
FIVE YEAR IMPLEMENTATION PLAN

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF VISALIA

FY 2009-10 THROUGH 2013-14



REDEVELOPMENT PROJECT AREAS

DOWNTOWN, EAST VISALIA, MOONEY BOULEVARD, & CENTRAL VISALIA

Five Year Implementation Plan FY 2009-10 through 2013-14

Prepared by the Community Redevelopment Agency of Visalia

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INTRODUCTION

About this Implementation Plan

Every five years, redevelopment agencies are required to adopt an implementation plan for each redevelopment project area that establishes five-year operational and financial work programs for carrying out the redevelopment and affordable housing responsibilities of the agency. This Five Year Implementation Plan (“Implementation Plan”) for the Community Redevelopment Agency of the City of Visalia (“Agency”) covers the five-year planning period for fiscal years (“FY”) 2009-10 through 2013-14 for the Redevelopment Project Areas of Downtown, East Visalia, Mooney Boulevard, and Central Visalia (together the “Project Areas”). This Implementation Plan also contains an update to the Agency’s Housing Compliance Plan (“Housing Compliance Plan”) for meeting the Agency’s affordable housing requirements for the 10-year compliance period (FY 2004-05 to 2013-14), including obligations for producing, replacing, and expending funds for affordable housing.

Legal Authority

In 1993, the Legislature passed Assembly Bill 1290 (Chapter 942, Statutes of 1993), which enacted the California Community Redevelopment Law Reform Act and made changes to state redevelopment law (Health and Safety Code §33000 et seq.) (“CRL”) in an effort to increase both the effectiveness and accountability of redevelopment agencies. One notable statutory change was the addition of Article 16.5 (§33490 et seq.) to the CRL, which required redevelopment agencies to adopt five year implementation plans for all project areas on or before December 31, 1994, and every five years thereafter. CRL §33490(a) requires that the Implementation Plan contain:

- The Agency’s goals and objectives, programs, and projects within the Project Area for the next five years, including estimated expenditures.
- An explanation of how the goals and objectives, programs, projects, and expenditures will eliminate blight and promote affordable housing within the Project Area.
- A specific section that addresses the Agency’s housing responsibilities, including deposits to and expenditures from the Agency’s Low and Moderate Income Housing Fund (“LMIHF”), and the Agency’s requirements for producing and replacing affordable housing units.

Given these required contents, the Implementation Plan can naturally serve as more than just a compliance document to adhere to the legal mandates of State law. The Implementation Plan provides the Agency with an opportunity to thoughtfully craft a purposeful and deliberate strategy for the next five years. The projects described in this document are those that the Agency believes will contribute to the elimination of blight in the Project Areas. Projects discussed have been created for strategic planning purposes, and may or may not occur, depending on a variety of factors including funding availability and market forces.

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ABOUT THE PROJECT AREAS

Who, What, Where, When, and Why

The City of Visalia (“City”) was established in 1874. Visalia lies in the heart of the San Joaquin Valley, and is the Tulare County seat. The City is located just off Highway 99, a major transportation corridor running north/south through central California, about 40 miles south of Fresno. Visalia covers a geographical area of 29 square miles and as one of the oldest cities in the state, has many well-established neighborhoods. The first substantial wave of non-native settlers arrived during the California gold rush in the 1850’s, and by 1858, Visalia was a stop on the John Butterfield Overland Stage route, making it an accessible location for travelers. Visalia is now home to over 125,000 people, and centrally located in one of the highest producing agricultural areas in the state.



Historic Fox Theater

In 1968 the Community Redevelopment Agency of the City of Visalia was created to address conditions of physical and economic blight in selected portions of the city, beginning with the Visalia Downtown Project Area in 1970. Over a 28-year period, four redevelopment areas, the Downtown Project Area, East



View of Main Street

Visalia Project Area, Mooney Boulevard Project Area, and Central Visalia Project Area, were established to ameliorate deteriorating conditions through the tools available to redevelopment agencies. Due to the age of the city itself and historic development patterns and trends, maintaining thriving neighborhoods and commercial districts has been an ongoing challenge for the community. As this Implementation Plan will discuss, the Agency continues to implement projects and programs that foster private investment and revitalize the Project Areas to increase economic viability, provide affordable housing opportunities, and remove blighting conditions so the Project Areas can contribute to the fabric of the city as a whole.

The Redevelopment Plans for the Project Areas set forth time limitations with regard to collecting tax increment revenue and plan effectiveness. Table 1 presents the current time limits contained in the Redevelopment Plans.

Table 1 - Visalia Redevelopment Project Areas Regulatory Limits

Limit	Redevelopment Project Areas				
	Downtown ¹	East Visalia	Mooney Boulevard	Mooney Amendment	Central Visalia
Date Adopted	August 3, 1970	July 14, 1986	July 6, 1987	July 16, 1990	November 20, 1989
Incur Indebtedness	January 1, 2004	July 9, 2006	July 1, 2007	July 11, 2010	November 15, 2009
Effectiveness Date	July 24, 2013	July 6, 2017	June 28, 2018	July 8, 2021	November 10, 2030
Receive Tax Increment	July 21, 2023	July 6, 2027	June 26, 2028	July 6, 2031	November 10, 2040
Bonded Indebtedness	n/a	\$25,000,000	\$40,000,000	\$60,000,000	\$130,000,000
Cumulative Tax Increment	\$6,000,000	\$125,000,000	\$140,000,000	\$211,000,000	\$575,000,000
Eminent Domain	August 2, 1982 ²	June 25, 1998	June 15, 1999	July 15, 2002	July 10, 2006

¹ Cumulative tax increment limit for the Downtown Project Area begins with revenue received after December 7, 1974.

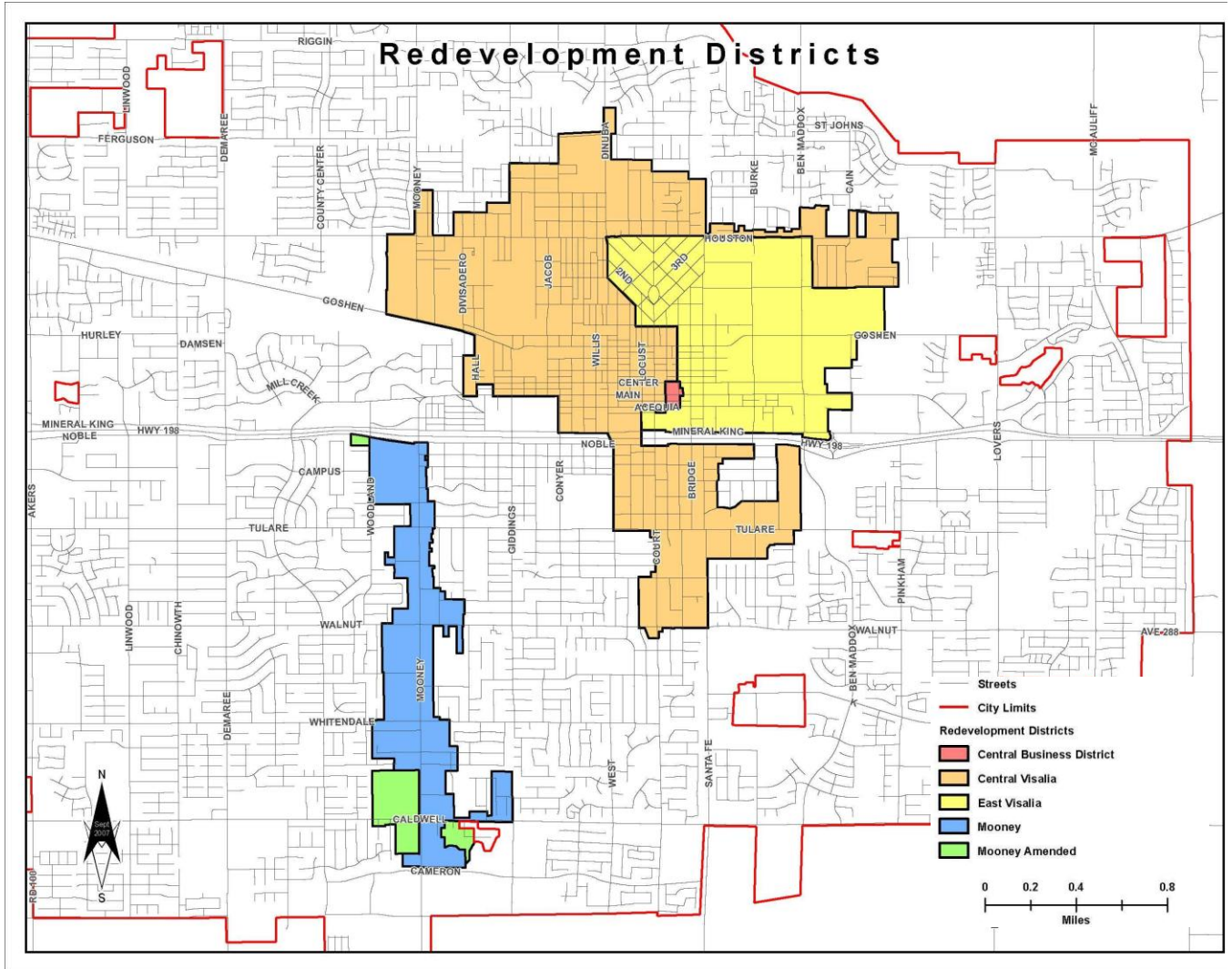
² Limit not documented in Redevelopment Plan

