agency intends to enter into one or more contracts whose implementation are likely to cause the removal or destruction of 111 very low-income units (including 231 bedrooms) in FY 2004-05; however, the Agency will cause the development or substantial rehabilitation of 148 very low-income units (with 296 bedrooms) in FY 2004-05 and in FY 2005-06. These units will be provided in the Arbor Gardens Project (76 units) and in the Jamboree Housing Project (72 units). Therefore, by the end of FY 2005-06, and indeed by the end of the term of the Implementation Plan, the Agency will experience a deficit in its "replacement" housing obligations of 76 very low-income units and three low- and moderate-income units. Given that the Agency has four years to replace units in this category, the Agency should make every effort to replace these 76 units as expeditiously as possible.

Table 11:

The "Balance Forward" mirrors the "Totals" row in Table 6. The Agency does not propose to develop or substantially rehabilitate any residential units during the planning cycle of this Implementation Plan.

Table 12:

The Agency does not propose to develop or substantially rehabilitate any units outside a Project Area during the planning cycle of this Implementation Plan.

Table 13:

The "Balance Forward" mirrors the "Totals" row in Table 8. Planning staff has reviewed existing permits and tentative tract maps as well as requests for Planning Department review of proposed tentative tract maps and projected that a total of approximately 1,280 single family units will be constructed by the private development community over the term of the Implementation Plan. Since it is difficult to accurately project the exact timing of these units; this Implementation Plan divides this amount by five years and assigns 256 units per year in Column 1. In addition, for fiscal years 2005-06 and 2006-07 the Agency is projecting participation in four housing projects which will develop 414 units (369 units in FY 2005-06 and 45 in FY 2006-07),[16] thereby generating a total of 1,694 new units in the Project Areas. Of these 1,694 new units, 306 multi-family units will be price restricted and will come on line in FY 2005-06 (Columns 5b and 6b) and nine multi-family units will be price restricted and will come on line in FY 2006-07 (Column 5b). For the same reasons as described in the discussion relating to Table 9, the Agency does not anticipate income restricting any of the single family residential units.

Table 14:

Column 1 ("a" through "d") in Table 14 summarizes the information provided in Tables 11 through 13 which relate to income restriction of projected new and substantially rehabilitated dwellings. Column 2 ("a" through "d") in Table 14 adds information about income restriction of existing units through the purchase of covenants.

Column 1 of the "Balance Forward" row identifies 570 low- and moderate-income and very low-income units which were income restricted as a part of their construction or substantial rehabilitation (see also "TOTALS" row of Table 9). Column 2 shows a total of 768 units where income restrictions had been purchased or otherwise acquired by the end of the 1999-04 Implementation Plan (see also "TOTALS" row of Table 9). As discussed for Table 9, the Agency actually income restricted 507 low- and moderate-income housing units and 515 very low-income units during the term of the 1999-04 Implementation Plan. Table 14, Column 1 shows that the Agency projects that it will be able to income restrict 315 new and substantially rehabilitated units in fiscal years 2005-06 and 2006-07 generating a total of 253 units projected to be restricted to low- and moderate-income households and a total of 632 units projected to be restricted to very low-income households by the end of the Implementation Plan in FY 2008-09.

Column 2a shows that, since the Agency is projecting it will provide 253 new or substantially rehabilitated units income restricted to household of low- and moderate-income, it will be able to "count" 253 of the existing units for which it has purchased or otherwise acquired income restrictions toward its inclusionary deficit in the low- and moderate-income

[16] Arbor Grove, 150 price restricted units; Aurora Village II, 140 price restricted units; and Northeast Gateway Corridors Subdivision, 79 units (which 16 will be price restricted) in FY 2005-06 and 45 units (of which nine will be restricted) in FY 2006-07.

category.[17] Column 2c shows that the Agency may "count" all 515 of the existing units for which it has purchased income restrictions in the very low-income category assuming that the 290 units projected for income restriction in FY 2005-06 are actually income restricted.

The "Cumulative Inclusionary" column projects the Agency's inclusionary deficit at the end of the planning period of the Implementation Plan. The Agency will have a substantial deficit in the low- and moderate-income category of some 1,274 units, but will have reduced its deficit in the very low-income category to only 47 units. While the Agency should continue in its efforts to provide housing in the community affordable to all income segments of the population, the Agency should congratulate itself on the fact that it has reduced its very low-income inclusionary deficit dramatically over the terms of the 1995-99 and 1999-04 Implementation Plans.

[17] The Agency will still have 254 units in the "bank" which it can use on a one to one basis for any additional new or substantially rehabilitated units it wishes to income restrict in the low- and moderate-income category.

