REDEVELOPMENT AGENCY IMPLEMENTATION PLAN

FIVE YEAR PROGRAM OF GOALS AND EXPENDITURES TO ACHIEVE GOALS

JULY 1, 2009 THROUGH JUNE 30, 2014

REDEVELOPMENT AGENCY OF THE CITY OF VACAVILLE

prepared by

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I. INTRODUCTION

AB 1290, passed in 1993, requires all California Redevelopment Agencies to prepare a Redevelopment Implementation Plan (Plan) to include Redevelopment goals, programs, and planned expenditures over a five year period. Justification for how program expenditures will eliminate blight in the project area(s) must be provided. In addition, AB 1290 requires that for the housing portion of the Plan, the goals, programs, and planned expenditures to expand and improve the supply of affordable housing be included for a five year period and that projections of goals and expenditures be made for an additional five years. Vacaville has two Redevelopment Areas, the Vacaville Community Redevelopment Area established in 1982, and the I-505/I-80 Redevelopment Area established in 1983.

This is the fourth Redevelopment Implementation Plan and covers the period July 1, 2009-June 30, 2014. The first Plan covered the period July 1, 1994-June 30, 1999; the second covered the period July 1, 1999-June 30, 2004, and the third covered the period July 1, 2004-June 30, 2009. This Redevelopment Implementation Plan is being prepared and adopted in accordance with State Health and Safety Code Section 33490 and related sections, which outline the purpose and requirements of the Implementation Plan.

One of the greatest challenges facing the Agency is the State's efforts to balance its budget through the Educational Revenue Augmentation Fund (ERAF). Through AB 26 4X, as part of the State's 2009-2010 budget package, Vacaville will be required to pay approximately $9.5 million in FY 2009-2010 and $1.9 million in FY 2009-2010 for the ERAF. Approximately $1.9 million will be borrowed from the Low Income Housing Fund. The shifting of local Redevelopment funds to the State will greatly affect Vacaville's ability to undertake projects and activities to further eliminate blight, increase economic vitality, and expand and improve the supply of affordable housing.

The Redevelopment Agency of the City of Vacaville (Agency) was created when the City of Vacaville (City) adopted Ordinance No. 1090 on December 23, 1980. The City and Agency formed Vacaville's two Redevelopment Areas in 1982 and 1983. At the time the areas were formed, it was decided by the City Council that the Agency would not have the power of eminent domain, and the Agency has never had this power. There was a deadline of January 1, 2004 to incur debt which was eliminated in November of 1993, as allowed by SB 211.

The ordinances that established the Redevelopment Areas have been amended from time to time to extend time limits, to remove the deadline for incurring debt, and to increase the amount of tax increment that can be collected for the I-505/I-80 Redevelopment Area. The time limits for each Area are as follows:

Vacaville Community Redevelopment Area	
Maximum Time to Carry Out Activities:	June 28, 2025
Maximum Time to Repay Debt:	June 28, 2035

I-505/I-80 Redevelopment Area	
Maximum Time to Carry Out Activities:	July 12, 2026
Maximum Time to Repay Debt:	July 12, 2036

There are cumulative caps on the amounts of tax increment that can be collected by the Redevelopment Agency. These limits are $200,000,000 for the Vacaville Community Redevelopment Area and $1,500,000,000 for the I-505/I-80 Redevelopment Area.

II. REDEVELOPMENT'S ECONOMIC DEVELOPMENT ACCOMPLISHMENTS

Since the Redevelopment Plans were adopted in 1982 and 1983, the Agency has achieved many of its objectives to address blight and increase economic vitality. Property values, sales tax, and jobs have dramatically increased. Through Redevelopment, **property values** increased which generate more property tax to the Redevelopment Areas now and to the City when the areas expire. The assessed property values in the two Areas increased from $172 million in 1982-1983 to over $4 billion in 2008-2009, an increase of over 2,236.6% in twenty-six years. **Sales tax** from businesses within the two Redevelopment Areas increased from $2.7 million in 1990 to $8.8 million in 2008, an increase of 226% in eighteen years. By revitalizing older retail/commercial areas and creating new retail/commercial opportunities, Redevelopment funds have been used to keep shopping and dining dollars in Vacaville. Redevelopment has resulted in **significant job creation**, including retail, service, office and/or manufacturing jobs. From 2004-2009, over 3,000 permanent jobs (construction jobs were not counted) were created bringing the total number of jobs created through Redevelopment activities to over 13,000 permanent jobs since the Agency was created. The majority of these jobs were in the retail, wholesale, and manufacturing fields.

Accomplishments during July 1, 2004 through June 30, 2009 of the five year plan include the following:

A. Land Acquisition, Disposition and Development:

1. Purchased additional properties within the Opportunity Hill area and 2.68 acres on Orange Tree Circle.
2. Entered into Disposition and Development Agreements with private developers and disposed of the following properties:
   a. A 70,000 square foot parcel was sold to Allison Parkway II, LLC for the development of retail and restaurant facilities,
   b. 6 acres was sold to Bethany Lutheran Church for the development of a private elementary school, and
   c. 37 acres were sold to Nut Tree Associates for Phase I of a two-phased development which includes retail, restaurants, and a plaza featuring the Nut Tree train and rocking horses and a carousel.