Source: Fraser & Associates, City staff reports

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RECENT REDEVELOPMENT ACCOMPLISHMENTS

The Public Value & Benefit of Redevelopment

The Agency has been very active since inception. Revitalization of the greater Downtown area, location of commercial tenants, and partnerships with other community organizations such as Kaweah Healthcare Delta District have led to blight removal and improved quality of life for Visalia residents. The Agency has been successful at leveraging tax increment in combination with City funds, grant money, and other available state and federal sources to infuse the Project Areas with the resources necessary to attract private investment and increase economic vitality. Most notably, the Agency has also enthusiastically pursued the creation and rehabilitation of affordable housing units, as described later in this Plan. During the last five years, the Agency has provided funding for several beneficial projects and programs in the Project Areas:

East Downtown Site Assembly. Through a financing arrangement with the City, the Agency has acquired more than 30 acres of land from Tipton Street to Ben Maddox Avenue and from Goshen Avenue to Mill Creek. These properties will serve as the foundation for a new Civic Center complex, a public safety facility, two parks and a privately developed mixed-use community. This project is a major undertaking and will provide for much-enhanced public facilities as well as function as a vibrant hub of activity in the greater Downtown.

Downtown Parking. Increased and improved public facilities are key objectives of the Agency in the Project Areas. In particular, easily accessible public parking has been needed in several areas of the city to support access to businesses in the Project Areas. Parking can be a very expensive endeavor, but is often vital to the success of commercial projects. Over the past seven years, the City has constructed two public parking structures along Acequia Avenue. The East Garage contains more than 400 parking spaces and supports the Convention Center, Comfort Inn Suites, City Hall East, Regal Cinemas Theater, and several shops in the area. The West Garage opened in 2007 and supports the hospital and several offices and shops along Main and Center streets with more than 700 spaces. These structures ameliorate certain parking constraints on land uses. They additionally provide a safe, viable alternative to street parking which can be very limited during business hours, and may have deterred people from patronizing the Downtown. The Agency provided partial funding for these projects.

Downtown Traffic Study. The Agency funded this study to provide circulation and traffic projections in the increasingly active Downtown to use for planning purposes. This study, and the future projections it incorporates, are an important component in road infrastructure studies and will lead to road and circulation improvements that better facilitate traffic flow in Downtown.

Public Parking Improvements in Downtown



East Garage



West Garage

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FINANCIAL CAPACITY FOR FUTURE PROJECTS

Anticipating the Possibilities

Each Project Area maintains separate financial resources to fund projects and programs; pay debt service and other loan balances; and to make fiscal mitigation payments to taxing agencies as required by either negotiated agreements or in compliance with the CRL. The following section summarizes the anticipated cash flows for the Project Areas. Though each Project Area has slightly different obligations, they must all deposit a 20 percent set-aside to the Agency's Low and Moderate Income Housing Fund in accordance with the CRL. Section 33334.2 states that "... not less than 20 percent of all taxes that are allocated to the agency ... shall be used by the agency for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing costs." This section addresses the funds not set aside for housing purposes, and presents five year cash flows for each project area in Tables 3 through 6.

Supplemental Educational Revenue Augmentation Funds

Due to the State's effort to balance the FY 2009-10 State Budget, the legislators and the Governor approved budget bill AB4X-26 which authorizes \$2.05 billion from local redevelopment funds, including \$1.7 billion in FY 2009-10 and \$350 million FY 2010-11, to be paid to the County Supplemental Educational Revenue Augmentation Funds ("SERAF"). Under AB4X-26, the Agency is required to make a payment of approximately \$2.6 million, with \$2.2 million by May 10, 2010 and \$435,000 by May 10, 2011. AB4X-26 provides that an agency may use certain funds allocable to the LMIHF to make such payments, however those amounts are required to be repaid by the end of the fifth fiscal year in which the borrowing occurs or be subject to a 30 percent housing set-aside mandate for the remaining life of the Redevelopment Plans.

The California Redevelopment Association ("CRA") filed a lawsuit challenging the SERAF payments in October 2009, however, on May 4, 2010 the court ruled in favor of the State. Though the CRA intends to appeal, this document assumes that the SERAF payments will be made. As the Agency has a variety of existing financial commitments, the initial payment will be made primarily from the LMIHF as shown in Table 2. The LMIHF will be repaid within 5 years.

Table 2 - SERAF Payments Allocated by Project Area ¹

Project Area	Payment				Repayment	
	2009-10 Non-Housing Funds	2009-10 Housing Funds	2010-11 Non-Housing Funds	2010-11 Housing Funds	Total Housing Fund Repayment Amount ²	Housing Fund Repayment Term
Downtown	\$ -	\$ 44,792	\$ -	\$ -	\$ 45,000	2010-11 to 2014-15
East Visalia	\$ -	\$ 296,334	\$ -	\$ -	N/A ³	N/A
Mooney Boulevard	\$ -	\$ 463,008	\$ -	\$ -	\$ 465,000	2010-11 to 2014-15
Central Visalia	\$ 691,274	\$ 677,105	\$ 434,503	\$ -	\$ 975,000	2010-11 to 2014-15
Totals	\$ 691,274	\$ 1,481,239	\$ 434,503	\$ -	\$ 1,485,000	

¹ Payments described will be carried out in accordance with State law as required. Pending appeal of CRA lawsuit may alter these payments, however this Plan assumes all payments will be made as originally determined in Assembly Bill 26-4X.

² Figures rounded

³ East Visalia is unable to repay the Housing Fund, these funds will be replaced through tax increment generated by the Central Visalia Project Area instead.

Source: Fraser & Associates

Downtown Project Area

The Downtown Project Area is the smallest of the four Project Areas at roughly two square blocks. It is generally bounded by Center Street, Garden Street, Acequia Avenue, and North Church Street. Financial resources are currently constrained. Expenditures generally exceed revenues on an annual basis, but the existing fund balance supports the Agency's ability to continue to fund projects described later in this Plan.

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	2009-10	2010-11	2011-12	2012-13	2013-14	5-Year Total
Beginning Fund Cash Balance	\$1,196,000	\$ 1,191,400	\$ 1,050,800	\$ 848,700	\$ 653,600	
Revenue						
Total Tax Increment	223,000	223,000	232,000	242,000	252,000	
Less: LMIHF Deposits	44,600	44,600	46,400	48,400	50,400	
Less: Property Tax Admin Fees	6,000	6,000	7,000	7,000	7,000	
Less: Tax Sharing Payments	-	-	-	-	-	
80% Debt Service Tax Increment	172,400	172,400	178,600	186,600	194,600	904,600
Expenditures						
Stockmen's Bank Loan ¹	110,000	110,000	110,000	110,000	110,000	
State ERAF Repayments ²	-	9,000	9,000	9,000	9,000	
Administrative and Planning	67,000	69,000	70,000	71,000	73,000	
Projects and Programs	-	125,000	191,700	191,700	191,700	
Total Expenditures	177,000	313,000	380,700	381,700	383,700	1,636,100
Ending Fund Balance	\$ 1,191,400	\$ 1,050,800	\$ 848,700	\$ 653,600	\$ 464,500	

¹ The Stockmen's Bank Loan was made to the Agency in 2002 for \$1.5 million. The Agency will make payments until 2019.