TABLE 10
TOTAL DWELLING UNITS PROJECTED TO BE DESTROYED OR REMOVED BY THE AGENCY INSIDE THE PROJECT AREA INCLUDING AN INVENTORY OF REPLACEMENT UNITS PROVIDED[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2009

FISCAL YEAR	NO. OF UNITS DESTROYED OR REMOVED AFFECTING					NO. OF UNITS REHABILITATED, DEVELOPED, OR CONSTRUCTED[9,10,11]					CUMULATIVE REMOVAL/REPLACEMENT OBLIGATION (DEFICIT[-])/(SURPLUS[+])			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	VERY LOW INCOME[3]	LOWER INCOME[4]	LOW-MOD INCOME[5]	TOTAL UNITS DESTROYED OR REMOVED[6,7,8]	TOTAL NO. BEDROOMS DESTROYED OR REMOVED	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL UNITS PROVIDED	TOTAL NO. BEDROOMS PROVIDED[12]	VERY LOW INCOME (f - a + previous year balance)	LOWER INCOME (g - b + previous year balance)	LOW-MOD INCOME (h - c + previous year balance)	TOTAL NO. BEDROOMS[12] (j - e + previous year balance)
BALANCE FORWARD[2]	222	30	51	303	403	137	7	46	187	386	(118)	0	(3)	(22)
2004-05	111			111	231	76			76	76	(153)	0	(3)	(177)
2005-06						72			72	220	(76)	0	(3)	43
2006-07											(76)	0	(3)	43
2007-08											(76)	0	(3)	43
2008-09											(76)	0	(3)	43
TOTALS	333	30	51	414	639	285	7	46	335	682	(76)	0	(3)	43

1 Complies with CCRL Section 33413(a), (c), (d)(1), and 33334.5. The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2).
2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 2004.
3 As defined by Health & Safety Code Section 50105.
4 As defined by Health & Safety Code Section 50079.5.
5 As defined by Health & Safety Code Section 50093.
6 Removed from low- or moderate-income housing market, as part of a redevelopment project. When units are planned for destruction or removal, locations for suitable replacement units must be identified (CCRL Section 33413.5).
7 Replacement units must be provided within four years of removal or destruction (CCRL Section 33413(a)).
8 Total units destroyed or removed housing persons and families of low or moderate income from the low- and moderate-income housing market as part of redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency (CCRL Section 33413(a)).
9 Within territorial jurisdiction of agency; must be an equal number of replacement units as those destroyed or removed provided within 4 years of removal (CCRL Section 33413(a)).
10 When units are destroyed or removed after September 1, 1989, 75 percent of the replacement units shall replace dwelling units available at affordable housing cost to persons in the same or lower income category (very low, low, or moderate) as the persons displaced from those destroyed or removed units; effective January 1, 2002, this requirement was increased to 100 percent (CCRL Section 33413(a)).
11 Reference CCRL Section 33413(c) for applicable covenants.
12 Must be an equal or greater number of bedrooms as those removed or destroyed (CCRL Section 33413(f)).

TABLE 11
DWELLING UNITS PROJECTED TO BE DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY INSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2009

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3]		TOTAL	REQUIRED TO BE AT LEAST 30% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 50% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
		MULTI-FAMILY	SINGLE FAMILY												
BALANCE FORWARD[2]	37	0	109	146	43.8	21.9	35	21.9	109					13.1	87.1
2004-05															
2005-06															
2006-07															
2007-08															
2008-09															
TOTALS	37	0	109	146	43.8	21.9	35	21.9	109					13.1	87.1

[1] Compliance with Sections 33413(b)(1), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).

[2] Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 2004.

[3] Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) will be changed to simply rehabilitated.

[4] As defined by Health & Safety Code Section 50093.

[5] As defined by Health & Safety Code Section 50105.

[6] Calculated on a cumulative year-to-year basis.

[7] See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

[8] In accordance with CCRL Section 33413(b)(1).

TABLE 12
DWELLING UNITS PROJECTED TO BE DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY OUTSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2009

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3]		TOTAL	REQUIRED TO BE AT LEAST 30% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 50% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
		MULTI-FAMILY	SINGLE FAMILY												
BALANCE FORWARD[2]															
2004-05						NO ACTIVITY									
2005-06															
2006-07															
2007-08															
2008-09															
TOTALS															

1 Compliance with Sections 33413(b)(2), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v). Agency must have made findings pursuant to CCRL Section 33334.2(g) to develop units outside the Project Area. The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii).

2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 2004.

3 Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) will be changed to simply rehabilitated.