B. New Office, Commercial and Industrial Development

Redevelopment has encouraged the development of "magnet" shopping areas such as the Nut Tree, the Factory Stores, Vacaville Commons, and the Auto Mall which provide shoppers with greater selection and encourage regional shoppers to come to Vacaville to meet their shopping needs in one trip. During the past five years, almost 2.5 million square feet of new non-residential development valued at over $217 million were completed. This included the following major businesses which located or expanded in Vacaville's two Redevelopment Areas:

Vacaville Community Redevelopment Area:
Non-residential construction valued at over $13 million were either constructed, expanded or improved including the Mason Street office building, Mirage Salon & Spa, CMT Credit Union, Kappel & Kappel, All Things Beauty, Pacific Services Credit Union, Kirkpatrick Building, Millenium Center Day Spa, Birthday Building, Roth & Miller Realty, Goodwill, Conner Chiropractic, Los Reyes Restaurant, Dassah Office Conversion, State Farm Insurance, Gallery of Fireplaces, Studio 13, Fuso Restaurant, Fleet Feet, Placer Title, Pure Grain Bakery, Wok and Roll, Davita Dialysis, Aquilla Meat Market, Afroditas Salon De Belleza, JL Custom Tile, Swirl Yogurt, Downtown Gowns and Formal Wear, Hair by Erasmo, Vasquez Deli, Tokyo Grill, Slim & Tone, Dr. Craig Carlson, Turbo Tans, and Exhale Yoga & Pilates Center.

The Downtown Loan Program was utilized to rehabilitate two key buildings – the State Farm and Denham buildings.

I505/I80 Redevelopment Area:
Non-residential construction valued at over $204 million were constructed, expanded or improved including improvements/expansions at Genentech, Alza, Chiron, Kaiser Hospital, State Farm Insurance Fund, Comfort Suites Inn, Popeye's Chicken, Winco Foods, Super Save Wine & Spirits, Buzz Oates warehouses, Vacaville Industrial Building, two Cotting Lane commercial warehouses, King's Buffet, Community Medical Centers, Treza, Movado, Zales Outlet, BCBG Maxazria, Welcome Home, Timberland, J Crew, Kohl's, Sprig Circuits, and Ultra Diamond buildings.

Construction totals include Tenant Improvements completed in the I505-I80 Redevelopment area including: Community Medical Centers, Consonus Pharmacy, Solano Eye Specialists, New Balance Shoes, Butterfly Life, Clark Pest Control, Epicenter Systems, Guess, Calvin Klein, Solano Plastic Surgery, Inc., Outfit Paintball, Rave, H & R Block, Restoration Hardware, New Millennium Medispa, CSI, Ultra Diamond, Carpets & More, Cole Haan, Rockford Footwear Depot, Crocs, Borders, Old Navy, Jelly Belly, Winco Foods, Super Save Wine & Spirits, Buzz Oates warehouses, Aeropostale, Calvin Klein, Wet Seal, King's Buffet, Jamba Juice, Rubio's Fresh Mexican Grill, and Spice Thai Kitchen & Bar.

C. **Infrastructure Improvements:** The following projects were completed during the July 1, 2004- June 30, 2009 planning period:

- Within the Community Redevelopment Area:
    1. Mason Street Widening Project
    2. Monte Vista Ave./Dobbins St. Improvements

- Within the I505/I80 Redevelopment Area:
    1. Davis/Bella Vista Road Re-alignment and Park and Ride Lot
    2. Leisure Town Overcrossing
    3. Nut Tree Overcrossing
    4. Nut Tree Assessment District Infrastructure Improvements
    5. East Monte Vista/Crocker Drive Sewer Main
    6. East Monte Vista Widening Project
    7. Vaca Valley Parkway Widening Project

D. Enhancement/Expansion of Public, Health, Recreation, and Education Facilities

Public improvement projects completed in the Redevelopment Areas include:

- The Davis Street archway sign was completed.
- Town Square Plaza was constructed and furnished with outdoor seating and a shade structure was added to the stage.
- Town Square Library was constructed and additional parking was created behind Town Square Plaza, on School Street and on Kendal Street.
- The School Street Bridge was rehabilitated.
- The Old Town Hall was painted.
- The McBride Senior Center Restroom Renovation Project for ADA compliance was completed.
- The new Police Department building at City Hall was constructed.
- Additional lighting and a new irrigation system was installed in Andrews Park.
- Improvements were made to the trail system at Centennial Park.
- The Great Wonders Playground at Andrews Park was redeveloped to be safer and larger.
- Supported the Downtown Vacaville Business Improvement District (DVBID) which uses assessments collected and matching funds from the Redevelopment Agency to carry out activities to promote Downtown including entertainment, special events, marketing, and decorations to improve the Downtown.
- In addition, a TLC Planning Grant was secured to fund a public outreach program designed to solicit public information regarding potential new transit and pedestrian infrastructure projects focused in the eastern area of the historic downtown area. The Agency is now working toward the completion of a development, infrastructure, and rehabilitation project on approximately 7 acres on the eastern portion of Downtown Vacaville, on "Opportunity Hill." The area which will be mixed use with an emphasis on housing qualified for designation as a FOCUS area and is eligible to receive a technical assistance grant for transit oriented development. A Master Plan for the area and traffic and parking study for the area were developed.