² The LMIHF will pay approximately \$1.5 million of the SERAF payment in 2009-10, which will be repaid over five years by the Central, Mooney, and Downtown Project Areas.

Source: Frasier and Associates, City Staff

East Visalia Project Area

The East Visalia Project Area's financial forecast is extremely limited at this time, though increases in tax increment revenues are expected. This Project Area is unable to contribute to SERAF payments due to financial shortfalls. The East Visalia Project Area does not currently have available funds for programs and projects due to debt service payments. All available revenues are expected to be used to repay the City Loan.

	2009-10	2010-11	2011-12	2012-13	2013-14	5-Year Total
Beginning Fund Cash Balance	\$0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
Revenue						
Total Tax Increment	1,717,000	1,717,000	1,839,000	1,967,000	2,101,000	
Less: LMIHF Deposits	343,400	343,400	367,800	393,400	420,200	
Less: Property Tax Admin Fees	51,000	51,000	54,000	58,000	62,000	
Less: Tax Sharing Payments	553,000	558,000	595,000	629,000	669,000	
80% Debt Service Tax Increment	769,600	764,600	822,200	886,600	949,800	4,192,800
Expenditures						
Bond Debt Service ¹	370,000	374,000	371,000	374,000	371,000	
City Loan Debt Service ²	282,600	271,600	328,200	386,600	448,800	
State ERAF Repayments ³	-	-	-	-	-	
Administrative and Planning	116,000	119,000	123,000	126,000	130,000	
Projects and Programs	-	-	-	-	-	
Total Expenditures	768,600	764,600	822,200	886,600	949,800	4,191,800
Ending Fund Balance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	

¹ The Bond Debt Service is for the 2003 Tax Allocation Refunding Bonds; payments will continue through 2026.

² City loan payment amounts may vary from planned repayment schedule. The City loan will be repaid as net tax increment revenues become available.

³ The LMIHF will pay approximately \$1.5 million of the SERAF payment in 2009-10, which will be repaid over five years by the Central, Mooney, and Downtown Project Areas. The East Visalia Project Area is unable to make payments.

Source: Frasier and Associates, City Staff

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Mooney Boulevard Project Area

With a comparatively significant amount of cash for projects, the Mooney Boulevard Project Area has greater resources for future activities. The Agency will determine which projects and programs included in this Plan may be funded during the planning period. The Mooney Project Area began the planning period with approximately \$6.8 million in funds, and is projected to end with a net total of \$6.5 million. The Stockmen's Bank and Citizens Bank loans have enabled the Agency to pursue new developments over the next five years.

Table 5 - Mooney Project Area Non-Housing Cash Flow						
	2009-10	2010-11	2011-12	2012-13	2013-14	5-Year Total
Beginning Fund Cash Balance	\$6,807,000	\$ 6,794,400	\$ 6,651,800	\$ 6,565,400	\$ 6,508,400	
Revenue						
Total Tax Increment	2,983,000	2,983,000	3,107,000	3,235,000	3,367,000	
Less: LMIHF Deposits	596,600	596,600	621,400	647,000	673,400	
Less: Property Tax Admin Fees	87,000	87,000	91,000	94,000	98,000	
Less: Tax Sharing Payments	1,445,000	1,447,000	1,511,000	1,575,000	1,644,000	
80% Debt Service Tax Increment	854,400	852,400	883,600	919,000	951,600	4,461,000
Expenditures						
Stockmen's Bank Loan ¹	155,000	155,000	155,000	155,000	155,000	
Citizens Bank Loan ²	408,000	408,000	408,000	408,000	429,000	
Costco Agreement ³	86,000	86,000	87,000	89,000	91,000	
State ERAF Repayments ⁴	-	93,000	93,000	93,000	93,000	
Administrative and Planning Projects and Programs	218,000	223,000	227,000	231,000	238,000	
	-	30,000	-	-	-	
Total Expenditures	867,000	995,000	970,000	976,000	1,006,000	4,814,000
Ending Fund Balance	\$ 6,794,400	\$ 6,651,800	\$ 6,565,400	\$ 6,508,400	\$ 6,454,000	

¹ The Stockmen's Bank loan, for approximately \$4.6 million, was used to refinance a previous tax allocation bond for the Mooney and Central Project Areas. Payment on the loan will end in 2028.

² The Citizens Bank loan was made in 2007 for \$6.2 million.

³ The Costco agreement will be paid off in 2017.

⁴ The Housing Fund will pay approximately \$1.5 million of the SERAF payment in 2009-10, which will be repaid over five years by the Central, Mooney, and Downtown Project Areas.

Source: Frasier and Associates, City Staff

Central Visalia Project Area

The Central Visalia Project Area has the greatest non-restricted financial capacity of the Project Areas, and will therefore pay the majority of the SERAF payments. Due to existing funds, the Project Area will be able to fund some additional projects and programs this planning period. Beginning with approximately \$6 million in funds, the Central Visalia Project Area is projected to end the five year planning period with about \$38,000. The Central Visalia Project Area continues to pay debt service on the Stockmen's Bank Loan, originally \$4.6 million, and the City loan from 2007, wherein the City loaned the Agency approximately \$3.2 million.

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Table 6 - Central Project Area Non-Housing Cash Flow						
	2009-10	2010-11	2011-12	2012-13	2013-14	5-Year Total
Beginning Fund Cash Balance	\$5,983,000	\$ 5,650,000	\$ 3,853,000	\$ 2,534,400	\$ 1,262,400	
Revenue						
Total Tax Increment	3,400,000	3,400,000	3,648,000	3,905,000	4,173,000	
Less: LMIHF Deposits	680,000	680,000	729,600	781,000	834,600	
Less: Property Tax Admin Fees	100,000	100,000	107,000	115,000	122,000	
Less: Tax Sharing Payments	1,899,000	1,896,000	2,041,000	2,190,000	2,344,000	
80% Debt Service Tax Increment	721,000	724,000	770,400	819,000	872,400	3,906,800
Expenditures						
Stockmen's Bank Loan ¹	105,000	105,000	105,000	105,000	105,000	
City Loan Debt Service ²	73,000	225,000	225,000	225,000	225,000	
State ERAF Repayments ³	691,000	629,000	195,000	195,000	195,000	
Administrative and Planning	185,000	187,000	189,000	191,000	197,000	
Projects and Programs	-	1,375,000	1,375,000	1,375,000	1,375,000	
Total Expenditures	1,054,000	2,521,000	2,089,000	2,091,000	2,097,000	9,852,000
Ending Fund Balance	\$ 5,650,000	\$ 3,853,000	\$ 2,534,400	\$ 1,262,400	\$ 37,800	

¹ The Stockmen's Bank loan, for approximately \$4.6 million, was used to refinance a previous tax allocation bond for the Mooney and Central Project Areas. Payment on the loan will end in 2028.

² Loan was originally \$3.5 million. Payments expected to continue until 2040.

³ The Central Project Area will make a large portion of the SERAF payment in 2009-10 and all of the 2010-11 payment. Approximately \$1.5 million will be paid from the Housing Fund, and repaid over five years by the Central, Mooney, and Downtown Project Areas.

Source: Frasier and Associates, City Staff



Former Costco Building



Sequoia Mall

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IMPLEMENTATION PLAN GOALS

Community Reinvestment and Revitalization

The Redevelopment Plans for the Project Areas establish a variety of goals for redevelopment of each constituent project area. These goals frame the near term redevelopment objectives for the Implementation Plan period and are described below in compliance with CRL Section 33490(a)(1)(A). For the purposes of this Implementation Plan, the goals for the Project Areas have been consolidated and summarized below.



CLEAN

Eliminate Blight. Eliminate blighting conditions including deteriorated buildings, incompatible land uses and land uses that are no longer economically viable, and other environmental, economic and social deficiencies; improve the overall appearance of buildings, streets, parking areas, and other facilities, and assure that all buildings are safe for people and businesses to occupy.