4 As defined by Health & Safety Code Section 50093.

5 As defined by Health & Safety Code Section 50105.

6 Calculated on a cumulative year-to-year basis.

7 See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

8 In accordance with CCRL Section 33413(b)(1).

TABLE 13
DWELLING UNITS PROJECTED TO BE DEVELOPED AND SUBSTANTIALLY REHABILITATED BY PUBLIC OR PRIVATE ENTITIES OR PERSONS OTHER THAN THE AGENCY INSIDE THE PROJECT AREA[1]
REDEVELOPMENT PLAN ADOPTION THROUGH JUNE 30, 2009

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
					TOTAL	LOW - MODERATE[4]		VERY LOW[5]		ANNUAL DEFICIT (IF 5a > 5b or 6a >6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE[6,7] (DEFICIT [-])/(SURPLUS [+])	
	1	2		3	4	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b
	NEW CONSTRUCTION	SUBSTANTIAL REHAB[3] MULTI-FAMILY	SUBSTANTIAL REHAB[3] SINGLE FAMILY	TOTAL	REQUIRED TO BE AT LEAST 15% OF COLUMN 3[8]	REQUIRED TO BE NOT MORE THAN 60% of COLUMN 4[8]	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 40% OF COLUMN 4[8]	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW
BALANCE FORWARD[2]	17,710	0	128	17,838	2,675.7	1,605.4	193	1070.3	233					(1,412.4)	(837.3)
2004-05	256			256	38.4	23.0		15.4		-23.0	-15.4			(1,435.5)	(852.6)
2005-06	625			625	93.8	56.3	16	37.5	290	-40.3			+252.5	(1,475.7)	(600.1)
2006-07	301			301	45.2	27.1	9	18.1		-18.1	-18.1			(1,493.8)	(618.2)
2007-08	256			256	38.4	23.0		15.4		-23.0	-15.4			(1,516.8)	(633.6)
2008-09	256			256	38.4	23.0		15.4		-23.0	-15.4			(1,539.9)	(648.9)
TOTALS	19,404	0	128	19,532	2,929.8	1,757.9	218	1,171.9	523					(1,539.9)	(648.9)

[1] Compliance with Section 33413(b)(2), (c), and (d)(1). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more Project Areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).

[2] Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 2004.

[3] Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) will be changed to simply rehabilitated.

[4] As defined by Health & Safety Code Section 50093.

[5] As defined by Health & Safety Code Section 50105.

[6] Calculated on a cumulative year-to-year basis.

[7] See Table 15 for projection of LMI Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

[8] In accordance with CCRL Section 33413(b)(1).

TABLE 14
SUMMARY OF DWELLING UNITS PROJECTED TO BE DEVELOPED AND SUBSTANTIALLY REHABILITATED BY THE AGENCY AND OTHERS INCLUDING AN INVENTORY OF THE AGENCY'S INCLUSIONARY UNIT OBLIGATION[1]
REDEVELOPMENT PLAN THROUGH JUNE 30, 2009

FISCAL YEAR	PRICE RESTRICTED (NEW CONST[3] AND SUB REHAB[4])				PRICE RESTRICTED (PURCHASE/ ACQUISITION OF EXISTING UNITS)[5]				NEW CONSTRUCTION[6]		SUBSTANTIAL REHABILITATION[4,7]		REHABED[8]	BOND FINANCED	OTHER	CUMULATIVE INCLUSIONARY UNITS EARNED/OWED [+]/[-][9]			
	LOW-MOD[10]		VERY LOW[11]		LOW-MOD		VERY LOW									LOW-MOD		VERY LOW	
	1a*	1b**	1c*	1d**	2a*	2b**	2c*	2d**	3a*	3b**	4a*	4b**	5	6	7	8a*,[12]	8b**,[13]	8c*,[14]	8d**,[15]
BALANCE FORWARD[2]	228	0	342	0	253	0	515	0	17,747	0	237	0	0	0	0	(1,146.3)	0.0	(235.2)	0.0
2004-05									256							(1,169.4)	0.0	(250.5)	0.0
2005-06	16		290						625							(1,209.6)	0.0	2.0	0.0
2006-07	9								301							(1,227.7)	0.0	(16.1)	0.0
2007-08									256							(1,250.7)	0.0	(31.5)	0.0
2008-09									256							(1,273.8)	0.0	(46.8)	0.0
TOTALS	253	0	632	0	253	0	515	0	17,747	0	237	0	0	0	0	(1,273.8)	0.0	(46.8)	0.0
ADJUSTMENTS																			
TRANSFERABLE INCLUSIONARY CREDIT (IF NEEDED)[16]																-	-	-	-
SUBSTITUTE SURPLUS VERY LOW FOR LOW-MOD (IF NEEDED)																-	-	-	-
TOTAL ADJUSTED INCLUSIONARY UNITS DEFICIT/SURPLUS																(1,273.8)	0.0	(46.8)	0.0