E. Payments of Shared Revenues, Project Debts, and Service Contracts with the City:

Redevelopment funds are used to pay County Pass-Through commitments, debt service for bonds/loans/assessments for Redevelopment Projects, and administration and planning services provided by the City.

III. GOALS AND OBJECTIVES FOR THE NEXT FIVE YEARS

This Redevelopment Implementation Plan reaffirms the goals and objectives to eliminate and prevent the spread of blight and deterioration, increase economic vitality, improve recreation and cultural opportunities, increase the quality of life, and expand and conserve the supply of affordable housing.

- Redevelopment of land by private enterprise or public agencies for uses in accordance with the Redevelopment Plans.

- Conservation and expansion of the supply of affordable housing.
- Rehabilitation of structures and improvements by present owners, their successors, or the Agency.
- Acquisition of property.
- Disposition of property through land sale contracts and Development and Disposition Agreements.
- Demolition or removal of buildings and improvements, including toxic/hazardous waste studies and remediation and site preparation.
- Management of any property acquired by the Agency for uses in accordance with the Plan(s).
- Participation in financing mechanisms designed to attract new industrial and commercial development and affordable residential development into the Project Area(s).
- Installation, construction, or reconstruction of streets, utilities, and other public improvements.
- Expansion and/or enhancement of public, semi-public, institutional and nonprofit uses including, but not limited to parking, open space, park and recreational facilities, libraries, hospitals educational, fraternal, employee, philanthropic and charitable institutions, and facilities of other similar associations or organizations.
- Providing for participation by owners and tenants presently located in the project area by extending reasonable preferences to remain or relocate within the redevelopment areas.
- Relocation assistance to residential and nonresidential occupants desiring to be relocated.

These goals remain the major focus of efforts to be carried out in the Project Areas. To accomplish these goals the Agency will carry out a variety of projects including revitalizing the core, historic Downtown; removing blighting influences; conserving and expanding the supply of affordable housing; upgrading the appearance, seismic safety, and functionality of existing buildings; facilitating the assembly and development or redevelopment of key parcels; improving the gateways to the Areas; assisting in the provision of public improvements and adequate traffic circulation, reducing impacts and eliminating hazards; increasing parking; increasing the intensity of development of underutilized sites; improving the physical environment for shoppers and tourists; working to maintain scenic and visual amenities; enhancing pedestrian movement between the Downtown and recreation, office, and residential sites; maximizing opportunities for the continuation, revitalization, and expansion of existing commercial enterprises; assisting in attracting businesses to the area by supporting cultural and recreation activities, festivals, and special events; protecting residential neighborhoods from activities which produce excessive noise, air pollution, odor and through traffic; working to eliminate incompatible land uses in residential neighborhoods; improving public facilities; and, working to strengthen and improve neighborhood-supporting commercial areas.

IV. HOW THE GOALS, OBJECTIVES, PROGRAMS, AND EXPENDITURES WILL ELIMINATE BLIGHT

Both Project Areas are physically and economically blighted and redevelopment is necessary to effectuate the public purposes declared in the California Community Redevelopment Law

(Health and Safety Code Section 33000 et seq.). The stated goals for blight elimination in the Vacaville Community Redevelopment Area and the I-505/I-80 Redevelopment Area are as follows.

A. Eliminate blighting influences in the Project area, including deteriorating buildings, obsolete structures, flood hazards, inadequate infrastructure, and other environmental, economic, and safety deficiencies; and improve the overall appearance of buildings, streets, parking areas, and other facilities, both public and private.

B. Provide adequate streets, curbs, gutters, drainage facilities, utilities, underpasses, overpasses, and streetlights; and permit improved pedestrian and/or vehicular circulation in the Project area.

C. Strengthen retail and other commercial functions.

D. Strengthen the economic base of the Project area and the community by removing nonconforming uses, combining existing parcels and installing needed site improvements in the industrial areas to stimulate new commercial and industrial expansion, employment, and economic growth.

E. Provide adequate land for parking, circulation, and open space.

F. Enhance the role of the City by strengthening civic, community, and cultural functions.

G. Preserve artistically, architecturally, and historically worthwhile structures and sites.

H. Establish and implement performance criteria to assure high site design standards, environmental quality, and other design elements to provide unity and integrity to the entire Project.

I. Strengthen and upgrade existing residential uses.

J. Cause the underground placement of unsightly overhead utility lines.

K. Address inadequate ventilation, light, privacy, sanitation, open spaces, or recreation activities.

L. Address lots of irregular form, shape, and inadequate size as well as faulty interior arrangement and exterior spacing.

Each proposed program or project meets one or more of these blight elimination factors as identified on the Table on Page 8.

V. SPECIFIC PROGRAMS, POTENTIAL PROGRAMS, AND ESTIMATED EXPENDITURES

The following chart shows specific programs, potential projects, and estimated expenditures (excluding affordable housing projects which are addressed below) to be undertaken with Redevelopment Agency funding over the next five years. Some of the activities will be carried out with proceeds from bonds which are being repaid with Redevelopment Tax Increment funds.