PRESERVE

Protect and Enhance Community Character. Encourage rehabilitation and reuse of architecturally sound and historically worthwhile structures and sites, and promote urban design standards to provide unity and to encourage community identity.



INVEST

Create a Stronger Local Economy. Strengthen the economic base of the Project Areas and the community at large by leveraging funds and promoting policies that encourage private investment, increase economic vitality, and improve local employment and fiscal resources.



ACCESS

Improve Public Infrastructure and Services. Provide necessary public improvements and community facilities, including but not limited to street improvements, parking supply, traffic circulation, and open space preservation. Develop cultural, recreational, maintenance, operational, and other services and facilities.



GROW

Use Land Wisely. Guide the planning, redesign, reuse, and development of areas which are stagnant or improperly utilized through efficient and creative planning policies. Where feasible, promote assemblage of land into parcels suitable for integrated development with improved pedestrian and vehicular circulation in the Project Areas.



LIVE

Housing for All Families. Meet the need for housing programs related to homeownership, rental housing, housing rehabilitation, and replacement housing if needed through the use of the required 20 percent housing set aside funds as outlined in CRL Sections 33334, 33413, and 33490. Protect the health and general welfare of low and moderate income persons by increasing or improving the community's supply of affordable housing.

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PROPOSED REDEVELOPMENT PROGRAM

Five Year Work Program for Reinvestment & Revitalization

Over the next five years, the Agency plans to implement the following non-housing redevelopment projects and programs. The list below describes the projects proposed, what blighted conditions would be eliminated, approximate costs if known, and the Redevelopment Plan goals that would be addressed.

Downtown Project Area Project/Program Description	Preliminary Funding Estimates	Goals Addressed
<p>Infrastructure Support for Intensification of Development</p> <p>Downtown is host to a range of high quality older buildings with multiple stories. There is potential to intensify uses in these buildings, including the conversion of vacant floors to new office space or residential flats. However, infrastructure in the Downtown does not have the capacity to support more concentrated development. The Agency may provide funding for water, sewer, electricity or other infrastructure and utility improvements to facilitate reuse and renovation of Downtown buildings. The Agency may also provide assistance for the construction of another parking structure to increase parking capacity. This will serve to bolster the economic activity within Downtown.</p> <p><i>Timeframe..... 2010-ongoing</i></p>	\$500,000	 CLEAN  PRESERVE  INVEST  GROW  LIVE
<p>Downtown Lighting</p> <p>New lighting will replace an antiquated system and provide brighter lights to support an evening restaurant, café, and nightclub environment expanding Downtown's vibrancy. This project requires both design and installation and should be completed over the next few years. Improved lighting may help to reduce crime rates but will also provide an increased aesthetic in Downtown to attract more tenants and patrons to the area.</p> <p><i>Timeframe..... 2010-2014</i></p>	\$200,000	 CLEAN  PRESERVE  ACCESS
Total Downtown Preliminary Cost Estimate	\$700,000	

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East Visalia Project Area Project/Program Description	Preliminary Funding Estimates	Goals Addressed
<p>Financial Constraints Note</p> <p>The City has provided a loan to the East Visalia Project Area to acquire approximately 30 acres between Tipton Street and Ben Maddox Avenue. As a result, the East Visalia Project Area is not expected to have revenues for projects and programs at this time. All available revenues will be used to repay debt to the City.</p>	Not Applicable	Not Applicable
<p>Environmental Contamination</p> <p>The City has retained the services of environmental consultants to test and remove contaminants from portions of East Downtown. This will help to remove some of the barriers preventing private investment in the area, and encourage the use and reuse of infill properties. If funding becomes available, the Agency may augment money from a US EPA Brownfields Grant for contaminate removal. The Agency may also utilize funds to address environmental contamination as allowed by the Polanco Act, CRL Section 33459 et seq., which will provide a mechanism for the removal of contaminants and promote the productive reuse of land.</p> <p><i>Timeframe.....2012</i></p>	To Be Determined	 <p>CLEAN</p>  <p>GROW</p>
<p>Total East Visalia Preliminary Cost Estimate</p>	Funding To Be Determined	
Mooney Boulevard Project Area Project/Program Description	Preliminary Funding Estimates	Goals Addressed
<p>Marketing of Mooney Boulevard</p> <p>Several vacant buildings are located in the Mooney Boulevard Project Area. The Agency may assist with site assemblage and marketing strategies, enabling property owners, brokers, and retailers to locate new users for these existing spaces. The Agency may also provide funding for infrastructure improvements to facilitate business recruitment and retention such as upgrades to public parking lots and improvements to vehicular and pedestrian access as needed. These efforts will help stabilize property values and increase the economic vitality of the Project Area.</p> <p><i>Timeframe.....Ongoing</i></p>	To Be Determined	 <p>INVEST</p>  <p>GROW</p>



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Mooney Boulevard Zoning Study	\$30,000	 CLEAN  INVEST  GROW
<p>A Study is underway to consider either rezoning or modifying existing zoning to support retailers which are presently not permitted along the Mooney Boulevard corridor and address antiquated zoning standards. Updated zoning standards are expected to address antiquated land uses that are no longer feasible in favor of encouraging more viable uses that will improve the economic vitality of the Project Area and reduce vacancies.</p>		
<p><i>Timeframe.....2010-11</i></p>		
Total Mooney Boulevard Preliminary Cost Estimate	\$30,000	

Central Visalia Project Area Project/Program Description	Preliminary Funding Estimates	Goals Addressed
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Downtown Parking	\$2,500,000	 CLEAN  ACCESS
<p>The City and Agency continue to look for opportunities to acquire parking lots and to finance parking structures possibly through private/public ventures. These efforts will improve the availability of community facilities, and through the creation of easily accessible parking, attract more businesses and patrons to targeted areas, thereby increasing economic activity.</p>		
<p><i>Timeframe..... Ongoing</i></p>		

Neighborhood Revitalization Efforts	To Be Determined	 CLEAN  PRESERVE
<p>The Agency is proposing to carry out general blight elimination activities which seek to remove major barriers to the productive use of land, and address blighting conditions at the source. The Agency may leverage funds to support specialized activities such as the SMART Team, led by the Code Enforcement Officer of the Neighborhood Preservation Division, which works in tandem with other City departments to proactively coordinate the eradication of substandard and consistently problematic conditions of properties throughout town. Funding may be used to support enforcement or abatement of code violations, graffiti removal, and similar activities. These efforts lead to improved property values, reductions in crime, and the elimination of conditions that contribute to unsafe and unhealthy buildings.</p>		
<p><i>Timeframe..... Ongoing</i></p>		

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<p>Mineral King/Conyer Mixed-Use Project</p>	<p>To Be Determined</p>	 INVEST  GROW
<p>The City is negotiating with a local private development team for the development of a medical office building on a city-owned parking lot south of Mill Creek between Johnson and Conyer Streets just north of Mineral King Avenue. The Agency may participate in off-site infrastructure improvements to facilitate development. This project will meet the Agency's goal of smart development with more intense utilization of land and expansion of a more urbanized downtown environment.</p>		
<p><i>Timeframe..... Ongoing</i></p>		
<p>Downtown Lighting</p>	<p>\$1,000,000</p>	 CLEAN  PRESERVE  ACCESS
<p>The lighting in Downtown is antiquated and the City/Agency is going to assess the condition of the lighting before preparing a financing plan to install new lighting throughout the core area. Improved lighting can help deter crime, and increase the desire of patrons to remain downtown in the evenings, contributing to increased economic vitality.</p>		
<p><i>Timeframe..... Ongoing</i></p>		
<p>Infrastructure Support for Intensification of Uses</p>	<p>\$2,000,000</p>	 CLEAN  PRESERVE  INVEST  GROW  LIVE
<p>Downtown is host to a range of high quality older buildings with multiple stories. There is potential to intensify uses in these buildings, including the conversion of vacant floors to new office space or residential flats. However, infrastructure in the Downtown does not have the capacity to support more concentrated development. The Agency may provide funding for infrastructure and utility improvements to facilitate reuse and renovation of downtown buildings. This will serve to bolster the economic activity within Downtown.</p>		
<p><i>Timeframe..... 2010-ongoing</i></p>		
<p>Total Central Visalia Preliminary Cost Estimate</p>	<p>\$5,500,000</p>	

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HOUSING COMPLIANCE PLAN

Ten Year Outlook of Affordable Housing

This Section of the Plan contains an update to the Ten Year Affordable Housing Compliance Plan (“Compliance Plan”) for the Project Areas in accordance with Section 33490(a)(2) of the CRL. The next five years, 2009-10 through 2013-14, represent the second half of the current ten year compliance plan period (“Compliance Period”), which extends from 2004-05 through 2013-14. The Compliance Plan incorporates a summary of the Agency’s affordable housing production and expenditure activities to address the requirements of Sections 33334.2, 33334.4, 33334.6, and 33413 of the CRL. Additionally, the Compliance Plan presents an affordable housing production plan for the next five years, the first five years of the next Compliance Period (2013-14 through 2018-19), and over the life of the Redevelopment Plans.

This Compliance Plan sets forth, among other things, the Agency’s program for ensuring that the appropriate number of very low, low, and moderate income housing units will be produced as a result of new construction or substantial rehabilitation in the Project Areas, and that the Agency’s proposed expenditures of moneys from the LMIHF are in compliance with the CRL.

Legal Requirements

Since 1976, redevelopment agencies have been required to assure that at least 30% of all new or substantially rehabilitated units developed by an agency are available at affordable costs to households of very low, low, or moderate income. Of this 30%, not less than 50% are required to be available at affordable costs to very low income households. However, for all units developed in the project area by entities other than an agency, the CRL requires that at least 15% of all new or substantially rehabilitated dwelling units within the project area be made available at affordable costs to low or moderate income households. Of these, not less than 40% of the dwelling units are required to be available at affordable costs to very low income households. These requirements may generally be applicable to housing units as aggregated within each project area, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated, unless determined otherwise by the Agency.

Additionally, Section 33413(b)(2)(A)(v) of the CRL permits an agency to aggregate affordable housing activities among multiple project areas, so long as the Agency conducts a public hearing and finds that such aggregation will not exacerbate racial, ethnic, or economic segregation. On November 17, 2008, the Agency held such a hearing and consequently passed Resolution No. 2008-02 aggregating housing activities amongst the four Project Areas.

In 1994, the CRL was amended to require redevelopment agencies to prepare a plan that demonstrated how the agency would achieve the aforementioned affordable housing mandates. These housing compliance plans are also required by the CRL to be updated by the agencies every five years. In 2002, the CRL was further amended to establish minimum affordability periods, as well as to set parameters limiting LMIHF expenditures. **Consequently, all new or substantially rehabilitated dwelling units assisted by the LMIHF, replacement housing units must be affordable for 55 years if they are rental units and for 45 years if they are owner-occupied units.** In addition, the CRL requires that the expenditure of LMIHF moneys during the ten-year planning period of the Compliance Plan must be at least in proportion to the very low and low income housing needs identified in the community, as well as in proportion to the needs that all low income households with a person under 65 years old bears to the total number of low income households in the community. The Compliance Plan evaluates the Agency’s affordable housing requirements for life of the Redevelopment Plans.

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Contents of the Compliance Plan

This Compliance Plan has been developed to accomplish the following goals:

- To account for the number of affordable dwelling units constructed or substantially rehabilitated in the Project Areas, since their respective adoptions;
- To forecast the estimated number of new, substantially rehabilitated or price-restricted dwelling units to be developed or purchased within the Project Areas during the remainder of the current Compliance Period 2009-10 through 2013-14, the first five years of the next Compliance Period 2014-15 through 2018-19, and over the life of the Redevelopment Plans;
- To project the Agency's estimated revenues and expenditures during the remainder of the current Compliance Period 2009-10 through 2013-14 and identify the availability of LMIHF moneys for funding affordable housing activities;
- To summarize the Agency's estimated proportional expenditures for very low and low income housing during the 2004-05 through 2013-14 Compliance Period.
- To identify implementation policies/programs and potential projects for affordable housing development;
- To establish a timeline for implementing this Compliance Plan to ensure that the requirements of Section 33413 are met during the current ten-year Compliance Period between fiscal years 2004-5 and 2013-2014; and
- To review the consistency of Agency affordable housing goals, objectives, and programs pursuant to both the City's Affordable Housing Implementation Strategy Report and Housing Element.

REDEVELOPMENT PROJECT AREAS

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Recent Housing Accomplishments

During the past five years, the Agency assisted with multiple affordable housing projects within the Project Areas as well as throughout the City. These completed projects are outlined below:

Mill Creek Parkway Family Apartments Development.

The Agency partnered with the Kaweah Management Company to develop a new construction 72-unit low-income family apartment development in 2008. The Agency provided assistance from its LMIHF in the amount of \$4.5 million (about \$63,380 per unit). Income restrictions were recorded for 71 low-income households earning not more than 80% Average Median Income (plus 1 above moderate-income manager unit) for a period of fifty-five (55) years. Since the development is located outside a project area, the units may be counted on a 2-for-1 basis (35.5 units) toward fulfilling the Agency's inclusionary production requirements per CRL Section 33413 (b)(ii). As a result, the Agency received a total of 35.5 units of affordable housing credits for this development.



Encina Housing for Developmentally Disabled. The Encina Project consists of three (3) substantially rehabilitated rental units located in the Central Redevelopment Project Area. The Agency provided an assistance loan for development of the units from its LMIHF with income restrictions recorded for three very low-income households for a period of fifty-five (55) years. The total loan was \$340,000 with a 40 year term. Since this falls within the Central RDA Project Area, the Agency received full credit for the substantial rehabilitation of 3 units.



Summers Street Affordable Ownership Housing. The Agency worked with Habitat for Humanity to assist interested homebuyers with financing for four (4) new construction infill ownership housing units in a neighborhood north of Houston Street. The Agency provided assistance from the LMIHF and income restrictions were recorded for four very low-income households for a period of forty-five (45) years. Since these homes exist within the Central and East Project Areas, the Agency receives full credit for the production of the units.





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Proposed Affordable Housing Program

Over the next five years, the Agency plans to complete the following affordable housing projects and programs. The list below describes the projects proposed, what blighted conditions would be eliminated, approximate costs, and the goals of the Redevelopment Plans that would be addressed. Additionally, the Agency has estimated, where appropriate, the number of affordable units that may be assisted by each project and program listed.

AFFORDABLE HOUSING PROGRAM Project/Description	Preliminary Cost Estimates	Goals Achieved
<p>Paradise & Court Project</p> <p>The Agency partnered with other community affordable housing organizations to provide twenty (20) rental housing for low-income families located in the Central Redevelopment Project Area. The project entails substantially rehabilitating eleven (11) single story units coupled with the new construction of nine (9) two-story units. The project is funded using \$500,000 HOME CHDO funds and \$500,000 LMIHF moneys to assist the project. Approximately 80% of all units will be available to very low income families with the remainder going to low income families, and all of the units will be income-restricted for fifty-five (55) years.</p> <p><i>Timeframe..... 2011-12</i></p>	<p>\$500,000</p>	 <p>LIVE</p>
<p>Kaweah Triplex Foreclosure Project</p> <p>The Agency will assist Kaweah Management, a non-profit arm of the Housing Authority, with a \$480k loan to assist with the new construction of six low income restricted units in the Washington School Neighborhood. These are foreclosed and vacant properties</p> <p><i>Timeframe..... 2009-10 through 2011-12</i></p>	<p>\$480,000</p>	 <p>LIVE</p>