* Inside the Project Area.
** Outside the Project Area.
1 Compliance with CCRL Sections 33334.2(a), 33490(a)(2)(A). Includes agency assisted units inside and outside the Project Area and all non-agency assisted units inside the Project Area.
2 Total from Redevelopment Plan adoption or January 1, 1976 (CCRL Section 33413(d)(1)), whichever is later, through June 30, 2004.
3 Pursuant to CCRL Sections 33413(b)(1), (2), and 33413(c).
4 Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) will be changed to simply rehabilitated.
5 Not more than 50% of the units made available, pursuant to CCRL Sections 33413(b)(1) and (2)(A), may be assisted through the purchase or acquisition of long-term affordability covenants pursuant to CCRL Section 33413(b)(2)(B); therefore, the amounts entered in Column 2 cannot be more than 50% of the combined totals of Columns 1 and 2.
6 The sum of Columns 3a and 3b equal the sum of Column 1 from Tables 11, 12, and 13 for each fiscal year.
7 The sum of Columns 4a and 4b equal the sum of Column 2 from Tables 11, 12, and 13 for each fiscal year.
8 Does not include units that are defined as substantially rehabilitated, pursuant to CCRL Sections 33413(b)(2)(A)(iii) and (iv). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) will be changed to simply rehabilitated; therefore, rehabilitated units will be counted in Column 1 thereafter.
9 Units included in columns 1 and 2 count for inclusionary credits, pursuant to CCRL Section 33413(b)(1) and (2). Columns 3 and 4 represent the total number of units constructed or substantially rehabilitated. See Tables 11, 12, and 13. Units included in Columns 5 through 8 do not qualify for inclusionary credit.
10 The sum of Columns 1a and 1b equal the sum of Column 5b from Tables 11, 12, and 13 for each fiscal year.
11 The sum of Columns 1c and 1d equal the sum of Column 6b from Tables 11, 12, and 13 for each fiscal year.
12 Equals the sum of Columns 1a and 2a minus the sum of Column 5a from Tables 11 and 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
13 Equals the sum of Columns 1b and 2b minus the sum of Column 6a from Tables 11 and 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
14 Equals the sum of Columns 1c and 2c minus the sum of Column 5a from Table 12 for each fiscal year. Calculated on a cumulative year-to-year basis.
15 Equals the sum of Columns 1d and 2d minus the sum of Column 6a from Table 12 for each fiscal year. Calculated on a cumulative year-to-year basis.
16 The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii).

6.6 Low- and Moderate-Income Housing Fund

CCRL Section 33490(a)(2)(A)(i) requires that each agency show the amount of money available in its LMI Fund and the estimated amounts which will be deposited into its LMI Fund during each of the five years in the planning cycle. CCRL Section 33490(a)(2)(A)(ii) requires that an agency provide an estimate of the expenditures of monies from the LMI Fund during each of the five years in the planning cycle. Table 15 is included herein for the purpose of providing the required information.

Table 15 shows a beginning balance in the LMI Fund of $36,354,500. As with the Agency's General Redevelopment Fund monies (described in Table 4 above), Table 15 identifies projected tax increment income and other revenues.

Estimated expenditures reflect the projects and programs identified above for the planning cycle. Administration costs reflect the Agency's adopted FY 2004-05 Budget. Administration costs are increased two percent per year commencing in FY 2006-07.

The projected expenditures from the LMI Fund provide for a final Yearly Ending Balance in FY 2008-09 of $3.0 million. This amount should be sufficient to propel the Agency into the next planning cycle without loss of momentum in its affordable housing programs.

6.7 Evidence of Agency Compliance with CCRL Section 33334.4

Recent changes to affordable housing requirements, which were approved by the legislature and were made effective on January 1, 2002, will affect the way in which the Agency implements its housing goals and may also affect the City's General Plan Housing Element. These changes are discussed below.

6.7.1 Unmet Affordable Housing Need

Effective January 1, 2002, CCRL Section 33334.4(a) requires that an agency must expend its LMI Fund moneys towards assisting housing for persons of very low- and low-income in at least the same proportion as the total number of housing units needed for each of these income groups bears to the total number of units needed for very low-, low-, and moderate-income households within the community, as those needs have been determined by the most recent Regional Housing Needs Assessment (RHNA). This requirement must be met over the same 10-year implementation plan period as the requirements of CCRL Section 33413(b).

TABLE 15
PROJECTED AGENCY LMI FUND RECEIPTS AND EXPENDITURES
FY 2004-05 THROUGH FY 2008-09[1]