SPECIFIC PROGRAMS, POTENTIAL PROGRAMS, AND ESTIMATED EXPENDITURES

(JULY 1, 2004 - June 30, 2009)

PROGRAMS	COMMUNITY REDEVELOP MENT PROJECT ($ in millions)	VACAVILLE I-505/80 REDEVELOPMENT PROJECT ($ in millions)	TOTAL ($ in millions)	BLIGHT ELIMINATION FACTOR(S)
A. Land Acquisition, Land Write-Downs, Development and Disposition Land purchase, project planning and development under agreements with the private sector including Genentech and the developers of the Opportunity Hill area and the former Nut Tree site, and other land assembly for Redevelopment.	3.3	21.3	24.6	A, C, D, E, F, G, H, I , J, K, L
B. Infrastructure Improvements Roadway, gateway, sewer, water, and drainage improvements including gateways and traffic circulation projects.	3.3	6.8	10.1	A, B, C, D, E, F, H, J
C. Public Facility Expansions/Enhancements Buildings and park enhancements.	2.5	7.2	9.7	A, B, E, F, G, H, L
E. Payments of Shared Revenues Pass Throughts/tax administration, tax repayments.	21.6	107.7	129.3	
F. Payments of Project Debts/Assessments/Participation Agreements	9.8	9.3	19.1	
G. Service Contracts with City Including Agency Property Management, Market Accessibility, and Relocation Assistance.	5.2	14.8	20.0	
TOTAL	45.7	167.1	212.8	

VI. IMPLEMENTATION OF LOW- AND MODERATE-INCOME HOUSING SET-ASIDE AND HOUSING PRODUCTION REQUIREMENTS

A. Low- and Moderate-Income Housing Fund Requirements

California Redevelopment Law (CRL) requires that 20% of tax increment generated in Project Areas be used for the purposes of increasing or improving the community's supply of very low-, low-, and moderate-income housing. State law mandates redevelopment agencies use housing set-aside monies in a timely manner and also stipulates that agencies may not retain "Excess Surplus" in their set-aside housing funds. ("Excess Surplus" is defined as the amount of an Agency's Housing Fund in excess of $1 million, or the amount in the fund in excess of the aggregate contribution of the prior four-year period).

When the Vacaville Redevelopment Project Areas were formed, findings were made, and are reaffirmed through this Implementation Plan, that low- and moderate-income housing needs exist throughout the City and are not limited to the Redevelopment Areas. Therefore, the 20% set-asides from each area are combined into one city-wide Low- and Moderate-Income Housing Fund (LIHF) to meet the city-wide housing need. The LIHF balance on June 30, 2009 was $6,924,860. Tax increment totaling $39.1 million will be deposited into this fund over the five-year period covered by this Plan. In addition, $6.2 million of bond proceeds will be used for affordable housing. The carry-over, tax increment, and bond proceeds total $52.3 million. Of this amount, $1.9 million will be loaned to the Redevelopment Agency to pay a portion of the Supplemental Education Revenue Augmentation Fund loan required as part of the FY 09-10 State Fiscal Budget under AB26 4X.

Under CRL, the Agency must target set-aside expenditures in accordance with an income proportionality test, an age restriction proportionality test, and a housing production (inclusionary) requirement. These requirements must be met between January 1, 2002 and December 2014, and then until the termination of the Project Areas. These tests do not have to be met on an annual basis.

1. **Income Proportionality Test & Housing Need**

The income proportionality test requires the Agency target set-aside expenditures to the relative percentage of unmet need for very low-, lower-, and moderate-income units, as defined in the City's most recently approved Housing Element. Based upon the City's 2009 Housing Element, the Agency's minimum required allocation (as determined by the Association of Bay Area Governments (ABAG)) during the next five years for the $46 million that will be available for very low-income, lower-income, and maximum moderate-income housing expenditures are:

Income Categories	ABAG Units	Fair Share %	LIHF Requirement		LIHF Allocation
Very Low-Income	1,222	42.1%	At least	$22.1 m	$ 22.5 m
Lower-Income	515	17.8%	At least	$ 9.3 m	$ 27.3 m
Moderate-Income	1,164	40.1%	No more than	$20.9m	$ 2.9. m
Total:	2,901				$ 52.3 m

The Agency is allocating more funds to meet the needs of very-low and lower income households than is required.

2. **Expenditures on Senior Citizen Projects**

Under CRL, the age restriction proportionality test requires that the maximum percentage of set-aside funds that an agency can allocate to senior housing is limited to the percentage of residents within the City that are 65 years of age and older, as reported by the most recent census of the U.S. Census Bureau.

According to Census 2000 data, there were 7,320 Vacaville residents age 65 years or older, which represents 8.265% of Vacaville's population of 88,625 in 2000. Therefore, in order to meet the age restriction proportionality test requirements under CRL, the maximum percentage of Redevelopment Agency funds that can be used to assist age restricted housing projects in Vacaville is 8.2%. If $52.3 million is available for the LIHF over the next five years, no more than $4,322,595 could be spent on senior restricted housing.

3. **State Housing Production (Inclusionary) Requirement**

California Redevelopment Law (CRL) requires the production of a minimum number of affordable units based upon the number of new housing units developed in Redevelopment Areas.

- If the Agency undertakes development or rehabilitation projects, 30% of the housing must be affordable to low- and moderate-income households. Of those units, 50% must be affordable to very low-income households. (The Agency does not undertake development or rehabilitation on its own, but instead works with other entities in exchange for affordability covenants.)
- Where the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units in a Project Area must be affordable to low- and moderate-income households. Of those 15% units, 40% must be affordable to very low-income households. (The Agency has provided subsidies to other entities, and therefore these "Inclusionary" requirements must be met.)

A two for one counting of affordable units is allowed if they are created or substantially rehabilitated outside of the Redevelopment Areas. In order to count toward meeting the inclusionary requirement, a unit must have a recorded affordability agreement for the longest feasible time. Effective January 1, 2002, the minimum requirement is 45 years for for-sale housing and 55 years for rental housing.

From July 1, 1999-June 30, 2009, 5,048 housing units were developed in the Redevelopment Areas. It is estimated that an additional 400 units will be developed during the life of the Redevelopment Areas. The total number of existing and projected housing units is 5,448. Therefore, 15% of the 5,448 units or 818 units must be affordable to very low-, low-, and moderate-income households. Further, 40% of the 818 units or 328 units must be affordable to very low-income households.

The Agency has already assisted 1,223 units with affordability restrictions (see **Table A on Page 17: Units Counting Toward Inclusionary Housing Requirements**). Of this number, 679 were new construction and 544 were acquisition and substantial rehabilitation.

463 units within the Redevelopment Areas are counted one for one. Because each of the 760 units developed outside the areas are counted as one-half unit, the Agency may count 379 of these outside units. Therefore, a total of 842 units (463 inside and 379 outside) are counted toward meeting the requirement. Of the 842 units, 271 units or 32% are affordable to households with very low-incomes, 548 or 65% are affordable to lower-income households, and 23 or 3% are affordable to moderate-income households. The minimum number of units required to have affordability restrictions (45 years for ownership units and 55 years for rental units) is 818, 328 of which must be affordable to households with incomes below 50% of the local area median income.

The chart below illustrates the State mandated goals, progress made thus far to meet the goals, and units to be developed over the next 5 and 10 years.

	State Mandated Requirement	1982-2004 Units Achieved*	Required Units Remaining	Goal for First 5 Years	Goal for Second 5 Years
Affordability Target					
Below 120% AMI:	818	842	0	350	282
Below 50% AMI:	328	271	57	64	45

Table B on Page 18, Inclusionary Requirement History provides a breakdown of completed and projected housing units by income level.

It is anticipated that the State Inclusionary Requirement will be met by the end of the first five year planning period. Table C on Page 19 shows the housing goals for 7/1/2009 – 6/30/2014 and 7/1/2014 – 6/30/2019.

State law (California Health and Safety Code, Section 33413) also requires the replacement of low- and moderate-income housing when an agency causes the removal of such housing as part of its redevelopment activities. Within four years of removal, redevelopment agencies are required to develop replacement dwelling units for low- or moderate-income households, in numbers equal to those eliminated. If dwelling units are destroyed or removed, 100% of the replacement dwelling units must be available at affordable hosing cost to persons in the same or a lower income category, as the persons displaced from those destroyed or removed units. Replacement units will be located throughout the city, and replacement units are and will be tracked for comparable affordability.

For each project requiring relocation, a Relocation Plan in accordance with California Government Code, Section 7260, must be adopted by the Vacaville City Council. A list of units counted for replacement by address and bedroom size is maintained by the Vacaville Redevelopment Agency. Replacement housing does not require the approval of the voters pursuant to Article 34 of the California Constitution.

B. Housing Accomplishments During the July 1, 2004 – June 30, 2009 Planning Period

During the last planning period, July 1, 2004 – June 30, 2009, the Agency had a carry-over of $2.6 million and $30.8 million of tax increment was deposited into the Low Income Housing Fund. The Agency used the $33.4 million to assist with the new construction of Vacaville Senior Manor (60 units) and the Vasquez Deli Units (2 units). All 62 newly constructed units are within the Redevelopment Areas and count as inclusionary units. The Vacaville Senior Manor Units are affordable to senior households with incomes below 60% of the local median income. The two units over the Vasquez Deli are affordable to households with incomes below 80% of the local median income. During the last planning period, the Agency assisted Vacaville Community Housing (VCH), a local non-profit entity, to acquire and rehabilitate the Vacaville Highlands Apartments (11 units) and the Meadows Court Apartments (51 units). All 62 acquisition and rehabilitation units are located outside the Redevelopment areas; therefore, only half of them qualify to be counted as inclusionary units. Of the 62 units, 6 are affordable to households with incomes below 50% of the local median income, and 56 are affordable to households with incomes below 800% of the local median income.

In addition, the Agency issued $18 million of housing bonds for the acquisition and rehabilitation of substandard rental units. $12.5 million of the bond proceeds were used to acquire 74 rental units during the 7/1/2004 – 6/30/2009 planning period. These units will be rehabilitated during the 7/1/2009 - 76/30/2014 planning period.

During the last planning period, the Agency also provided 51 loans totaling $1.8 million to owner-occupants to rehabilitate their homes, provided 58 loans totaling $.6 million to households to pay closing costs and make down payments on their first homes, and provided 47 shared equity loans totaling $3.1 million to households to purchase their first homes.

C. Affordable Housing Strategy, Low- and Moderate-Income Housing Fund Accomplishments, and Future Projects

Since 1988, the Redevelopment Agency has used its Low- and Moderate-Income Housing Fund (LIHF) to conserve and expand the supply of affordable housing in Vacaville. A variety of funding sources are used to leverage LIHF projects. These sources include mortgage revenue bonds, tax credits, the HUD-funded and HCD-administered HOME Investment Partnership Program, the Community Development Block Grant (CDBG) Program, and repayments from the Rental Rehabilitation Program, Small Cities CDBG revolving loan funds, private grants, and owner contributions. The City of Vacaville was recently awarded Neighborhood Revitalization Program funds to address the effect of the high number of vacant, foreclosed properties on the community.

The Agency's affordable housing strategy is to use its LIHF to increase, improve, and conserve the supply of affordable housing for very low-, low-, and moderate-income households through a variety of programs. These programs include below market residential rehabilitation loans, loans to subsidize rents, first time home buyer down payment assistance loans, landbanking property for affordable housing development, and assistance to housing developers to acquire, rehabilitate, and construct affordable housing.

Below is a listing and short description of the various housing programs funded through the LIHF to address Vacaville's affordable housing needs. For each activity, achievements and direct expenditures for the last five-year planning period are stated as well as the goals and anticipated expenditures for the next two five-year planning periods.

1. Multi-Family New Construction

Highlights of the accomplishments the Vacaville Redevelopment Agency has made working with nonprofit organizations developing new construction affordable housing since the mid 1980s are as follows:

a. ***Multi-family Mortgage Revenue Bond Financed Apartments*** -The Agency assisted in the financing of 195 apartments affordable to households with incomes below 80% of the local area median income during the mid 1980s at the following complexes:

The Sycamores	53 units
Hidden Creek	48 units
Quail Run	59 units
Spring Glenn	3 units

b. ***Autumn Leaves Apartments***-These 56 apartments were developed for seniors with very low-incomes during the late 1980s.

c. ***Lincoln Corner Apartments***-During 2002, VCH and Bay Development partnered with the Redevelopment Agency to begin construction of 134 new rental units in the Scoggins Court area by VCH and Bay Development. All of the units are affordable to families with incomes at or below 60 percent of the area median income.

d. ***The Saratoga I and II Apartments*** –These are senior complexes with 228 affordable units (108 and 120). Forty-eight of the units are affordable for seniors whose incomes are below 60%, 140 units are affordable at below 50%, and 40 units (20 at each complex) are set aside to assist seniors with incomes below 30% of area median. Agency loans of $800,000 and $566,000 were issued in 1999 and 2000 respectively.

e. ***Vasquez Deli Apartments*** – In July of 2005, two rental units were developed over the new Vasquez deli on East Main Street. The units are affordable to households with incomes below 80% of the local area median income. A loan of $135,882.00 was provided for this project.

f. ***Senior Manor Apartments*** –In January 2009, the 60 unit senior apartment complex on Lawrence Drive was completed. The Agency provided loans totaling $2,458,104 to cover the cost of the land, building permits, and development impact fees. The rents of 55 of the units will be affordable to those households with income below 60% of the area median income for 55 years, and five of the units will be affordable to those households with income below 50% of the area median income for 55 years.

From July 1, 2009-June 30, 2014, an estimated 231 new construction, multi-family units, of which 185 will count toward the inclusionary requirement, will be developed by non-profit developers for very low-, low-, and moderate-income households utilizing $11 million dollars of Agency assistance. It is expected the Agency will provide $13 million dollars of assistance to develop an additional 276 units, of which 178 will count toward the inclusionary requirement, during the second five year period (July 1, 2014-June 30, 2019). Most of this development will take place on property that the Agency has landbanked for affordable housing.

Landbanked Sites for Multi-Family New Construction:

The Agency purchased the following sites for the future development of affordable housing. The number and affordability of units anticipated for each property are as follows:

Vanden Road – It is anticipated that this 8.4 acre parcel on Vanden Road will be developed as 136 apartment/townhouses, with 10 units affordable to households with incomes below 50%, 56 units below 60%, and 70 units below 80% of the local area median income.

Orange Drive – It is anticipated that this 2.68 acre parcel on Orange Drive will be developed as 50 apartments, with 10 units affordable to households with incomes below 50%, and 40 units below 60% of the local area median income.

Shasta/Elmira - It is anticipated that this 2 acre parcel at the corner of Shasta and Elmira Road will be developed as 60 senior apartments, with all 60 units affordable to households with incomes below 60% of the local area median income.

Opportunity Hill – It is anticipated that approximately 7 acres of land assembled on the eastern side of downtown Vacaville will be developed as mixed use retail, office/commercial, and residential. Opportunity Hill will be developed in two phases, one in each planning period. It is anticipated that 170 apartments/townhouses and/or condominiums will be constructed, with 8 units affordable to households with incomes below 50%, 144 units below 80%, and 18 units below 120% of the local area median income.

2. Single-Family New Construction

Habitat for Humanity constructed 4 single-family homes for Vacaville families with very low-incomes. It is anticipated an additional 6 to 10 Habitat single-family homes will be completed in Vacaville during the next five years. Agency-owned land will be used for this project. The anticipated additional subsidy for this project is $500,000.

The Agency owns seven parcels in the Scoggins/Markham area. It is anticipated that 10 single-family homes can be developed for households with incomes below 50% of the local area median income in the next five years. It is anticipated that the subsidy for this project will be $500,000.

3. Multi-Family Acquisition and/or Rehabilitation

Through acquisition, rehabilitation, and/or reduced unit density, the Agency has provided loan funds to Vacaville Community Housing (VCH) to acquire and rehabilitate 387 apartment units. During the previous five year period, VCH developed an additional 291 units in partnership with Bay Development, at rents affordable to families with income at or below 60 percent of area median family income. Over 80 percent of these units are set aside for families with income at or below 60 percent of median family income. The project was financed with bond proceeds issued by the Agency and secured by project income and an Agency loan of $2,458,104.

In 2006, the Agency issued bonds for the acquisition and rehabilitation of substandard apartments in the Callen Street neighborhood. By 2009, 74 apartments were acquired. The Agency conducted studies to determine the scope of work required to rehabilitate the units and will release a Request for Proposals (RFP) for ownership and management of the units as affordable housing.

Over the next five years, an additional estimated 150 units, all of which will count as inclusionary units, will be acquired and/or rehabilitated by non-profit developers for low- and moderate-income households. It is anticipated that the Agency will spend $13.5 million on acquisition and rehabilitation activities over the next five years. It is anticipated that the Agency will assist another 128 units, of which 104 will count as inclusionary units, for $13.5 million during the second five year period (July 1, 2014-June 30, 2019).

4. Owner-Occupied Rehabilitation Loan Program

The Neighborhood Conservation Program (NCP) program provides below market interest rate loans to rehabilitate units for very low-, low-, and moderate-income owner-occupants of single family. Repayments are deposited into the LIHF revolving loan fund. Due to the State's taking of Redevelopment funding for the Supplemental Education Revenue Augmentation Fund (S-ERAF), the NCP program was suspended in August of 2009; however it is assumed that this program will re-open as soon as funding stabilizes.

Since 1988, 142 NCP loans have been made to assist 88 owner-occupants to improve their homes. From July 1, 2004-June 30, 2009, 51 NCP loans totaling $1,787,174 were made to rehabilitate owner-occupied units.

It is estimated that 30 loans totaling $1.2 million will be funded to assist owner occupants during the 2009-2014 planning period, and an additional 30 loans totaling $1.2 million will be funded to assist owner occupants during the 2014-2019 planning period.

5. **First-Time Homebuyer Programs**

Down Payment Assistance Loan (DPAL) Program:
Since its inception in 1994, this Agency program has assisted 816 families to purchase their first homes in Vacaville through the Down Payment Assistance Loan (DPAL) Program. Down payment loans of up to $10,000 are available at below market rates and are deferred for five years. The loans may be used to for down payments and to pay closing costs. Repayments are deposited into the LIHF revolving loan fund and are used to fund additional down payment assistance loans. Due to the State's taking of Redevelopment funding for the Supplemental Education Revenue Augmentation Fund (S-ERAF), this program, and the NCP program mentioned above and the Shared Equity program mentioned below, were suspended in August of 2009. However, it is assumed that this program will re-open as funding stabilizes.

From July 1, 2004-June 30, 2009, DPAL loans totaling $604,599 were issued to 48 qualifying Vacaville first-time homebuyers.

Shared Equity Loan Program:
The Shared Equity Loan Program was implemented in July of 2007 to assist families to purchase their first homes. At this time, housing prices were at their peak and borrowers needed larger loans than the DPAL program could provide. Initially the maximum Shared Equity Loan amount was $75,000. When housing prices began to fall, the maximum loan amount was reduced to $50,000. Each homeowner enters into a 45-year affordability agreement and agrees to share equity with the Agency in the event the home is sold. This program has funded 47 loans (one in the VCRA and 46 outside the Redevelopment Areas) totaling $3,162,347.

It is expected an additional 100 loans totaling $2.23 million dollars will be issued to first-time homebuyers for purchase of single-family homes in Vacaville from July 1, 2009-June 30, 2014. It is anticipated an additional 200 loans totaling $3.5 million dollars will be issued to first-time homebuyers for purchase of single-family homes in Vacaville from July 1, 2014-June 30, 2019.

Table C on Page 19 sets forth the housing goals for the two planning periods, 7/1/2009 – 6/30/2014 and 7/1/2014 – 6/30/2019.

VII. REDEVELOPMENT IMPLEMENTATION PLAN APPROVAL PROCESS

The Public Hearing for approval of the Redevelopment Implementation Plan by the Redevelopment Agency is scheduled for December 8, 2009. The notice of the public hearing and availability of the Plan for public review will be published in *The Reporter* on November 16, 21, and 27, 2009, and posted at the following locations:

Vacaville Community Redevelopment Area: City Hall, Office of Housing and Redevelopment, Three Oaks Community Center, Town Square Library, and Downtown Vacaville Business Improvement District (DVBID)Office.

I-505/I-80: Vacaville Library, Ulatis Community Center, Police Sub-Station at the Factory Stores, and the Vacaville Conference and Visitors Bureau (VCVB) Office.

TABLE A

UNITS COUNTING TOWARD INCLUSIONARY HOUSING REQUIREMENTS

Housing Constructed/Rehabilitated with Affordability Restrictions:

New Construction

Project	RDA/Outside RDA	Less than 30%	30% - 50%	50% - 60%	60% - 80%	80% - 120%	Total	Total Units Counting as Inclusionary	Below 50% Units Counting as Inclusionary
Autumn Leaves	Outside		56				56	28	28
Hidden Creek Apartments	Outside				48		48	24	
Spring Glen Apartments	I505/80				35		35	35	
Quail Run Apartments	Outside				60		60	30	
Sycamore Apartments	Outside				52		52	26	
Saratoga Senior I	I505/80	20	88				108	108	108
Saratoga Senior II	I505/80	20	52	48			120	120	72
Habitat for Humanity	VCRA		4				4	4	4
Vacaville Senior Manor	I505/80				60		60	60	
Vasquez Apartments	VCRA				2		2	2	
Vacaville Depot (Lincoln Corner)	VCRA		13	52	69		134	134	13
Total		40	213	100	326	0	679	571	225

Acquisition and/or Rehab:

Project	RDA/Outside RDA	Less than 30%	30% - 50%	50% - 60%	60% - 80%	80% - 120%	Total	Total Units Counting as Inclusionary	Below 50% Units Counting as Inclusionary
VCH I	Outside			12			12	6	
VCH II	Outside	5		39			44	22	
VCH IV	Outside	2		28			30	15	
VCH V	Outside			19			19	9	
VCH VI	Outside	5	5	38			48	24	
VCH VII	Outside	9	7	24		36	76	38	
VCH VIII	Outside	3	6	20		7	36	18	
VCH IX	Outside	1	1	3		3	8	4	46
VCH X	Outside	5	4	17	26		52	26	
Vacaville Highlands	Outside		3	4	4		11	5	
Meadows Court	Outside		3	18	30		51	25	
Vacaville Gables	Outside		3	62			65	32	
Vacaville Hillside Senior	Outside		3	12			15	7	
Vacaville Rocky Hill	Outside		2	8	2		12	6	
Vacaville Meadows	Outside		25	25	15		65	32	
Total		30	62	329	77	46	544	269	46

*The 30 units at 30% can float within the VCH projects except for VCH I and VCH V.

Shared Equity Loans	Outside	46
	VCRA	1
Total		47

TABLE B

Completed and Projected Inclusionary Units 1982/1983 to 6-30-2009						
	VCRA	I-505/I-80	Total			
No. of Units Constructed:	2,950	2098	5,048			
15%Affordability Required	443	315	758			
of 15%, 15% for below 50%	178	126	304			
No. of Units Projected:	2963	2485	5,448			
15%Affordability Required	445	373	**818**			
of 15%, 15% for below 50%	178	150	**328**			
	VCRA	**I-505/I-80**	**Outside Areas**	**Total**	**Count Unit X 1/2 Outside Areas**	**Total No. of Units Counting as Inclusionary**
Constructed (6/30/09):						
80% -120%	0	0	46	46	23	23
60% - 80%	71	95	237	403	118	284
50% - 60%	52	48	329	429	164	264
30% - 50%	17	140	118	275	59	216
Below 30%	0	40	30	70	15	55
Total	140	323	760	1223	379	842
Projected 2009-2014						
80% -120%	10	0	0	10	0	10
60% - 80%	40	0	0	40	0	40
50% - 60%	160	40	73	273	36	236
30% - 50%	30	10	18	58	9	49
Below 30%	10	0	10	20	5	15
Total	250	50	101	401	50	350
Projected 2014-2019:						
80% -120%	8	0	0	8	0	8
60% - 80%	50	0	124	174	62	112
50% - 60%	74	0	86	160	43	117
30% - 50%	18	0	34	52	17	35
Below 30%	10	0	0	10	0	10
Total	160	0	244	404	122	282

TABLE C

HOUSING GOALS FOR 7/1/2009 - 6/30/2014 AND 7/1/2014 - 6/30/2019

Housing Projections 7/1/2009-6/30/14

Project	RDA/Outside RDA	Less than 30%	30% - 50%	50% - 60%	60% - 80%	80% - 120%	Total	Units Counting as Inclusionary
New Construction:								
Orange Drive	505/80		10	40			50	50
Shasta /Elmira	Outside			60			60	30
Scoggins	VCRA		10				10	10
Habitat for Humanity	Outside		10				10	5
Opportunity Hill Phase 1	VCRA			60	20	10	90	90
Other New Construction	Outside	10	8	13			31	15
Total		10	38	173	20	10	251	200
Acquisition and/or Rehab:								
Callen St. Acq./Rehab	VCRA		10	60			70	70
Other Acq. Or Rehab	VCRA	10	10	40	20		80	80
Total		10	20	100	20		150	150
Total		**20**	**58**	**273**	**40**	**10**	**401**	**350**

Housing Projections for 7/1/2009-6/30/14

Project	RDA/Outside RDA	Less than 30%	30% - 50%	50% - 60%	60% - 80%	80% - 120%	Total	Units Counting as Inclusionary
New Construction:								
Opportunity Hill Phase 2	VCRA		8	34	30	8	80	80
Vanden	Outside		10	56	70		136	68
Other	Outside			6	54		60	30
Total		0	18	96	154	8	276	178
Acquisition & Rehabilitation:								
Callen Street/Bennett	Outside		24	24			48	24
Other Acq. Or Rehab	VCRA	10	10	40	20		80	80
Total		10	34	64	20		128	104
Total		**10**	**52**	**169**	**174**	**8**	**404**	**282**