Paradise & Court









Kaweah Triplex

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AFFORDABLE HOUSING PROGRAM Project/Description	Preliminary Cost Estimates	Goals Achieved
<p>Former Caltrans Site Multi-Family Development Project</p> <p>The Agency will consider development of a 4-acre former Caltrans site which is suitable for a moderately sized intergenerational housing development. The Agency anticipates that it may use approximately \$4 million of the LMIHF to assist developers in the construction of 50 (estimated) very low income senior units, 30 (estimated) low and moderate income restricted units, and 10 (estimated) low income restricted live / work units. This project is only in the conceptual phase, but is anticipated to be completed by 2013-14.</p> <p><i>Timeframe.....2010-11 through 2013-14</i></p>	<p>\$4,000,000</p>	 GROW  LIVE
<p>Downtown Conversion of Upper Floors</p> <p>There exist several two and three story buildings in the City's Downtown with upper floors serving as storage or vacant. Owners have expressed interest in converting to residential units. There's potential to assist with the conversions and infrastructure upgrades as part of affordable rental units; primarily moderate income housing.</p> <p><i>Timeframe.....2011-12 through 2013-14</i></p>	<p>\$1,000,000</p>	 GROW  LIVE
<p>Affordable Live/Work Studio</p> <p>There is a potential to acquire land and develop loft-style development to support live/work development in downtown. Such a development will create opportunities for artists to live and work within the Downtown.</p> <p><i>Timeframe.....2010-11 through 2013-14</i></p>	<p>\$1,000,000</p>	 GROW  LIVE

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AFFORDABLE HOUSING PROGRAM Project/Description	Preliminary Cost Estimates	Goals Achieved
<p>Habitat for Humanity Homes</p> <p>Habitat For Humanity is a non-profit agency that works in partnership with families, volunteers, and donors, to build simple, decent, affordable housing with hard-working, low-income families in the community. Since 1994, the organization has built 33 houses in Visalia and Tulare County. The Agency is dedicating \$250k of LMIHF annually to purchase foreclosed homes and complete rehabilitation with Habitat For Humanity before reselling to low-income buyers. It is anticipated that the Habitat For Humanity Homes program will produce about three homes for very low income families with 45 year restrictive covenants in the Project Areas every year for the next five years.</p> <p><i>Timeframe.....Ongoing</i></p>	<p>\$1,250,000</p>	 <p>GROW</p> <p>LIVE</p>
<p>Total Preliminary Cost Estimate</p>	<p>\$8,230,000</p>	

REDEVELOPMENT PROJECT AREAS

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Housing Production

This Housing Compliance Plan identifies all new residential construction or substantial rehabilitation that has occurred within the Project Areas since adoption of the Redevelopment Plans in order to determine affordable housing production needs. It accounts for past residential construction and substantial rehabilitation, and includes projects of new dwelling units that may be constructed or substantially rehabilitated during the current ten year Compliance Period which extends through June 30, 2014.

Pursuant to Section 33413(b) of the CRL not less than 15 percent of the units produced by persons or entities other than the Agency must be affordable to low and moderate income households. Not less than 40 percent of the required affordable units must be restricted for very low income households. In addition, to satisfy the Agency's production requirements, new or substantially rehabilitated units must have recorded 45-year income restrictions or covenants for rental units and 55-year income restrictions or covenants for owner-occupied units. The affordable housing units may be constructed inside or outside of the Project Areas, but units outside the Project Areas may only be counted on a 2-for-1 basis. The Agency may also purchase affordability covenants on very-low or low-income multifamily units. The Agency's affordable housing production requirements are indicated in Table 7.

Table 7- VISALIA AFFORDABLE HOUSING PRODUCTION TABLE

	Total Units Produced ¹		Affordable Units Required ²			Affordable Units Produced ³			Planning Period Unit Surplus (Deficit)		Cumulative Unit Surplus (Deficit)	
	Private Developer	Agency Developed	Total Units	Low & Mod	Very Low	Total Units	Low & Mod	Very Low	Low & Mod	Very Low	Low & Mod	Very Low
Plan Inception to 2003-04	413	0	62	37	25	247	169	78	132	53	132	53
2004-05 to 2008-09	55	0	9	5	4	42.5	35.5	7	30.5	3	162.5	56
2009-10 to 2013-14	189	0	29	17	12	198	77	121	60	109	222.5	165
2014-15 to 2018-19**	110	0	17	10	7	0	0	0	(10)	(7)	212.5	158
2019-20 to Plan Duration**	200	0	30	18	12	0	0	0	(18)	(12)	194.5	146
Total Affordable Units Over Life of the Plan			147	87	60	487.5	281.5	206	194.5	146		

¹ Total Units Produced within the Project Areas based on actual units per City planning department or projections by Agency Staff. However, development within the Downtown Project Area is excluded as the area was adopted in 1970. Pursuant to CRL Section 33413(d)(1), project areas adopted prior to 1976 do not incur inclusionary housing production requirements from new housing development.

² Affordable Units Required based on actual or estimated Total Units Produced during each planning period within the Project Area pursuant to CRL Section 33413

³ Affordable Units Produced based on actual or estimated affordable units produced (or covenants purchased) during each planning period inside or outside the Project Area.

** Future development from 2014-15 through the end of the Redevelopment Plans has been based on historical average development in each area from 1989 through 2004.

NOTE: All Figures Rounded

Past Production Activity

Table 7 summarizes the Agency's past production activities and identifies the projected production requirements for the planning periods 2009-10 through 2013-14, 2014-15 through 2018-19, and over the life of the Redevelopment Plans. Historical construction and substantial rehabilitation statistics were provided by the Agency. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during each ten year Compliance Period.

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According to data supplied by Agency staff and annual California Department of Housing and Community Development reports, 413 total housing units were built in the Project Areas from the inception of the Redevelopment Plans through June 30, 2004. These units generated the inclusionary housing need of 37 low and moderate income restricted units and 25 very low income restricted units. During the same time, 169 low and moderate income restricted units and 78 very low income restricted units were built within the project Area. **Therefore, as of June 30, 2004, there had been 132 more low and moderate income restricted units and 53 more very low income restricted units built in the Project Areas than required by the CRL.**

Current Compliance Period Production

During the first half of the current ten year Compliance Period, from July 1, 2004 through June 30, 2009, a total of 55 housing units were built or substantially rehabilitated throughout the Project Areas by private developers. These units therefore generated the inclusionary housing need of 5 low or moderate income restricted units and 4 very low income restricted units. Table 7 shows that, during this time, 35.5 low and moderate income restricted units and 7 very low income restricted units¹ were produced in the Project Areas. During these five years, 30.5 more low and moderate income and 3 more very low income restricted units were produced in the Project Areas than were required by the CRL.

The second half of the current ten year Compliance Period extends from July 1, 2009 through June 30, 2014. During this time, it is estimated that approximately 199 total housing units will be constructed or substantially rehabilitated within the Project Areas, thus generating an inclusionary housing need of 17 low or moderate income restricted units and 12 very low income restricted units. Table 8 below outlines the projects that are anticipated to be built during the next five years.

Table 8 - FUTURE AFFORDABLE HOUSING DEVELOPMENTS 2009-10 through 2013-14

	Low & Mod Units	Very Low Units	Market Rate Units	Total Units
Paradise & Court	4	16	0	20
Kaweah Multifamily	6	0	0	6
Former Caltrans Multi-Family Site	40	50	0	90
Summers Street (Habitat For Humanity)	0	4	0	4
822 W. Harold Ave "B" (Habitat For Humanity)	0	1	0	1
Goshen Avenue (Habitat For Humanity)	0	3	0	3
Sierra Meadows	0	41	1	42
NSP Foreclosure Single Family Homes ¹	27	6	0	33
	77	121	1	199

¹ There will be a total of 43 units purchased with NSP funds, however, about 20 will be outside the Project Areas, resulting in only 33 units being counted toward inclusionary production.

Of the total housing units expected to be built over the next five years, 198 units are anticipated to be affordable income restricted units, with 77 units to be restricted to low or moderate income households and 121 units to be restricted to very low income households. From July 1, 2009 through June 30, 2014, it is projected that there will have been 60 more low and moderate

¹ This includes 2 very low income Habitat For Humanity units that were built outside the Project Areas, which together count as 1 very low income inclusionary unit.

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income restricted units and 109 more very low income restricted units produced in the Project Areas than required by the CRL.

The CRL further requires that, by the end of each Compliance Period, the Agency has produced at least as many affordable housing units as are needed pursuant to the CRL inclusionary housing requirements. **By June 30, 2014, it is projected that the Agency will have produced a surplus of 90.5 low and moderate income restricted units and 112 very low income restricted units over the course of the current Compliance Period.** Furthermore, these surplus units may be applied towards fulfilling the Agency's future productions requirements.