PROGRAM CATEGORY	FISCAL YEAR 2004-05 [2]	2005-06	2006-07	2007-08	2008-09	TOTAL
BEGINNING BALANCE	$36,354,500	$12,957,090	$8,330,443	$5,407,442	$4,059,053	
Estimated Receipts						
A. Tax Increment[3]	$7,100,000	$7,392,619	$7,693,965	$8,004,301	$8,323,913	$38,514,798
B. Bond Proceeds	$10,817,000					$10,817,000
C. Interest (2% of Beginning Balance)	$727,090	$259,142	$166,609	$108,149	$81,181	$1,342,171
D. Land Sales	$2,750,752	$500,000	$500,000	$500,000	$500,000	$4,750,752
E. SMIRP Program Income	$75,000	$420,000	$420,000	$420,000	$420,000	$1,755,000
F. Rehab Loan Repayments	$225,000	$229,500	$234,090	$238,772	$243,547	$1,170,909
G. ERAF Housing Loan Repayment	$550,000					$550,000
H. Mobile Home Park Operation Revenue	$546,260	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$4,546,260
I. Other	$35,000	$200,000	$200,000	$200,000	$200,000	$835,000
TOTAL AVAILABLE	$59,180,602	$22,958,351	$18,545,107	$15,878,663	$14,827,693	
Estimated Expenditures						
A. Operational Costs[4]	$1,827,500	$1,864,050	$1,901,331	$1,939,358	$1,978,145	$9,510,383
B. Debt Service	$4,506,636	$5,389,858	$5,386,334	$5,330,253	$5,330,354	$25,943,435
C. ERAF Loan to Economic Development	$2,024,000	$2,024,000	$0	$0	$0	$4,048,000
D. Community-Wide Programs	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
E. Residential Project Area	$0	$100,000	$100,000	$100,000	$100,000	$400,000
F. On-Going Project-Specific Activities	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000
G. Specific Projects+Infrastructure	$3,900,876					$3,900,876
H. Northeast Gateway Corridors	$12,925,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$18,925,000
I. Transit Village	$11,502,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$16,502,000
J. 15th Street West/Avenue J Project		$500,000	$500,000	$500,000	$500,000	$1,500,000
K. Brierwood		$1,300,000	$1,300,000			$2,600,000
L. Land Acquisition/Clearance	$8,065,000					$8,065,000
M. Project-Specific Studies, etc.	$272,500					$272,500
TOTAL PROJECTED EXPENDITURES	$46,223,512	$14,627,908	$13,137,665	$11,819,611	$11,858,499	$97,667,194
YEARLY ENDING BALANCE	$12,957,090	$8,330,443	$5,407,442	$4,059,053	$2,969,195	

1 Complies with CCRL § 33490(a)(1)(A)
2 Based upon Agency FY 2004-05 Budget.
3 Tax increment revenues are based on actual assessed value for FY 2004-05 as provided by the Los Angeles Auditor Controller. Future growth in assessed value is projected to increase by 3% per year in all Project Areas except for the CBD Project where increases are projected to be 2% per year.
4 Based on FY 2004-05 Budget; increased by 2% per year.

Source: Urban Futures, Inc., FY 2004-05 Budget and Agency Staff.

In carrying out these requirements over the duration of each implementation plan, pursuant to CCRL Section 33334.4(b), an agency is required to expend LMI Fund moneys to assist housing that is available to all persons regardless of age in at least the same proportion as the population under the age of 65 bears to the total population of the community as identified by the most recent census. Therefore, the 2000 Census will be used to identify the percentage of residents 65 years of age and older in the community, which will be the maximum percentage allowed for allocation of LMI Fund moneys towards assisting housing restricted to seniors. The remaining LMI Fund moneys must be used towards assisting other non-senior household types. According to Census 2000 Summary File 1 Data (Table P 12) the City population equaled 118,718 persons of whom 108,517 were under 65 years of age. Accordingly, 8.6 percent (10,201) of the total population of the City was 65 years of age or older; therefore, in carrying out the requirements of CCRL Section 33334.4(a), no more than 8.6 percent of LMI Fund expenditures can be allocated towards assisting senior headed households.

6.7.2 Regional Housing Needs Assessment

The state legislature adopted Assembly Bill 2853 in 1980[18] requiring all councils of government to develop regional allocations of housing needs (new and existing) for all income categories (fair share of housing) based on regional housing needs. The Southern California Association of Governments (SCAG) has determined the housing needs for Lancaster. Table 16 identifies the City’s estimated 1998-2005 housing need by income limits for very low-, low-, and moderate-income households within the community. Based on the housing needs information provided by the RHNA, as extrapolated in Table 16 in accordance with CCRL Section 33334.4(a), at least 35.5 percent of all LMI Fund expenditures must be made towards assisting very low-income headed households, and no more than 37.1 percent can be made towards assisting moderate-income households.

TABLE 16
FAIR SHARE HOUSING ALLOCATION[1]

INCOME GROUP	NO. OF UNITS	% OF TOTAL
Very low (0 - 50% County Median Income)	2,074	35.5%
Low (50 - 80% County Median Income)	1,599	27.4%
Moderate (80 - 120% County Median Income)	2,166	37.1%
TOTAL UNITS	5,839	100%

[1] HCD will allow Lancaster (among certain others) to use the housing numbers shown in the Draft RHNA completed by SCAG in November 1999.

Source: SCAG Draft Construction Need, November 1999.

6.7.3 Projected LMI Fund Expenditures by Age and Income

Table 17 is an annual breakdown of affordable housing programs funded from monies in the LMI Fund for the planning cycle of the Implementation Plan period (expenditure amounts taken from Table 15, "Housing Programs"). In compliance with CCRL Section 33334.4, Table 17

[18] Codified in California Government Code Sections 65580 through 65589.8.

allocates projected LMI Fund expenditures according to the City's Unmet Need as outlined in the proceeding paragraphs of this section.

6.8 Excess Surplus

As of July 31, 2004, there was $36,354,500 in the LMI Fund. CCRL Section 33334.12(g) provides, in part, that a redevelopment agency has an "excess surplus" if the amount of unencumbered and unexpended monies in its LMI Fund exceed "the greater of one million dollars ($1,000,000) or the aggregate amount deposited in the Low and Moderate Income Housing Fund . . . during the agency's preceding four fiscal years." Further, CCRL Section 333334.12(g)(3)(B) provides that proceeds of bonds deposited into the LMI Fund are not to be "counted" when determining whether there is an excess surplus or not. The Agency issued a housing bond in May 2003 which "netted" the Agency $16,230,113; the Agency issued a second housing bond in December 2003 which netted $12,025,000. Both these amounts were deposited into the LMI Fund and proceeds from neither issue have been expended. Consequently, when determining whether or not the Agency had an "excess surplus" as of July 31, 2004, it is necessary to reduce its fund balance by $28,255,113, generating a total amount which could be considered excess surplus to $8,099,387. The Agency's annual report to the State Department of Housing and Community Development provides total tax increment income for each of the preceding four fiscal years for any given reporting year. In FY 2002-03 (the most recent reporting year), the Agency had received $19,682,084; for FY 2003-04, UFI projects that the total four year amount will equal $21,700,000. Given current projected tax increment income to the LMI Fund over the term of the Implementation Plan, UFI estimates that the Agency would have to expend at least $35 million over the same term in order to be assured that it does not incur any excess surplus. Table 15 shows that the Agency is projected to expend at least $97 million over the term of this Implementation Plan. Consequently, the Agency does not now have an excess surplus in its LMI Fund nor is one projected during the planning cycle of this Implementation Plan.

6.9 Monitoring

Redevelopment agencies must monitor, on an ongoing basis, the continuing availability of housing affordable to persons and families of low- or moderate-income developed or otherwise made available pursuant to CCRL provisions. As part of this monitoring, an agency shall require owners or managers of the housing to submit annual reports to the agency. The annual reports must include for each rental unit, the rental rate and the income and family size of the occupants, and for each owner-occupied unit, whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners.

TABLE 17
PROJECTED AGENCY LMI FUND EXPENDITURES AND ANALYSIS OF FUTURE UNMET NEED[1]
JULY 1, 2004 THROUGH JUNE 30, 2009

FISCAL YEAR	PROJECTED ANNUAL LMI FUND EXPENDITURES							REQUIRED ANNUAL LMI FUND EXPENDITURES[5]		CUMULATIVE UNMET NEED DEFICIT/SURPLUS		CUMULATIVE SENIOR HOUSING LMI FUND EXPENDITURES[8]		
	LOW INCOME[3]		VERY LOW INCOME[4]		MODERATE INCOME[4]		TOTAL	LOW INCOME	VERY LOW INCOME	LOW INCOME	VERY LOW INCOME	FUNDS EXPENDED[9]	MAXIMUM ALLOWED	DEFICIT/ SURPLUS
	Expenditures	% of Total (a ÷g)	Expenditures	% of Total (c ÷ g)	Expenditures	% of Total (e ÷g)	Expenditures (a + c + e)	27.4% of Unmet Need (.274 * g)[6]	35.5% of Unmet Need (.355 * g)[7]	Total (h - a + previous year)	Total (i - c + previous year)	Annual Total	8.6% of Annual Total (.086 * g)[10]	Total (m - l + previous year)
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
BALANCE FORWARD[2]	-	-	-	-	-	-	-			-	-			
2004-05	$10,370,000	27.4%	$13,450,000	35.5%	$14,045,376	37.1%	$37,865,376	$10,369,367	$13,449,699	$633	$301	$3,250,000	$3,253,632	$3,632
2005-06	$1,055,000	27.4%	$1,370,000	35.6%	$1,425,000	37.0%	$3,850,000	$1,054,316	$1,367,512	$1,317	$2,790	$330,000	$330,816	$4,448
2006-07	$1,220,000	27.4%	$1,580,000	35.5%	$1,650,000	37.1%	$4,450,000	$1,218,625	$1,580,630	$2,692	$2,160	$382,000	$382,372	$4,821
2007-08	$1,220,000	27.4%	$1,580,000	35.5%	$1,650,000	37.1%	$4,450,000	$1,218,625	$1,580,630	$4,067	$1,529	$382,000	$382,372	$5,193
2008-09	$1,220,000	27.4%	$1,580,000	35.5%	$1,650,000	37.1%	$4,450,000	$1,218,625	$1,580,630	$5,443	$899	$382,000	$382,372	$5,565
TOTALS	$15,085,000	27.4%	$19,560,000	35.5%	$20,420,376	37.1%	$55,065,376	$15,079,557	$19,559,101	$5,443	$899	$4,726,000	$4,731,565	$5,565

[1] Compliance with Section 33334.4(a) and (b), and 33490(a)(2)(A), (B), and (c). CCRL Section 33490(a)(2)(A)(iv) requires that a description of how the housing program will implement CCRL Section 33334.4 in the implementation plan be included in implementation plans adopted on or after December 31, 2002.