Future Production

Production needs into the future have been estimated by trending the average historical housing unit production to the end of the effective lives of the Redevelopment Plans. As recent years' housing production numbers have proven to be erratic due to the housing market bubble and subsequent crash, the historical average production excludes the last five years. Table 4 above shows that in the first five years of the next Compliance Period, 2014-2015 through 2018-19, it is projected that there will be approximately 110 total housing units built in the Project Areas, requiring the Agency to produce 10 low or moderate income restricted units and 7 very low income restricted units. Similarly, from 2019-20 through the end of the effective lives of the Redevelopment Plans, it is projected that 200 total housing units will be built in the Project Areas, requiring the Agency to produce another 18 low or moderate income restricted units and 12 very low income restricted units.

To present a conservative outlook, Table 7 assumes that no inclusionary units will be produced from 2014-15 onward. **Nonetheless, the cumulative surpluses of inclusionary units through 2013-14 are so great that they will more than make up for the inclusionary housing unit need generated from development that occurs from 2014-15 through the end of the effective lives of the Redevelopment Plans.** Including the future inclusionary needs outlined above, it is projected that there will remain a surplus of 194.5 low and moderate income units and 146 very low income restricted units at the expiration of the Redevelopment Plans in 2030.



Inclusionary Production Units acquired using National Stimulus Program funds

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Replacement Housing Needs

The CRL requires that whenever dwelling units that house low and moderate income households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and 100 percent of the replacement units must be affordable to the same income categories (i.e. very low, low, moderate) as those removed. The Agency receives full credit for replacement units created inside or outside of the Project Areas.

According to Agency staff, four 2-bedroom units restricted to low income households have been destroyed by Agency activities and the households were relocated by the Agency. Four similar sized units outside the Project Areas have been identified as appropriate replacement units and will serve to replace those units that were destroyed on a 1-to-1 basis. These replacement units are not to be counted towards the Agency's inclusionary obligations. Table 9 below shows a list of the replacement units.

	Low & Mod Units	Low & Mod Bedrooms	Very Low Units	Very Low Bedrooms	Total Units
Affordable Housing Units Destroyed	4	8	0	0	4
<i>Replacement Units</i>					
Millcreek Family Apartments (Outside Project Areas)	4	8	-	-	4
Replacement Unit Surplus (Deficit)	0	0	0	0	0

At this time, no more units are expected to be destroyed or removed as a part of an Agency project during the remainder of the current Compliance Period or over the life of the Redevelopment Plans.

Low and Moderate Income Housing Fund

The Agency's primary source of funding for housing projects and programs is the annual deposit of the 20 percent of its tax increment revenue into the Low and Moderate Income Housing Fund ("LMIHF"). The CRL requires that these funds be used to increase, improve, and preserve the community's supply of affordable housing available to persons and families of very low, low, and moderate incomes. In accordance with CRL Section 33490(a)(2)(A)(i), Table 10 below outlines the LMIHF cash flow over the next five years.

	2009-10	2010-11	2011-12	2012-13	2013-14	5 Year Total
Beginning Fund Balance	\$1,723,911	\$1,031,911	\$328,736	\$134,047	\$57,170	
Revenue						
20% LMIHF Deposit	\$1,648,000	\$1,648,000	\$1,747,000	\$1,849,000	\$1,957,000	\$8,849,000
Interest & Other Income	\$40,000	\$12,000	\$26,000	\$53,000	\$85,000	
Total Revenues	\$1,688,000	\$1,956,000	\$2,069,000	\$2,198,000	\$2,338,000	\$11,972,911
Expenses						
Admin	\$346,000	\$356,000	\$367,000	\$378,000	\$389,000	
Planning @3.5%/Yr.	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	
SERAF Loan ¹	\$1,481,000	\$0	\$0	\$0	\$0	
Debt Service	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	
Programs & Projects	\$490,000	\$2,240,000	\$1,833,333	\$1,833,333	\$1,833,334	
Total Expenditures	\$2,380,000	\$2,659,175	\$2,263,689	\$2,274,877	\$2,286,072	\$11,863,812
Ending Fund Balance	\$1,031,911	\$328,736	\$134,047	\$57,170	\$109,099	

¹ The SERAF Loan and Repayments will only occur if the current ABX4-26 State legislation is upheld against currently pending litigation.

Sources: Fraser & Associates; Agency Financial Records

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Beginning July 1, 2009, the Agency had a Housing Fund balance of approximately \$1.7 million. Annual housing set aside deposits, SERAF loan repayments, as well as interest and other revenues have been projected by Fraser & Associates for the Agency and included in Table 6. **The projected LMIHF set aside deposits from all the Project Areas are anticipated to total approximately \$8.8 million over the next five years.**

Administration and Planning expenses have been projected to grow 3.5% annually from the actual 2008-09 expenses. The SERAF Loan and Debt Service costs were also projected by Fraser & Associates for the Agency and have been included in Table 10. Projects and Programs expenditures include all the projects and programs outlined in the Affordable Housing Program section of this Compliance Plan. The total expenditures of the LMIHF over the next five years are approximately \$12 million. The ending fund balance on June 30, 2014 is projected to be \$109,000.

The cash flow shown in Table 10 includes payments due to the State's taking of redevelopment funds in the 2009-10 and 2010-11 fiscal years. As discussed earlier, AB4X-26 provides that an agency may use certain funds allocable to the Housing Fund to make SERAF payments, however those amounts are required to be repaid by the end of the fifth fiscal year in which the borrowing occurs or be subject to a 30 percent housing set-aside mandate for the remaining life of the Redevelopment Plans. Although an appeal has been made against the Superior Court's decision to uphold AB4X-26, Agency's are obliged to make the first SERAF payments by May 10th, 2010.

The Agency intends to utilize these provisions of AB4X-26 in making the required payments and also intends on repaying the LMIHF entirely by the fifth year after the loan is to occur. The tax increment projections prepared by Fraser & Associates on March 25, 2010 show that Agency will payments to SERAF from the LMIHF of approximately \$1.48 million in 2009-10. The Agency will then repay the LMIHF \$296,000 every succeeding year for five years. **The cash flow presented in Table 10 shows that there would be enough money in the LMIHF to account for the SERAF payment with subsequent repayment from non-housing funds.** However, the SERAF payment may be returned in the event that an appeal of the Superior Court's decision to uphold AB4X-26 proves successful. Thus, subsequent repayments will only be made if the pending appeal against AB4X-26 decision is unsuccessful. Without the SERAF obligations, the ending LMIHF balance in 2014 would be approximately \$300,000 higher.

LMIHF Proportional Expenditures

As set forth by Section 33334.4 of the CRL, each agency shall expend, over the duration of the ten year Compliance Period, moneys in the LMIHF in proportion to the community needs, both in terms of the income categories as well as for non age-restricted units for low income households.

Income Categories Assisted

Pursuant to Section 33334.4(a) of the CRL, LMIHF expenditures must be expended to assist housing for very low and low income households 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 very low and low income within the community, as determined by the Regional Housing Need Allocation ("RHNA"). The current RHNA numbers, prepared by the Tulare County Association of Governments for the period 2007 through 2014, reflect a Citywide need for 6,394 affordable housing units, including 2,279 moderate income units, 1,848 low income units, and 2,267 very low income units². For LMIHF expenditure purposes, the RHNA numbers reflect a minimum proportional expenditure obligation of 35.5% for very low Income households, and 28.9% for low income households, while not more than 35.6% may be expended to assist moderate income households.

² Per CRL Section 33334.4, units that have appropriate affordable covenants and are assisted by other governmental agencies, but not by the Agency, can be subtracted from the RHNA allocation needs number in determining proportional expenditures. The Sierra Meadows Senior Apartments are being assisted by HOME funds only and will have 45-year covenants for very low income persons on 41 units. These units have been netted out of the RHNA allocation for very low income, resulting in a need of 2,267 units for this income group.

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During the first five years (2004-05 through 2008-09) of the current Compliance Period, the Agency expended approximately \$5.9 million from the LMIHF. Over the next five years, available LMIHF revenues need to be allocated for expenditure so that to cumulative expenditures over the current ten year Compliance Period are comparable to the RHNA ratios. **Table 11 on the following page shows that, over the next five years, it is projected that approximately \$5.6 million and \$6.5 million will be expended on very low and low income housing, respectively. The resulting ratios for the cumulative ten year Compliance Period expenditures will be 39.8% and 46.0% for the very low and low income categories, respectively, above the minimum expenditures required by the CRL. Similarly, the cumulative 14.1% of LMIHF projected to be expended on moderate income housing will be lower than the maximum allowed per the CRL.**

Table 11 - Visalia LMIHF Proportional Expenditure Allocation

Income Level	RHNA Allocation (Units) ¹	Housing Expenditure Requirements / Limitations (% of Total) ²	Previous 5 Year Expenditures 2004-5 thru 2008-9	Next 5 Year Expenditures 2009-10 thru 2013-14	Cumulative 10 Year Expenditures 2004-5 thru 2013-14	% of Total
Very-Low Income	2,267	35.5%	\$992,483	\$4,650,000	\$5,642,483	39.8%
Low-Income	1,848	28.9%	\$4,943,000	\$1,580,000	\$6,523,000	46.0%
Moderate-Income	2,279	35.6%	\$0	\$2,000,000	\$2,000,000	14.1%
	6,394		\$5,935,483	\$8,230,000	\$14,165,483	

Age Category of Low-Income Households	CHAS Allocation (Households) ³	Housing Expenditure Requirements / Limitations (% of Total) ²	Previous 5 Year Expenditures 2004-5 thru 2008-9	Next 5 Year Expenditures 2009-10 thru 2013-14	Cumulative 10 Year Expenditures 2004-5 thru 2013-14	% of Total
Non-Senior	7869	72.5%	\$5,935,483	\$7,230,000	\$13,165,483	92.9%
Senior	2983	27.5%	\$0	\$1,000,000	\$1,000,000	7.1%
	10,852		\$5,935,483	\$8,230,000	\$14,165,483	

¹ Tulare County Association of Governments 2007-2014 Regional Housing Needs Allocation

² The percentages shown here represent the minimum amount of the LMIHF that must be expended on very low and low-income housing over the current planning period as well as the maximum that can be expended on moderate-income housing during the same time period. Similarly, the percentage for senior housing represents the maximum portion of the LMIHF that can be expended on housing for people over the age of 65 during the current planning period.

³ Data of low income households under the age of 65 is not readily available from the Census. The nearest metric for such Census data represents households under the age of 62 (available via the Comprehensive Housing Affordability Strategy at <http://socds.huduser.org/chas/index.htm>).

Source: TCAG; State of Cities Data System; and HUD

Family and Senior Housing Expenditure Obligations/Limitations

Section 33334.4(b) requires that LMIHF expenditures to assist housing that is available to all persons regardless of age (non-senior housing), be in at least the same proportion as the total number of low income households with a member under age 65 years bears to the total number of very low and low income households in the community, as reported in the most recent Census. The legislative intent of the CRL is to limit the amount of LMIHF moneys that a community may spend to assist in developing age-restricted senior citizen housing units to the detriment of developing affordable family housing units. However, data relating to low income households under the age of 65 is not readily available from the Census. The Comprehensive Housing Affordability Strategy ("CHAS") uses an extrapolation of Census data to calculate the number of low income households under the age of 62; which is the data that may be closest to that which is required by the CRL and therefore used in this Plan.

As shown in Table 10, 27.5% of the City's Census 2000 households were over the age of 62, thus not more than 27.5% of the Agency's available housing fund revenues may be expended on age-restricted senior housing projects over a ten year Compliance Period. During the first five years of the current Compliance Period (2004-05 through 2008-09), the Agency did not use any LMIHF moneys to assist any senior housing projects. Over the next five years, it is projected that the Agency will utilize approximately \$1 million to assist low income senior housing projects.

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Therefore, the cumulative expenditure on low income senior housing over the current Compliance Period is estimated to be 7.1%, well below the 27.5% maximum limit allowed by the CRL.

Housing Element Consistency

Because this Compliance Plan focuses on providing housing for very low, low, and moderate income households, who are generally the most difficult segment of the community to provide housing for, it is clearly consistent with the Housing Element's goal to ensure that a variety of housing opportunities at a range of prices and rents are made available to residents within the City. Both this Compliance Plan and the Housing Element state that there is a definite need to ensure an adequate supply of housing for the lower income segments of the community.

A major focal point of the goals, policies, and objectives of the Housing Element is to provide housing for all economic segments of the Project Area, especially lower income families. Because the major goal of this Compliance Plan is also to provide housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the Project Areas presented in this Compliance Plan are similar to plans and policies of the Housing Element, there is clearly consistency between the Compliance Plan and the Housing Element.

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Affordable Housing Costs Limitations

The following charts provide information on the limits on income for households to qualify as low to moderate income households, as well as limitation on what constitutes affordable rent as well as an affordable housing cost for ownership housing units.

2009 Tulare County Affordable Housing Rent Limits							
Household Size	Median Income	Very-Low Income		Low Income		Moderate Income	
		Annual Income Limit ¹	Monthly Affordable Rent ^{2 & 3}	Annual Income Limit ¹	Monthly Affordable Rent ^{2 & 4}	Annual Income Limit ¹	Monthly Affordable Rent ^{2 & 5}
1 Person	\$39,050	\$19,550	\$430	\$31,250	\$528	\$46,850	\$1,016
2 Person	\$44,650	\$22,300	\$489	\$35,700	\$601	\$53,550	\$1,159
3 Person	\$50,200	\$25,100	\$545	\$40,200	\$670	\$60,250	\$1,298
4 Person	\$55,800	\$27,900	\$598	\$44,650	\$737	\$66,950	\$1,435
5 Person	\$60,250	\$30,150	\$633	\$48,200	\$784	\$72,300	\$1,537
6 Person	\$64,750	\$32,350	\$669	\$51,800	\$831	\$77,650	\$1,641

¹ Annual income limit reflects the maximum gross income of all members of the household for each household size and income category.

² Monthly Rent excludes utility allowances.

³ Very-Low Income affordable rent computed at 30% X 50% median income per H&S Code 50053(b)(2).

⁴ Low Income affordable rent computed at 30% X 60% median income per H&S Code 50053(b)(3).

⁵ Moderate Income affordable rent computed at 30% X 110% median income per H&S Code 50053(b)(4).

Source: 2009 Income Limits for Tulare County published by the California Department of Housing and Community Development

2009 Tulare County Affordable Housing Cost Limits							
Household Size	Median Income	Very-Low Income		Low Income		Moderate Income	
		Annual Income Limit ¹	Monthly Affordable Housing Cost ^{2 & 3}	Annual Income Limit ¹	Monthly Affordable Housing Cost ^{2 & 4}	Annual Income Limit ¹	Monthly Affordable Housing Cost ^{2 & 5}
1 Person	\$39,050	\$19,550	\$488	\$31,250	\$586	\$46,850	\$1,253
2 Person	\$44,650	\$22,300	\$558	\$35,700	\$670	\$53,550	\$1,433
3 Person	\$50,200	\$25,100	\$628	\$40,200	\$753	\$60,250	\$1,611
4 Person	\$55,800	\$27,900	\$698	\$44,650	\$837	\$66,950	\$1,790
5 Person	\$60,250	\$30,150	\$753	\$48,200	\$904	\$72,300	\$1,933
6 Person	\$64,750	\$32,350	\$809	\$51,800	\$971	\$77,650	\$2,077

¹ Annual income limit reflects the maximum gross income of all members of the household for each household size and income category.

² Monthly Housing Costs include mortgage payments of principal and interest, mortgage and property insurance, property taxes, HOA fees, and Utilities.

³ Very-Low Income affordable housing cost computed at 30% X 50% median income per H&S Code 50052.5(b)(2).

⁴ Low Income affordable housing cost computed at 30% X 60% median income per H&S Code 50052.5(b)(3).

⁵ Moderate Income affordable housing cost computed at 35% X 110% median income per H&S Code 50052.5(b)(4).

Source: 2009 Income Limits for Tulare County published by the California Department of Housing and Community Development

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