[2] Total from Redevelopment Plan adoption or December 31, 2002 (CCRL Section 33490(a)(2)(A)(iii)), whichever is later. Pursuant to CCRL Section 33334.4(b), deficits/surpluses of LMI Fund expenditures to assist very low, low, and moderate income persons in proportion to age are not carried forward from previous redevelopment implementation plans. Deficits/surpluses of LMI Fund expenditures to assist very low and low income persons in proportion to the number of housing units needed, as described by the methodology set forth in CCRL Section 33334.4(a), are carried forward from previous implementation plans over each 10-year period of the Implementation Plan, currently July 1, 2004, through June 30, 2014.

[3] As defined by Health & Safety Code Section 50105.

[4] As defined by Health & Safety Code Section 50093.

[5] Each agency shall expend over each 10-year period of the implementation plan the moneys in the LMI Fund to assist housing for persons of low income and housing for persons of very low income in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of moderate, low, and very low income within the community, as those needs have been determined for the community pursuant to Section 65584 of the Government Code (CCRL Section 33334.4(a)).

[6] Calculated on year-to-year basis. Percentage based on the proportion of the total number of low income housing units needed in relationship to the total number of units needed for persons of moderate, low, and very low income within the community as identified by the most recent (2000) Regional Housing Needs Assessment, pursuant to CCRL Section 33334.4(a) and Section 65584 of the California Government Code. The current proportion of unmet need for low income housing units in the City of Lancaster is 27.4 percent (see table 17 of this Implementation Plan).

[7] Calculated on year-to-year basis. Percentage based on the proportion of the total number of very low income housing units needed in relationship to the total number of units needed for persons of moderate, low, and very low income within the community as identified by the most recent (2000) Regional Housing Needs Assessment, pursuant to CCRL Section 33334.4(a) and Section 65584 of the California Government Code. The current proportion of unmet need for very low income housing units in the City of Lancaster is 35.5 percent (see table 17 of this Implementation Plan).

[8] Each agency shall expend over the duration of each redevelopment implementation plan, the moneys in the LMI Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the population under age 65 years bears to the total population of the community as reported in the most recent census of the United States Census Bureau (CCRL Section 33334.4(b)).

[9] Of the total funds expended in column g, the amount expended to assist housing restricted to persons 65 and over.

[10] Calculated on year-to-year basis. Percentage based on the proportion of the population 65 years of age and over in relationship to the total population of the community as reported in the United States Census 2000. According to Summary File 1, Table P 12 for the City of Lancaster, the current percentage of the community 65 years of age and over is 8.6 percent.

This information is to be obtained by the agency from owners and managers of the subject housing, and current data is to be included in any reports required by law to be submitted to HUD, the State Department of Housing and Community Development (HCD) or the State Controller. The information on income and family size that is required to be reported by the owner or manager shall be supplied by the tenant and shall be the only information on income or family size that the owner or manager shall be required to submit on his or her annual report to the agency.

Redevelopment agencies must adequately fund monitoring activities as needed to insure compliance with applicable laws and agreements which enforceably restrict affordable housing units. For purposes of defraying the cost of complying with monitoring requirements, the CCRL permits, but does not require, agencies to establish and impose fees upon owners of affected properties.

The Agency will need to comply with all components of this annual reporting procedure.

7.0 TEN-YEAR AND LIFE-OF-THE-PLAN HOUSING REQUIREMENTS

Based upon projections provided in the 1995-99 Implementation Plan, the total amount of available, residentially zoned land in the Project Areas allowed for future residential construction of a projected 19,119 dwelling units through the date of termination of all Projects. The 1999-04 Update shows that 3,200 units were constructed during the planning cycle of the 1995-99 Implementation Plan (page 109 of the 1999-04 Update). Additionally, during the planning cycle of the 1999-04 Implementation Plan, a total of 2,362 new units were constructed (see Table 8, Column 1). Therefore, build-out projections for all Project Areas through the date of termination of all Projects equals the difference between 19,119 dwelling units which could have been built in 1995 and the 5,562 units which actually have been built since 1995. This difference equals 13,557 new units which can be built in the Project Areas. Of this amount, and based upon an annual development of 250 units per year (see estimates in Table 13, Column 1) the Agency has estimated that 2,500 dwelling units could be constructed in the Project Areas through June 2014.

Applying the 15 percent inclusionary requirement established in CCRL Sections 33413(b)(2) and 33413(b)(2)(B) and (c), 2,034 new and/or existing multi-family units (15 percent of 13,557) will have to be made available at affordable housing costs to persons and families of very low-, and low- and moderate-income over the balance of the life of the Projects if build-out occurs during this same period. Through June 2014 this obligation would equal 375 such units (15 percent of 2,500 units).

8.0 CONSISTENCY WITH CITY'S GENERAL PLAN HOUSING ELEMENT

CCRL Section 33413(b)(4) requires that each agency, "...as part of the implementation plan required by Section 33490, shall adopt a [Housing Production] plan...." Section 33413 (b)(4) requires that "[t]he plan shall be consistent with...the community's housing element." Additionally, "[t]he plan shall be reviewed and, if necessary, [be] amended at least every five years in conjunction with either the housing element cycle or the plan implementation cycle."

Chapter 9 of the State's General Plan Guidelines 2003 (the "Guidelines") states the California Attorney General has opined that "the term 'consistent with' is used interchangeably with 'conformity with.'" The general rule of consistency outlined in the Guidelines is that "[a]n action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment."

The following Goal Statements are contained within the City's General Plan Housing Element adopted by Resolution No. 01-182 of the City Council on June 26, 2001:

- To promote sufficient housing to meet the diverse housing needs of all economic segments of the present and future City of Lancaster.

- To preserve existing housing stock within areas for which a desirable living environment can be provided; to promote conversion of such residential areas for which a desirable living environment cannot be sustained.

- To promote provision of adequate housing opportunities for those desiring to live in Lancaster, regardless of age, race, ethnic background, national origin, religion, family size, marital status, physical handicap, or other arbitrary factors.

In compliance with CCRL Section 33490, the Agency has developed, and included in Section 6 of this Implementation Plan, a goal statement and related objectives specific to the development and implementation of Agency sponsored affordable housing programs in the City.

Inasmuch as, i) the Agency is working to provide affordable housing for all income levels and most specifically housing for persons of very low-, low-, and moderate-incomes; ii) the Agency is required to spend no less than 20 percent of all tax increment monies on affordable housing programs; and iii) the Agency has identified in this Implementation Plan those housing projects and programs and the number of dwelling units that it projects to develop, rehabilitate or assist development of; the Agency hereby determines that the housing goal included in this Implementation Plan and related objectives, ongoing activities, and housing production plan, as outlined in this Implementation Plan, are consistent with the housing element of the City's General Plan.

The Wal-Mart Center at Ave. J and 20th St. East is the first major retail center in East Lancaster. As the Agency induces such "pioneers" to invest in previously under-served areas, they become more and more attractive to private development without Agency assistance.

9.0 CONCLUSION

This Implementation Plan describes the programs which are proposed to be undertaken during the next five years in order to assist in the alleviation of blighting conditions existing in the Project Areas and to increase the community's supply of affordable housing. Redevelopment is, however, a very fluid process subject to a myriad of changing issues and the forces of market dynamics. For these reasons a provision for review and amendment to the Implementation Plan has been included in CCRL Section 33490 which requires that an implementation plan be the subject of periodic public review. This review must be held in a noticed public hearing at least once during the five-year period, no earlier than two years and no later than three years after adoption of the implementation plan. In addition to the mandated review, the Agency may review and amend the Implementation Plan (including its goals, objectives and programs, and expenditures) following a noticed public hearing at any time conditions require such an amendment.

Over the duration of this 2005-2009 Implementation Plan the Agency should focus its efforts on replacing the remaining 79 units projected to be removed during FY 2004-05 (see Table 10). Also, the Agency should minimize its focus on future acquisitions of additional low- and moderate-income covenants on existing multifamily units. The Agency is already projected to have a surplus of 254 low- and moderate-income units within this category, which units cannot be counted towards the Agency's inclusionary obligation until additional low- and moderate-income units are constructed or substantially rehabilitated (see Table 14 and related discussion).

Finally, for the LMI Fund programs and expenditures contained in this Implementation Plan to be compliant with the provisions of CCRL Sections 33334.2(g) and 33413(b)(2)(v), the City Council and/or Agency should adopt the following two resolutions:

1. Agency and City Council Housing Benefit Resolutions for all Project Areas other than Project No. 7 (which project area already has such resolutions); finding that, the use of LMI funds outside the Project Area[s] will be of benefit to the Project[s].

2. Agency Inclusionary Housing Resolution allowing the Agency to aggregate new or rehabilitated dwelling units in the Project Areas, if the Agency finds, in accordance with CCRL Section 33413(b)(2)(v), that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation.