



---

# FIVE YEAR IMPLEMENTATION PLAN

## SAN BRUNO REDEVELOPMENT AGENCY

**FISCAL YEARS 2009-10 THROUGH 2013-14**

---

Adopted  
February 9, 2010



This page intentionally blank



# TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
<b>About This Implementation Plan.....</b>	<b>1</b>
Legal Authority.....	1
Purpose of the Implementation Plan.....	1
Organization of the Document .....	2
 <b>SECTION I: OVERVIEW &amp; BACKGROUND.....</b>	 <b>3</b>
<b>ABOUT REDEVELOPMENT IN CALIFORNIA .....</b>	<b>4</b>
<b>The Public Value &amp; Benefit of Redevelopment .....</b>	<b>4</b>
BLIGHT .....	4
TAX INCREMENT FINANCING .....	5
20 Percent Housing Set-Aside Fund.....	6
Pass-Through Payments.....	6
State Takeaways – SERAF Payments.....	6
WHAT IS A REDEVELOPMENT PLAN?.....	6
<b>ABOUT THE PROJECT AREA .....</b>	<b>8</b>
<b>History and Profile.....</b>	<b>8</b>
History .....	8
Location.....	8
Plan Limits .....	10
<b>ACCOMPLISHMENTS.....</b>	<b>11</b>
<b>Achievements in Community Revitalization .....</b>	<b>11</b>
Police Plaza .....	11
Commercial Building Rehabilitation Program.....	11
Downtown & Transit Corridors Specific Plan .....	11
Promote Economic Development .....	11
Document Image System.....	11
San Mateo/Jenevein Site Improvement .....	12
El Camino Real Phase I.....	12
San Bruno Avenue Median Improvements .....	12
Street Median & Grand Boulevard Improvements.....	12
Accessible Pedestrian Ramps .....	12
Bicycle and Pedestrian Improvement Program.....	12
Sidewalk Repair Program.....	13
Street Rehabilitation Program .....	13
The Crossing .....	13
Skycrest Center.....	13
Residential Rehabilitation Program.....	14
Below-Market Rate Ordinance.....	14
Non-Profit Financial Assistance .....	14



<b>SECTION II: IMPLEMENTATION PLAN</b> .....	<b>15</b>
<b>REDEVELOPMENT PLAN GOALS</b> .....	<b>16</b>
<b>Community Reinvestment and Revitalization</b> .....	<b>16</b>
<b>STRATEGIC PLANNING &amp; IMPLEMENTATION</b> .....	<b>17</b>
<b>Implementation Plan Objectives &amp; Tools</b> .....	<b>17</b>
<b>REDEVELOPMENT WORK PROGRAM</b> .....	<b>18</b>
<b>Five Year Work Program for Reinvestment &amp; Revitalization in the Project Area</b> .....	<b>18</b>
Financial Resources .....	32
Potential Bonding Issuance .....	32
<b>SECTION III: HOUSING COMPLIANCE PLAN UPDATE</b> .....	<b>34</b>
<b>INTRODUCTION</b> .....	<b>35</b>
<b>Overview of the Housing Compliance Plan</b> .....	<b>35</b>
Affordable Housing Work Program .....	35
<b>AFFORDABLE HOUSING COMPLIANCE</b> .....	<b>39</b>
<b>BLUEPRINT FOR AGENCY HOUSING ACTIVITIES</b> .....	<b>39</b>
HOUSING PRODUCTION .....	39
REPLACEMENT HOUSING .....	43
HOUSING PROGRAM CASH FLOW ANALYSIS .....	43
Expenditures by Household Types .....	45
PRIOR FIVE-YEAR HOUSING FUND EXPENDITURES .....	47
Units Assisted by Housing Set Aside Fund .....	47
Housing Units Constructed During Prior Implementation Plan Without Housing Set Aside Funds .....	49
<b>APPENDIX 1: GLOSSARY OF HOUSING TERMS</b> .....	<b>50</b>
<b>APPENDIX 1</b> .....	<b>51</b>
<b>Glossary of Housing Terms</b> .....	<b>51</b>
Duration of Affordability Covenants .....	51
Affordability Income and Cost Levels .....	52



## INTRODUCTION

### About This Implementation Plan

---

Every five years, redevelopment agencies are required to adopt implementation plans that establish five-year operational and financial work programs for carrying out the redevelopment and affordable housing responsibilities of the agencies. This Five Year Implementation Plan (“Implementation Plan”) for the San Bruno Redevelopment Agency (“Agency”) covers the five-year planning period for fiscal years 2009-10 through 2013-14 for the San Bruno Redevelopment Project Area (“Project Area”). This Implementation Plan also contains an update to the Agency’s Ten-Year Housing Compliance Plan (“Housing Compliance Plan”) for meeting the Agency’s affordable housing requirements for the current 10-year compliance period (Fiscal Years 2004-05 to 2013-14), including obligations for producing, replacing, and expending funds for affordable housing.

This Implementation Plan builds a general framework to develop a more specific economic development strategy for the Project Area in the future. The Agency intends to use this Implementation Plan as a catalyst for forming short and long term goals for the Project Area over the life of the Redevelopment Plan.

## 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 sweeping changes to state redevelopment law (Health and Safety Code §§33000 *et seq.*) (“CRL”) in a major 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 their Project Area on or before December 31, 1994, and every five years thereafter. CRL Section 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 the Agency’s Low and Moderate Income Housing Fund (“Housing Fund”) and the Agency’s requirements for producing and replacing affordable housing.

Given this required content, 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 an opportunity to thoughtfully craft a purposeful and deliberate strategy for the next five years.

## PURPOSE OF THE IMPLEMENTATION PLAN

The Agency’s intentions for this Implementation Plan are to:

- Establish focused redevelopment and housing strategies for the next five years that provide a roadmap for decision-making about resource allocation, budget, and community engagement.



- Create an administrative management tool for Agency staff that provides a measurable, track-able, and programmatic work plan for the execution of the Agency's operations.
- Provide educational and informative background about the role, powers, and tools of redevelopment agencies, and a historical overview of the Agency, its accomplishments, and the Project Area.
- Furnish data and information to fulfill the affordable housing compliance requirements of the CRL.

## ORGANIZATION OF THE DOCUMENT

The contents of this Implementation Plan are organized into three distinct sections:

- **Section I: Overview and Background.** This section provides a narrative overview and background description of redevelopment in California, and a profile description of the Agency and the Project Area.
- **Section II: Implementation Plan.** This section outlines the Agency's strategic redevelopment plan for the next five years, including a comprehensive work program of projects and programs. The projects and programs contained in the work program represent the strategic priorities of the Agency. The future implementation of each project or program is subject to funding availability and approval by the Agency.<sup>1</sup>
- **Section III: Housing Compliance Plan Update.** This section contains the Agency's update to the housing compliance plan for the current 10-year compliance period (Fiscal Years 2004-05 to 2013-14), including the production, replacement, and expenditure of funds for affordable housing. This section fulfills the requirements of CRL Sections 33413(b)(4) and 33490(a).

---

<sup>1</sup> CRL Section 33490(a)(1)(B) provides that the adoption of an implementation plan shall not constitute an approval of any specific program, project, or expenditure and shall not change the need to obtain any required approval of a specific program, project, or expenditure from the agency or community.



## **SECTION I: OVERVIEW & BACKGROUND**



## ABOUT REDEVELOPMENT IN CALIFORNIA

### The Public Value & Benefit of Redevelopment

In 1952, California voters adopted Article XVI, Section 16 allowing the provision of tax increment financing for redevelopment of blighted communities. Californians recognized the need to provide a mechanism to reinvest in economically and physically blighted communities throughout California. The CRL was established as part of the Health and Safety Code (§§33000 *et seq.*) as a tool to assist local governments and to prescribe the powers of a redevelopment agency. A redevelopment agency prepares and carries out plans for the improvement, rehabilitation, and redevelopment of blighted areas through the assembly of land for development, utilization of tax increment, issuance of bonds, investment in infrastructure, and the creation of affordable housing opportunities. Redevelopment agencies throughout the State use redevelopment tools differently to address the unique problems within their communities. Redevelopment spurs new development, creates jobs, and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. Redevelopment is one of the most effective ways to revitalize an area plagued by social, physical, environmental, or economic conditions hindering private investment.

Redevelopment is a process created to assist local governments in eliminating physical and economic blight from a designated redevelopment project area. The goal of redevelopment is to create a safe, economically viable, and balanced community that provides all of the socially desirable attributes that communities take pride in: public and private improvements, good jobs, retail amenities, recreational opportunities, affordable housing, and increased property values. A redevelopment project area is established when an area exhibits conditions of both physical and economic blight (§§33030 and 33031) as described below.

### BLIGHT

The CRL emphasizes redevelopment's role in eliminating blighting conditions in communities and takes great lengths to define blight. As defined by the CRL, blight constitutes physical and economic liabilities that affect the health, safety, and general welfare of a community. CRL Section 33030

#### Redevelopment by the Numbers:

**\$40.79 billion.** Redevelopment's economic contribution to California in 2006-2007.

**\$13.** Every \$1 of redevelopment agency spending generates nearly \$13 in total economic activity.

**303,946. Full and part time jobs** created in just one year (2006-2007).

**78,750 units** of affordable housing built or rehabilitated since 1995 by redevelopment agencies.

**18,522 units** of low and moderate income housing expected to be built or refurbished over the next two years.

**\$2 billion.** State and local taxes generated through redevelopment construction activities in 2006-2007.

**20%** of property tax revenues generated from redevelopment activities must be used to increase supply of affordable housing.

**2<sup>nd</sup> largest** funder of affordable housing in California after the federal government.

Source: California Redevelopment Association, 2009.



describes a blighted area as being predominantly urbanized and substantially affected by the physical and economic properties of blight to such an extent that the community cannot reasonably be revived without redevelopment.

The CRL describes the physical and economic conditions that cause blight as follows:

**Physical Conditions (CRL §33031(a))**

- Buildings with serious code violations, dilapidation, or deterioration such that it is unsafe or unhealthy for a person to live or work.
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots.
- Adjacent or nearby incompatible uses that prevent development.
- Existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes.

**Economic Conditions (CRL §33031(b))**

- Depreciated or stagnant property values.
- Impaired property values due to hazardous wastes.
- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings in an area developed for urban use and served by utilities.
- A serious lack of commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores and banks.
- Serious residential overcrowding.
- An excess of bars, liquor stores, or adult-oriented businesses that have led to problems of public safety and welfare.
- A high crime rate that constitutes a threat to the public safety and welfare.

In accordance with the CRL, the existence of blight has been established in the Project Area and requires the implementation of redevelopment tools within the projects and programs established in this Five Year Implementation Plan.

**TAX INCREMENT FINANCING**

Tax increment financing is the primary source of funding used to carry out redevelopment activities and undertake redevelopment projects in a community. Tax increment financing is based on the assumption that as an area is revitalized, more property taxes will be generated as a result of redevelopment. When a redevelopment project area is adopted, the current assessed values of all the properties within its boundaries are designated as the base year value (§33328). As assessed values increase in a project area, tax increment revenue is

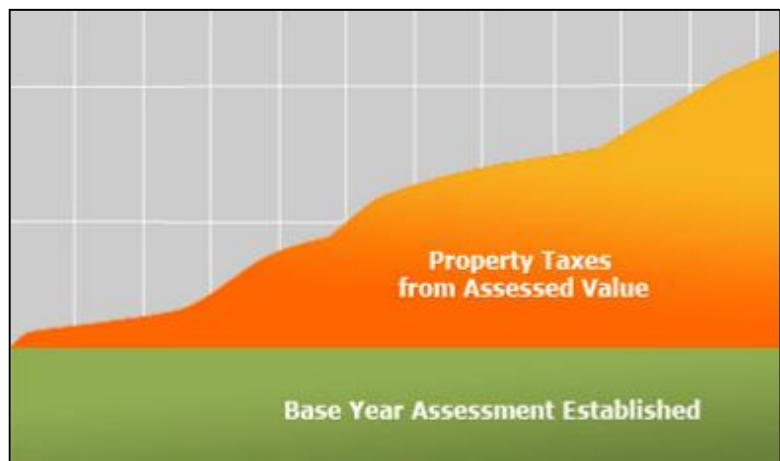


Figure 1 - Tax Increment Financing



generated by capturing the amount of value added since the base year value was established. The increase in tax revenue, known as tax increment, is allocated to an agency for reinvestment back into a project area. Figure 1 is a graphical depiction of how tax increment is generated and distributed in a project area.

### **20 Percent Housing Set-Aside Fund**

A portion of tax increment revenue received by a redevelopment agency must be used for the creation and preservation of affordable housing within its Project Area. The CRL requires that a minimum of 20 percent of tax increment revenue be set aside into a separate fund that is restricted for the purpose of creating low and moderate income housing (§33334.2). Redevelopment agencies may use these funds for activities such as acquiring property, constructing on-site and off-site improvements related to affordable housing development, constructing or rehabilitating affordable housing units, providing subsidies to ensure affordability, and issuing bonds. Redevelopment agencies are one of the primary entities producing affordable housing throughout the State.

### **Pass-Through Payments**

To ensure that the community's other service providers continue to receive funding for their critical activities, redevelopment agencies are required to remit payments to affected taxing agencies in the project area from the tax increment allocation (§33607.5). Affected taxing agencies typically include school districts, community college districts, and the county. The CRL prescribes an allocation formula to calculate payments unless the Agency has negotiated pass-through agreements with the taxing agencies.

The remaining portion of the tax increment revenue, after the required 20 percent contribution to the Housing Fund and statutory payments to the affected taxing agencies, are then available for eligible redevelopment projects, such as infrastructure improvements, community facilities, development incentives, debt service, and general administration of the Agency. The revenues cannot be used to finance the ongoing operational and maintenance costs of public facilities.

### **State Takeaways - SERAF Payments**

The Agency is estimating that it will need to set aside approximately \$2,400,569 in fiscal years 2009-10 and 2010-11 for payments to the Supplemental Educational Revenue Augmentation Fund ("SERAF"). As in prior years during the State's fiscal crises, the Legislature is relying on "takeaways" from local governments to help close the State's massive budget gap in the form of revenue shifts. Statewide, \$2.05 billion in redevelopment funds will be shifted from redevelopment agencies to SERAF in fiscal years 2009-10 and 2010-11, which is intended to be distributed to schools to meet the State's Proposition 98 obligations to education. \$1.7 billion will be shifted in fiscal year 2009-10. \$350 million will be shifted in fiscal year 2010-11. The Agency's share is estimated to be \$1,991,035 in fiscal year 2009-10 and \$409,534 in fiscal year 2010-11. While efforts have been mounted to legally challenge the constitutionality of these takeaways, the Agency must plan accordingly as it considers its strategic work program for the next five years.

### **WHAT IS A REDEVELOPMENT PLAN?**

A redevelopment plan provides a legal framework for long-term planning and the implementation of revitalization activities in a redevelopment project area. It also establishes a financing method by authorizing the agency's use of financing tools to implement projects and policies. The redevelopment plan also sets the basic goals, powers, and limitations within which the redevelopment agency must



conduct its activities over the life of the project area. It does not provide a detailed, rigid course of actions to achieve those goals but establishes how the agency intends to alleviate blight in the project area. For redevelopment Project Area established on or after 1994, the general framework of redevelopment plans includes the following items:

1. Time limit to establish loans, advances, and indebtedness to be paid with the proceeds of property taxes may not exceed 20 years from the adoption of the redevelopment plan (§33333.2).
2. Loans, advances, or indebtedness may be repaid over a 45-year period from the adoption of the redevelopment plan.
3. The effectiveness of a redevelopment plan may not to exceed 30 years from the adoption of the redevelopment plan.
4. After the time limit on the effectiveness of the redevelopment plan has expired, an agency shall have no authority to act pursuant to the redevelopment plan, except to pay previously incurred indebtedness and to enforce existing covenants and contracts.
5. An agency may commence eminent domain proceedings to acquire property within the project area for a period not to exceed 12 years from the adoption of the redevelopment plan.
6. If a redevelopment plan authorizes the issuance of bonds, the redevelopment plan should include a limit on the amount of bonded indebtedness that can be outstanding at one time.

In some instances, these time and financial limitations may be extended or increased but only via an amendment to the redevelopment plan.



## ABOUT THE PROJECT AREA

### History and Profile

---

#### HISTORY

In November 1997, the Business Economic Development Committee of the City Council for the City of San Bruno (“City”) recommended that the City study the feasibility of a redevelopment project to:

- Revitalize certain areas in San Bruno that exhibit both physical and economic blight;
- Stimulate private investment in San Bruno's commercial areas; and,
- Promote the conservation and enhancement of residential neighborhoods.

The Agency commissioned a feasibility report to recommend the boundaries of a redevelopment survey area, evaluate the area's eligibility for redevelopment, identify potential funding sources, and recommend improvement projects. The report was published in August 1998 and proposed a redevelopment survey area consisting primarily of commercial, industrial, and residential properties located east of El Camino Real. The report also proposed inclusion of a Navy facility and the environs of the Skycrest Shopping Center. The City Council adopted the recommended redevelopment survey area on August 10, 1998. After following a process mandated by the CRL, the Redevelopment Plan for the San Bruno Redevelopment Project (“Redevelopment Plan”) was adopted by the Agency on July 6, 1999 through Ordinance No. 1620.

#### LOCATION

The Project Area is located primarily east of El Camino Real with a small non-contiguous area at the intersection of San Bruno Avenue and Glenview Drive. Area A (699 acres) includes the predominantly commercial areas along San Bruno Avenue, San Mateo Avenue (Downtown San Bruno), El Camino Real, Montgomery Avenue, and The Shops at Tanforan; the residential subdivisions of Belle Air Park, San Bruno Park, and Lomita Park; the residential/industrial mixed use area bounded by San Mateo Avenue, I-380, the Southern Pacific Railroad (CalTrain) tracks, and Tanforan Avenue; and the former U.S. Navy Facility and adjacent parcels. Area B (18 acres) includes the Skycrest Shopping Center and adjacent commercially zoned areas.

The Redevelopment Plan established seven Residential Conservation Areas within the Project Area for the purpose of preserving and enhancing their residential character and strengthening property values in these areas. The Redevelopment Plan also precludes the use of the Agency's eminent domain powers in the Residential Conservation Areas. The seven areas are:

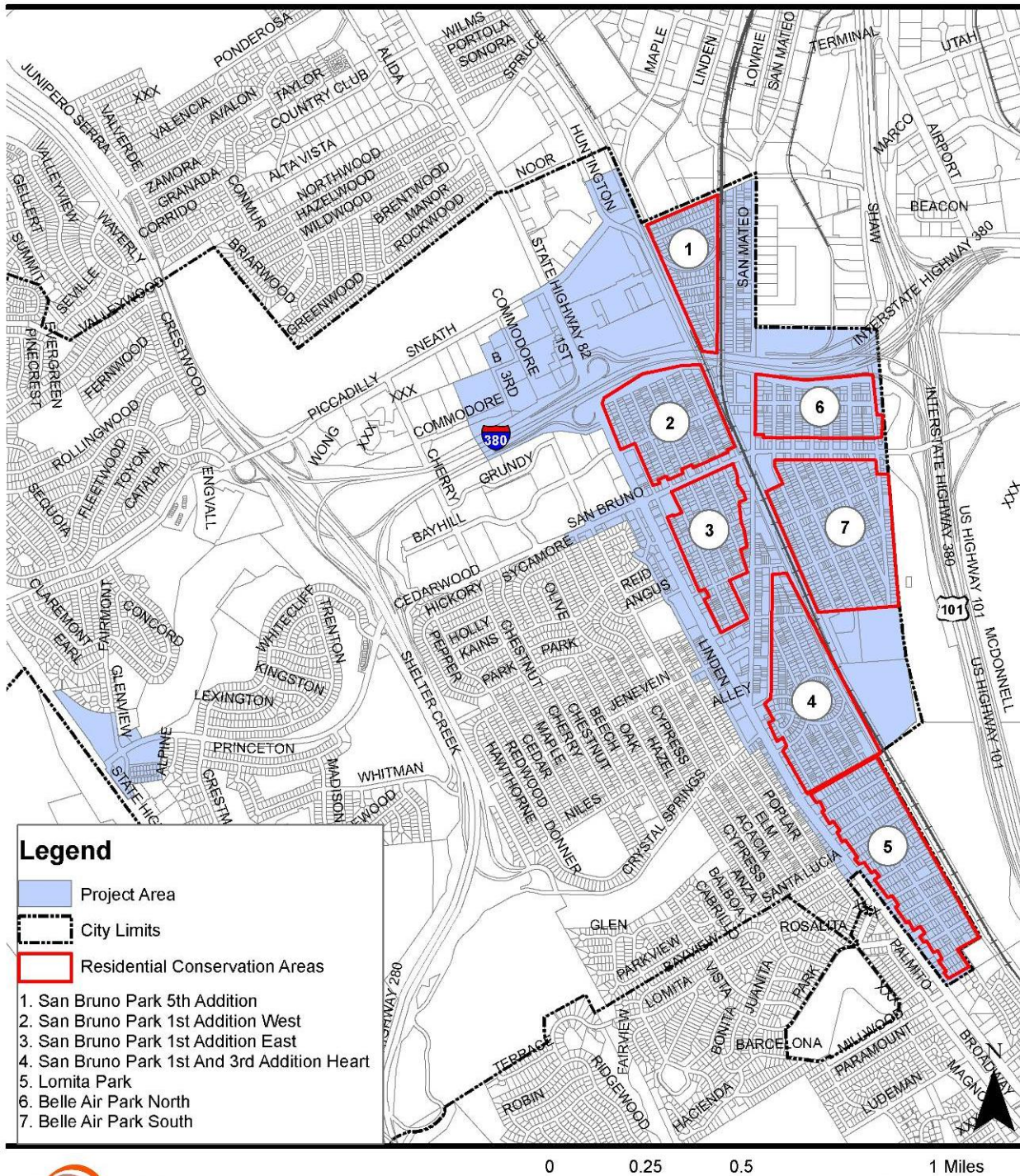
1. San Bruno Park 5th Addition
2. San Bruno Park 1st Addition West: (west of Huntington and north of San Bruno Avenue)
3. San Bruno Park 1st Addition East: (south of San Bruno Ave. and east of El Camino Real)
4. San Bruno Park 1st And 3rd Addition Heart: (includes the “Heart” area of San Bruno)
5. Lomita Park
6. Belle Air Park North
7. Belle Air Park South

Figure 2 shows the Project Area boundaries and the location of the Residential Conservation Areas.



**SAN BRUNO REDEVELOPMENT PROJECT AREA**

**FIGURE 2**





## PLAN LIMITS

The Redevelopment Plan for the Project Area sets forth limitations with regard to the effectiveness of the Redevelopment Plan, collecting tax increment revenue, incurring bonded indebtedness, and the use of eminent domain. Table 1 presents the time and financial limitations for the Project Area.

Limit	Expires	
Plan Duration <sup>1</sup>	7/6/2030	31 years
Receive Tax Increment/Repay Indebtedness <sup>1</sup>	7/6/2040	41 years
Establish Indebtedness	7/6/2019	20 years
Eminent Domain	7/6/2011	12 years
Amount of Bonded Indebtedness	\$200,000,000	
Amount of Tax Increment <sup>2</sup>	\$550,000,000	

<sup>1</sup> The Redevelopment plan was adopted on July 6, 1999 via Ordinance No. 1620. It was amended on March 25, 2008 via Ordinance No. 1754 to extend the duration of the plan and time limit to receive tax increment/repay indebtedness by one year pursuant to Senate Bill 1045.

<sup>2</sup> The time limit to collect tax increment was reduced from 45 yrs to 40 years (later extended to 41 years) pursuant to an agreement with the County related to Navy site impacts.



## **ACCOMPLISHMENTS**

### **Achievements in Community Revitalization**

---

#### **POLICE PLAZA**

The Agency helped finance the construction of a San Bruno-owned and operated Police Facility to be used jointly with Bay Area Rapid Transit (“BART”). The 25,000 square foot police facility is located adjacent to the San Bruno BART Station and The Shops at Tanforan. After construction was completed in 2002, the property was turned over to the Police Department, who moved from City Hall to the new Joint Police Facility. The project was financed by Motor Vehicle License Fee revenue-backed Certificates of Participation (Series 2000 COP), which are to be repaid with tax increment funds over a 30 year period.

#### **COMMERCIAL BUILDING REHABILITATION PROGRAM**

The Agency contributed \$467,000 toward the ongoing Capital Improvement Program, which assists property owners and business owners within the Project Area with the physical revitalization of commercial buildings through matching grants for façade improvements. A total of 14 façade projects have been completed since the program began in 2003. Agency assistance has leveraged significant private investment in downtown commercial buildings, most of which are small locally owned enterprises.

#### **DOWNTOWN & TRANSIT CORRIDORS SPECIFIC PLAN**

The Agency has been working closely with the Planning Department to develop a Downtown & Transit Corridors Specific Plan. The Agency has encumbered \$350,000 for this project, plus a \$50,000 grant from the San Mateo City-County Association of Governments (C-CAG) for community outreach. The grant resulted in the formation of a Steering Committee to guide the planning process. Agency and City staff worked with a consultant to prepare an existing condition analysis and engage the community to develop a long term vision for the area. The process is about halfway complete.

#### **PROMOTE ECONOMIC DEVELOPMENT**

The Agency promotes economic developing by working closely with developers and other City departments to encourage new development that benefits the Project Area. The Agency had a critical role in the development of The Crossing. It also played a role in the approval of a mixed-use project at the former Camino Theater and three adjacent bars at 406-418 San Mateo Avenue for 48 residential condominiums, 15,000 square feet of retail space and parking.

#### **DOCUMENT IMAGE SYSTEM**

A digital archive of microfiche and paper records is being compiled to improve the storage, archiving, retrieval, and future reproduction of redevelopment, planning and building records. The hardware and software have been installed.



## **SAN MATEO/JENEVEIN SITE IMPROVEMENT**

A temporary pocket park was installed on this Agency-owned central downtown site in 2007 to improve its visual appearance. The park includes landscaping, drip irrigation, a fountain, four bench seating areas, solar lighting and spot lighting, and improvements to cement and asphalt sidewalk areas. The park will serve as a temporary use until a long-term reuse is determined. It was originally intended that the site would have a mixed-use project, however a negotiating agreement with a developer was unsuccessful. The Agency expended \$20,000 to complete this project.

## **EL CAMINO REAL PHASE I**

A Memorandum of Understanding with SamTrans was approved in May 2009 to receive grant funds for median and pedestrian improvements along El Camino Real. Agency staff spent considerable time in fiscal year 2008-09 submitting the required documents to Caltrans, who is in charge of grant and contract administration. The Agency will complete the bidding process and award a construction contract for median rehabilitation during this five-year implementation plan period.

## **SAN BRUNO AVENUE MEDIAN IMPROVEMENTS**

Six median islands were renovated on San Bruno Avenue from Skyline to I-280 in 2008. They include new landscaping and added irrigation systems. The project was consistent with grant applications related to major housing projects at The Crossing. The Agency funded \$100,000 out of the total project cost of \$560,000. The remaining cost was covered by developers as a result of agreements between Skycrest and Glenview Terrace developers and the City.

## **STREET MEDIAN & GRAND BOULEVARD IMPROVEMENTS**

Design work was initiated in 2008-09 to improve medians on El Camino Real, Sneath Lane, and lower San Bruno Avenue. Design activities will be completed during this five-year implementation plan period. The median improvements will incorporate planning efforts for the County's Grand Boulevard project to ease dependence on auto use by providing pedestrian-friendly street environments and walkable connections to public transit.

## **ACCESSIBLE PEDESTRIAN RAMPS**

Handicap-accessible ramps need to be constructed throughout the City to comply with revised State of California standards for accessible curb ramps. The Agency coordinated with the City's Bicycle and Pedestrian Advisory Committee in fiscal year 2008-09 to identify key locations for accessible curb ramp installation and developed plans and specifications in preparation for bidding a construction contract. The first phase of this ongoing project will be implemented during this five-year implementation plan period.

## **BICYCLE AND PEDESTRIAN IMPROVEMENT PROGRAM**

The City is participating in the San Mateo Countywide Comprehensive Bicycle Route Plan, commissioned by the C-CAG, to create a more unified network of bicycle trails, lanes and routes throughout the County. The Agency is contributing funds for related improvements. It is also helping fund improvements to increase safety and utilization of bicycle and pedestrian routes to and from the San Bruno BART Station. Signage for the North-South Bikeway was installed in 2008-09. The Agency



also applied to and received grant funds from C-CAG for the construction of a new sidewalk on Commodore Drive. Improvements will continue to be made throughout this five-year implementation plan period.

### **SIDEWALK REPAIR PROGRAM**

This project repairs damaged sidewalks, curbs, and gutters. A Summer 2004 survey identified more than 3,000 locations in San Bruno with sidewalk separations over 3/4 -inch. To date, this project has removed and replaced 14,078 square feet of sidewalk, 414 linear feet of curb and gutter, 3,053 square feet of driveway approach, 288 linear feet of sidewalk grinding/cutting, and the removal and disposal of 46 trees. Repairs will continue over the next several years.

### **STREET REHABILITATION PROGRAM**

This program involves the repair and preventative maintenance treatment to local, collector, and arterial streets identified through the City's Pavement Management Program. Approximately 30 street sections were rehabilitated/maintained in 2008-09. The Agency also initiated and substantially completed a pavement condition survey to yield an accurate assessment of pavement condition for all street sections.

### **THE CROSSING**

Three phases of construction have been completed at The Crossing, consisting of 713 units of affordable and market rate housing at the site of the former Naval Facility. It consists of 300 units at Archstone I/Meridian (60 very low income units), 185 units at Archstone II/Paragon (37 very low income units) and 228 units at the Village Senior Apartments (187 low income units, 41 very low income units). A final phase of construction, consisting of 350 units, has begun. The Agency continues to make payments toward an annual affordable housing subsidy for affordable housing units at The Crossing. Owner Participation Agreements stipulate that the Agency is to provide an annual maximum subsidy of \$311,000 to maintain affordability at the Meridian apartments, and \$370,000 at the Paragon apartments. New infrastructure has also been installed, paid for through impact fees by developers of The Crossing and The Shops at Tanforan. Improvements include internal roadways, a new mid-block intersection and traffic signal on El Camino Real at Tanforan, and enhancement of intersections at Sneath Lane and Commodore Drive.

### **SKYCREST CENTER**

Several site improvements have been made as a result of a development agreement with Kenmark Real Estate Group. The development agreement provided for the developer to improve the Lunardi's parking lot, pay \$200,000 for the installation of median and/or frontage landscaping on San Bruno Avenue, and to meet redevelopment affordable housing requirements. The parking lot and median landscaping on San Bruno Avenue have been completed. Construction has also been completed on 12 market-rate single-family homes at Skycrest Center. Construction of 12 remaining units will begin after the real estate market improves.



## **RESIDENTIAL REHABILITATION PROGRAM**

The Agency expended \$120,000 in the last five years to assist two very low income senior residents with the rehabilitation of their homes. The loans supplemented financial assistance from the San Mateo County Department of Housing.

## **BELOW-MARKET RATE ORDINANCE**

A Below Market Rate housing policy was adopted in 2008 by Ordinance No. 1764 to require new residential developments with 10 or more housing units to provide a minimum of 15 percent of total housing units affordable to very low, low, and moderate income households through construction, donation of land, and/or payment of in-lieu fees. In lieu fees were paid for the Skycrest and Merimont residential projects, which will likely be spent to increase affordable housing in the Project Area.

## **NON-PROFIT FINANCIAL ASSISTANCE**

In 2008-09, the Agency provided \$7,500 to Shelter Network to support housing for homeless persons and \$30,000 to HIP Housing to support housing opportunities to San Bruno residents.



## **SECTION II: IMPLEMENTATION PLAN**



## REDEVELOPMENT PLAN GOALS

### Community Reinvestment and Revitalization

---

The Redevelopment Plan's goals and objectives emphasize eliminating physical and economic blight that interferes with the successful revitalization of commercial areas and the enhancement and conservation of residential neighborhoods within the Project Area. The Agency will continue to pursue the comprehensive Redevelopment Plan goals, objectives and strategies as appropriate. The goals of the Agency for the next five years are as follows:



Enhance the city's appearance, image and identity, and strengthen the sense of community in a manner responsive to the community's needs and interests.



Alleviate physical and economic blighting conditions within the Project Area.



Stimulate private investment and promote economic vitality in San Bruno's commercial areas with an emphasis on Downtown revitalization.



Capitalize on opportunities presented by BART, SamTrans and CalTrain transit improvements to encourage transit oriented development.



Improve transportation and traffic circulation throughout the Project Area through improved intersections, traffic controls and signage, underpasses, bicycle routes, and mass transit shelters. Create safe and convenient pedestrian and bicycle circulation. Provide easier and safer access to major thoroughfares.



Upgrade and expand recreational areas and open space. Improve the public open space, infrastructure, and facilities that serve the Project Area's residents and youth.



Expand and improve the community's supply of low and moderate income housing by using redevelopment project housing set-aside funds. Promote the conservation and enhancement of residential neighborhoods.



## STRATEGIC PLANNING & IMPLEMENTATION

### Implementation Plan Objectives & Tools

---

To implement the redevelopment goals of the Agency, the Implementation Plan includes the following objectives, which are intended to serve as guidelines for selecting activities that will move the City closer to achieving its goals.

- Objective 1** Assist with implementation of the Downtown and Transit Corridors Specific Plan, as well as grade separation improvements throughout the Project Area and train station relocation.
- Objective 2** Assist private property owners in rehabilitating their properties.
- Objective 3** Use business retention, expansion and attraction programs, along with a coordinated shopping promotion effort, to revitalize commercial zones in the Project Area and to promote active pedestrian shopping and service districts.
- Objective 4** Facilitate development of a flagship hotel at The Crossing and recruit businesses to the retail building.
- Objective 5** Improve vehicular, bicycle, and pedestrian access to commercial areas and public transit. Enhance gateway entrances to the City.
- Objective 6** Provide a safe pedestrian link between the San Bruno BART station and local residences, shopping, and entertainment.
- Objective 7** Expand and improve the community's affordable housing stock.
- Objective 8** Assist with implementing guiding principles of the Grand Boulevard initiative, including facilitating compact mixed-use development along El Camino Real.

Successful redevelopment is commonly achieved using a combination of the tools below:

- Owner Participation/Assistance
- Property Acquisition/Land Assemblage
- Funding Public Infrastructure and Facilities

The next section of this Plan lists potential activities that the Agency may pursue over the next five years using the objectives and tools outlined above.



## REDEVELOPMENT WORK PROGRAM

### Five Year Work Program for Reinvestment & Revitalization in the Project Area

Table 2 below describes the proposed redevelopment projects and programs to be implemented by the Agency in the Project Area over the next five years. It lists the goals and strategies that would be achieved, implementation tools that may be used, projected timeframe, estimated costs<sup>2</sup>, and the blighting conditions that would be alleviated in the Project Area by each project and program. The available fund balance will be used to fund projects with undetermined costs. The Agency will prioritize project expenditures based on readiness, marketability and other pertinent factors.

Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><b>Promote Economic Development.</b> The Agency actively collaborates with other City departments, the Chamber of Commerce, developers, non-profits, and other entities to promote economic development in the Project Area. Examples of specific economic development activities that the Agency may pursue over the next five years are described below. Additional projects and programs may be pursued based on future opportunities in the market. An estimated \$900,000 will be spent on this program over the next five years.</p>				
<p><input type="checkbox"/> <b>Local Business Training.</b> The Agency may work with Skyline College or a non-profit organization such as the San Francisco Renaissance Entrepreneurship Center to provide training and resources to support and promote local businesses.</p>		<p>3 Owner Participation/ Assistance</p>	<p>2009-10 to 2013-14</p>	<p>Depreciated or stagnant property values  High business vacancies/low lease rates</p>

<sup>2</sup> Costs are subject to change, and completion of these projects may require future action by the Agency.






Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>The Crossing Commercial Development.</b> The Agency holds a development agreement with the developer of The Crossing to develop and improve the former Navy Facility site. Several site improvements and affordable housing have been constructed. Additional housing and retail development are in progress. Future activities include attracting a hotel and recruiting tenants to the site's retail building.</p>		<p>3, 4                      Owner Participation/                      Assistance</p>	<p>2009-10 to                      2013-14</p>	<p>Conditions hindering viable use                      Depreciated or stagnant property values                      Inadequate public improvements</p>
<p>□ <b>Business Attraction and Retention Program.</b> A contract may be sought with a firm that analyzes retail markets to identify specific businesses seeking to relocate in market areas similar to San Bruno in order to target specific retailers to attract to the City.</p>		<p>3                      Owner Participation/                      Assistance</p>	<p>2009-10 to                      2013-14</p>	<p>Depreciated or stagnant property values                      High business vacancies/low lease rates</p>











Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>“Buy in San Bruno” Campaign.</b> The City’s shopping districts may be marketed through a “Buy in San Bruno” campaign. Marketing efforts and strategies would be planned in conjunction with the Chamber of Commerce, property owners and businesses. Local radio could be utilized to promote San Bruno Businesses.</p>		<p>3 Owner Participation/ Assistance</p>	<p>2009-10 to 2013-14</p>	<p>High business vacancies/low lease rates</p>
<p><b>Project Area Beautification.</b> A primary goal of redevelopment is to eliminate physical blight. The following programs aim to eliminate dilapidation and deterioration, make buildings safer, and enhance the visual appearance of the Project Area. Additional projects and programs may be pursued based on opportunities in the local market. An estimated \$1.5 million will be spent on this program over the next five years.</p>				
<p>□ <b>City Gateways.</b> New gateways are programmed to be installed at entrances to the City within the Project Area along El Camino Real. The Agency may help design and fund additional gateways.</p>		<p>5 Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Inadequate public improvements</p>







Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>Commercial Building Rehabilitation Program.</b> This ongoing program assists property and business owners with the physical revitalization of commercial buildings through matching grants for façade improvements such as paint, signs and awnings. All commercial buildings located in the Project Area are eligible to apply. The Agency currently provides a grant up to a maximum of 50 percent of the façade improvement costs based on the size of the building façade, plus 10 percent of the grant amount for design costs. The Agency will consider enhancements to encourage greater participation in the program, including increasing the maximum amount of assistance through a forgivable loan, providing additional assistance for design and architectural services, tenant improvements, and ADA improvements.</p>	  	<p>2, 3                      Owner Participation/ Assistance</p>	<p>Ongoing</p>	<p>Unsafe &amp; unhealthy buildings</p>










Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>Code Enforcement Support.</b> The Agency supports ongoing mitigation of code violations in commercial areas within the Project Area in cooperation with the Building Inspection and Code Enforcement Division.</p>	 <p>CLEAN</p>	<p>2 Owner Participation/ Assistance</p>	Ongoing	Unsafe and unhealthy buildings
<p><b>Downtown and Transit Corridors Specific Plan.</b> The Agency is working closely with the Planning Division to prepare the Downtown and Transit Corridors Specific Plan (“Specific Plan”), which will serve as a guide for private development and public improvements in the downtown area and portions of San Bruno Avenue and El Camino Real surrounding the future San Bruno Avenue CalTrain Station. The Specific Plan will evaluate potential incentives for desirable development and investment in commercial areas. The following projects may be pursued to implement the Specific Plan. Additional projects and programs may be pursued based on opportunities in the market. An estimated \$7.5 million will be spent on this program over the next five years.</p>				
<p>□ <b>Implementation Strategy.</b> Commence development of an implementation strategy building upon the findings and recommendations of the Specific Plan process. Development of the strategy should focus on (a) identifying financing sources, (b) refining marketplace constraints and opportunities, (c) prioritizing projects, (d) soliciting stakeholder and community involvement, and (e) setting specific timeframes and benchmarks for performance.</p>	   <p>UNITE CLEAN INVEST</p>   <p>GO ACCESS</p>   <p>PLAY LIVE</p>	<p>1, 3, 5, 6, 7, 8 Owner Participation/ Assistance Property Acquisition/ Land Assemblage Funding Public Infrastructure &amp; Facilities</p>	2009-10 to 2013-14	<p>Depreciated or stagnant property values Inadequate public improvements</p>



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>CalTrain Site Development.</b> The Specific Plan identifies a catalytic opportunity site at the new CalTrain station. Proposed development includes office buildings with ground floor retail and increased parking for the new CalTrain station and offices. The Agency will work with developers and CalTrain to achieve this vision. It will also consider a grade separation project and improvements to enhance the new CalTrain station, such as gateway signage, decorative paving, streetscape and landscaping, lighting, a plaza, and retail kiosks. Pedestrian connections may be created between neighborhoods divided by the grade separation. Additional improvements may be made to the pedestrian environment leading up to and through the CalTrain station underpass.</p>	   	<p>1, 3, 5</p> <p>Owner Participation/ Assistance</p> <p>Property Acquisition/ Land Assemblage</p> <p>Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Depreciated or stagnant property values</p> <p>Inadequate public improvements</p>



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>San Bruno Avenue &amp; Huntington Avenue Development.</b> This is another catalytic opportunity site identified in the Specific Plan. Proposed development consists of mixed use residential buildings over ground floor retail and increased parking. The Agency will work with developers and other city departments to facilitate development.</p>	  	<p>1, 3                      Owner Participation/ Assistance                      Property Acquisition/ Land Assemblage                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Depreciated or stagnant property values                      Inadequate public improvements</p>
<p>□ <b>Downtown Southern Gateway.</b> A third catalytic opportunity site from the Specific Plan is located at El Camino Real and San Mateo Avenue. The site is approximately 1.68 acres. Development would consist of mixed income housing, retail, and entertainment uses. The Agency will foster public-private collaboration to complete this project.</p>	   	<p>1, 3, 8                      Owner Participation/ Assistance                      Property Acquisition/ Land Assemblage                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Depreciated or stagnant property values                      Inadequate public improvements</p>









Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>Development of Opportunity Sites.</b> The Agency will work with other city departments and private entities to foster development of other opportunity sites identified in the Specific Plan area and attract new businesses to the Project Area. Implementation activities could potentially include land acquisition.</p>	<p>UNITE INVEST CLEAN PLAY</p>	<p>1, 3 Owner Participation/ Assistance Property Acquisition/ Land Assemblage Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Depreciated or stagnant property values Inadequate public improvements</p>
<p>□ <b>Streetscape Improvements.</b> Streetscape improvements are proposed on San Bruno Avenue and Huntington Avenue. Improvements include, but are not limited to, new landscaped medians and lighting, stormwater planters, improved signage, green roof/roof gardens, and a CalTrain overpass with an attractive gateway design. Wayfinding signage may also be provided to direct vehicles to downtown parking areas, transit stations, highways, and community amenities such as City Hall and the public library.</p>	<p>ACCESS CLEAN</p>	<p>1 Owner Participation/ Assistance Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Inadequate public improvements</p>



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><input type="checkbox"/> <b>Transit Facilities Improvements.</b>                      Transit facilities improvements are proposed to enhance the connectivity between downtown, CalTrain, and BART stations. Improvements include a shuttle service, increased transit service, enhanced transit stops on San Mateo Avenue and San Bruno Avenue, and potential train station improvements.</p>		1, 5, 6 Owner Participation/ Assistance Property Acquisition/ Land Assemblage Funding Public Infrastructure & Facilities	2009-10 to 2013-14	Inadequate public improvements
<p><input type="checkbox"/> <b>Bicycle Facilities Improvements.</b>                      Proposed bicycle facilities improvements include bike lanes on San Bruno Avenue and Huntington Avenues, new bicycle facilities on priority streets parallel to main roadways to connect major activity centers, and bicycle parking.</p>		1, 5 Owner Participation/ Assistance Funding Public Infrastructure & Facilities	2009-10 to 2013-14	Inadequate public improvements



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><input type="checkbox"/> <b>Pedestrian Facilities Improvements.</b> Raised crosswalks on San Mateo Avenue and San Bruno Avenue are proposed to reduce auto travel speed and increase safety. Other proposed improvements include widened sidewalks on San Bruno Avenue and Enhanced pedestrian crossings on El Camino Real.</p>	  ACCESS CLEAN	1, 5 Funding Public Infrastructure & Facilities	2009-10 to 2013-14	Inadequate public improvements
<p><input type="checkbox"/> <b>Roadway Improvements.</b> Several roadway improvements are proposed on San Mateo, San Bruno, Huntington, and Mastick Avenues to improve parking, realign streets, add roundabouts, add bike lanes, improve cross walks, add signals, and calm traffic.</p>	  ACCESS CLEAN	1, 5 Funding Public Infrastructure & Facilities	2009-10 to 2013-14	Inadequate public improvements
<p><input type="checkbox"/> <b>Infrastructure Improvements.</b> General improvements may be made to stormwater, water, and sewer infrastructure.</p>	  ACCESS CLEAN	1 Funding Public Infrastructure & Facilities	2009-10 to 2013-14	Inadequate public improvements



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><b>Infrastructure Improvements.</b> The Agency will make significant infrastructure improvements throughout the Project Area to enhance vehicular, bicycle, and pedestrian accessibility and safety, improve connections between public transit and residential and commercial centers, and support new development. Additional projects and programs may be pursued based on future opportunities and needs. An estimated \$3.3 million will be spent on this program over the next five years.</p>				
<p><input type="checkbox"/> <b>Accessible Pedestrian Ramps.</b> The State of California revised its standards for accessible curb ramps in order to more fully comply with the Americans with Disabilities Act. The Agency will help fund the construction of new handicap-accessible ramps to comply with the new standards. Work will be conducted over a multiyear period, guided by the “Pedestrian Emphasis Zones” identified in the General Plan and the Bicycle and Pedestrian Advisory Committee. The first phase of construction will be initiated in 2009-10.</p>		<p>5 Funding Public Infrastructure &amp; Facilities</p>	<p>Ongoing</p>	<p>Inadequate public improvements</p>
<p><input type="checkbox"/> <b>Pedestrian Connectivity Improvements.</b> This project will explore options to improve pedestrian crossing between the Crossing, Tanforan, and BART. Potential improvements include a pedestrian bridge, raised crosswalks, and pavers.</p>		<p>5, 6 Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>	<p>Inadequate public improvements</p>









Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p>□ <b>Bicycle and Pedestrian Improvement Program.</b> The Agency is contributing funds to create a more unified network of bicycle trails, lanes and routes as part of the San Mateo Countywide Comprehensive Bicycle Route Plan commissioned by C-CAG. The Agency is also helping fund improvements to increase safety and utilization of bicycle and pedestrian routes to and from the San Bruno BART Station, as identified in a study funded by the Metropolitan Transportation Commission (MTC).</p>		<p>5, 6                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10                      (plus additional years if funding becomes available)</p>	<p>Inadequate public improvements</p>



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><input type="checkbox"/> <b>Street Median and Pedestrian Improvements.</b> Median and pedestrian improvements will be made on El Camino Real and San Bruno Avenue. Proposed improvements include new landscaping and irrigation systems and countdown pedestrian signals on all lighted intersections on El Camino Real to alert automotive traffic accessing I-380 to pedestrian traffic. Construction is in progress on 16 medians. The improvements will incorporate County efforts to provide pedestrian-friendly environments on El Camino Real through the Grand Boulevard project. The project is partially funded with a grant from the Samtrans and C-CAG funding programs.</p>		<p>5, 8                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2010-11</p>	<p>Inadequate public improvements</p>
<p><input type="checkbox"/> <b>Commodore Drive Pedestrian Access Project.</b> This project will close a prominent gap along a well-used pedestrian route that connects the San Bruno BART station and a transit-oriented development on one side with a school, park and employment centers on the other.</p>		<p>5, 6                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2010-11</p>	<p>Inadequate public improvements</p>



Proposed Redevelopment Programs 2009-10 through 2013-14				TABLE 2
Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe	Blighting Conditions Alleviated
<p><input type="checkbox"/> <b>Sidewalk Repair Program.</b> A Summer 2004 survey identified more than 3,000 locations in San Bruno with sidewalk separations over 3/4 -inch. This project repairs such damaged sidewalks, curbs and gutters. The Agency plans to award a standing contract to a qualified concrete contractor to facilitate the next phase of sidewalk repair in 2009-10.</p>	  ACCESS CLEAN	5 Funding Public Infrastructure & Facilities	Ongoing	Inadequate public improvements
<p><input type="checkbox"/> <b>Street Rehabilitation Program.</b> Repair and conduct preventative maintenance to local, collector, and arterial streets identified through the City's Pavement Management Program.</p>	  ACCESS CLEAN	5 Funding Public Infrastructure & Facilities	2009-10 to 2018-19	Inadequate public improvements
<p><input type="checkbox"/> <b>Streetlight Replacement Program.</b> Most of the City's 2,000 streetlights and their power supply systems are approaching the end of their useful life. This program will systematically replace deteriorated or outmoded streetlights, and replace existing high voltage series circuits with new low voltage parallel circuits. The Agency will contribute to a portion of the costs.</p>	  ACCESS CLEAN	5 Funding Public Infrastructure & Facilities	Ongoing	Inadequate public improvements



## FINANCIAL RESOURCES

The level of funding for specific projects will vary due to the recent decline in property values and potential instability in the future. The Agency's ability to fund projects will also be impacted by the potential State's taking of redevelopment funds to help balance the State's budget in fiscal years 2009-10 and 2010-11. If CRA's challenge of the SERAF is unsuccessful and the Agency is required to make the SERAF deposits as previously described in Section I, some of the redevelopment projects outlined above may be delayed or eliminated.

The following cash flow presents the revenues (excluding Housing Fund revenues) the Agency may have available after administrative and debt service expenses for the next five years to fund the implementation plan activities previously described. The projections are based on a three percent annual growth rate in assessed values over the five year period (see footnotes Table 3 for more details). Outlined in the cash flow are projected tax increment receipts, taxing agency fiscal mitigation payments, loan and debt service payments, and projected Agency administration costs. Funds available to implement future programs are identified as the remaining funds net of these operation and debt service obligations.

As shown on Table 3, it is estimated that in addition to the existing fund balance of \$3.0 million, \$48.7 million in new tax increment will be generated, of which \$38.4 million will be needed to pay obligations such as deposits into the Housing Fund, taxing agency payments, debt service, and administration. It is estimated that \$3.2 million will be allocated to on-going projects and programs that have known costs, leaving \$10.0 million (including the existing fund balance) to fund new projects and programs.

### Potential Bonding Issuance

The cash flow does not include revenues from potential bond issues, which could provide additional funding sources should the Agency elect to issue bonds sometime within the next five years. Preliminary estimates indicate the potential capacity to issue between \$25 – 30 million in tax allocation bonds over the next five years. This estimate is based on a three percent annual growth rate in assessed values with minimal new development, a 1.25 debt coverage ratio, and assumes a 6 percent interest rate. The net bond proceeds would be reduced to cover the costs of issuance, and reserve funds such that funds available for use by the Agency would likely be in the range of \$22 – 26 million. The Agency's bonding capacity would increase substantially if opportunity sites are developed according to the Downtown and Transit Corridors Specific Plan. This is a preliminary analysis and actual bonding capacity would be refined at the time the Agency issues bonds, if it decides to do so in the future. There are no plans to issue bonds during the next five years at this time, however the Agency has the capacity to do so if desired, and if the bond market would support such an issuance.



**Non-Housing Redevelopment Tax Increment Cash Flow Projection**

**TABLE 3**

	2009-10	2010-11	2011-12	2012-13	2013-14	Total
<b>Beginning Fund Balance <sup>1</sup></b>	\$ 2,954,071	\$ 3,807,900	\$ 4,947,881	\$ 6,543,541	\$ 8,224,874	
<b>Revenue</b>						
Tax Increment Revenue <sup>2</sup>	8,848,079	9,260,161	9,716,838	10,187,216	10,671,705	48,683,999
<b>Total Revenue</b>	8,848,079	9,260,161	9,716,838	10,187,216	10,671,705	48,683,999
<b>Expenses / Encumbrances</b>						
LMIHF Transfers <sup>3</sup>	1,769,616	1,852,032	1,943,368	2,037,443	2,134,341	9,736,800
Taxing Agency Payments <sup>3</sup>	1,763,357	1,926,519	2,094,577	2,267,676	2,445,967	10,498,096
Basic Aid Payments <sup>3</sup>	1,323,166	1,384,790	1,453,083	1,523,424	1,595,876	7,280,339
County Admin Fee <sup>4</sup>	70,785	74,081	77,735	81,498	85,374	389,472
Debt Service <sup>5</sup>	657,438	657,438	657,438	657,438	657,438	3,287,190
Admin, Operations, Planning <sup>6</sup>	1,364,388	1,405,320	1,447,479	1,490,904	1,535,631	7,243,721
<b>Total Expenses</b>	6,948,750	7,300,180	7,673,679	8,058,382	8,454,627	38,435,618
<b>Net Cash Flow</b>	<b>4,853,400</b>	<b>5,767,881</b>	<b>6,991,041</b>	<b>8,672,374</b>	<b>10,441,952</b>	
Ongoing/Planned Projects & Programs <sup>7</sup>	1,045,500	820,000	447,500	447,500	447,500	3,208,000
<b>Ending Balance Available for New Projects/Programs</b>	\$ <b>3,807,900</b>	\$ <b>4,947,881</b>	\$ <b>6,543,541</b>	\$ <b>8,224,874</b>	\$ <b>9,994,452</b>	

<sup>1</sup> FY 2009-10 beginning fund balance as reported in FY 2009-10 Agency budget

<sup>2</sup> Tax Increment based upon preliminary 2009-10 assessed values. Projections assume a 3% growth rate in assessed value. Tax increment is assumed to be one percent of the incremental value (the assessed value minus the base year value).

<sup>3</sup> Calculations based upon the assumptions used to project Tax Increment Revenues.

<sup>4</sup> Estimated to be 1% of tax increment revenue after 20% housing set-aside

<sup>5</sup> Includes payments on principal and interest for the Certificates of Participation financing for the Joint Police Facility. FY 2009-10 amount reported in the annual Agency budget. Payments in future years estimated to be the same amount.

<sup>6</sup> Admin and Planning expenses assumed to grow at annual rate of 3%. FY 2009-10 amount reported in the annual Agency budget. Includes personnel services, supplies and equipment, contract services, operations, and internal allocations.

<sup>7</sup> Does not include costs for all proposed projects and programs. Costs for several projects and programs are to be determined based on market opportunities and the available fund balance in the Agency budget.

Notes:

- a. Total revenues do not reflect potential for future bond issues.
- b. Developer participation may supplement revenues needed to fund redevelopment project
- c. All ongoing/planned projects and programs will be prioritized based upon available revenues.



## **SECTION III: HOUSING COMPLIANCE PLAN UPDATE**



## INTRODUCTION

### Overview of the Housing Compliance Plan

---

The CRL requires agencies to adopt an affordable housing compliance plan that identifies how the redevelopment agency will achieve the affordable housing production requirements for a project area. The compliance plan must be consistent with the jurisdiction's housing element and must also be reviewed and, if necessary, amended at least every five years in conjunction with the cyclical preparation of the housing element or the agency's five year implementation plan. This section of the Implementation Plan addresses specific requirements in the CRL with respect to prior affordable housing activities and the anticipated housing program for the current ten-year planning period (fiscal years 2004-05 through 2013-14) ("Compliance Period"). This Housing Compliance Plan amends the Affordable Housing Compliance Objectives adopted on January 22, 2007 and presents an updated affordable housing plan through the duration of the Compliance Period. Additionally, the Housing Compliance Plan Component details the Agency's Housing Goals and proposed work program during the Compliance Period. Furthermore, the Housing Compliance Plan evaluates the Agency's affordable housing requirements for the next ten years (Fiscal Years 2009-10 to 2018-19) and the life of the Redevelopment Plan.

The Agency is required to allocate 20 percent of the tax increment revenue it receives from the Project Area to increase and improve housing affordable to very low, low, and moderate income households. The Housing Fund has been established for this revenue. The Agency has the authority to expend the Housing Fund either inside or outside the Project Area.

Redevelopment agencies use implementation plans to establish ten-year objectives to achieve compliance with the CRL in its affordable housing programs. These generally fall into three categories:

- Housing Production – Based on the number of housing units constructed or substantially rehabilitated over a ten-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low and moderate income households.
- Replacement Housing – Another legal obligation for redevelopment agencies is to ensure that any housing units destroyed or removed as a result of an agency redevelopment project are replaced within four years.
- Expenditures by Household Types – There are specific requirements on the amount of Housing Funds an agency must spend over a ten-year period on housing affordable to very low income households, low income households, and housing for residents under the age of 65 in proportion to the demographics of the community.

## AFFORDABLE HOUSING WORK PROGRAM

The list below describes the proposed affordable housing projects and programs in the Project Area over the next five years. It lists the goals and strategies that would be achieved, projected timeframe, and estimated costs<sup>3</sup> of each project and program. The cost for most projects and programs will be determined based on market opportunities and availability of the Agency budget.




---

<sup>3</sup> Costs are subject to change, and completion of these projects may require future action by the Agency.



**Proposed Affordable Housing Programs 2009-10 through 2013-14**



**TABLE 4**

Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe
<p><b>Affordable Housing Program.</b> The Agency strives to provide and maintain quality affordable housing throughout the Project Area. Activities include, but are not limited to, rental subsidies, rehabilitation assistance, housing development, and code enforcement support. An estimated \$3.9 million will be spent on this program over the next five years. Additional funds may be used for affordable housing development.</p>			
<p><input type="checkbox"/> <b>The Crossing Affordable Housing.</b> Payments will be made toward an annual affordable housing subsidy for affordable housing units at The Crossing. Owner Participation Agreements stipulate that the Agency is to provide an annual maximum subsidy of \$311,000 to maintain affordability for 60 very low income units at the Meridian apartments, and \$370,000 for 37 very low income units at the Paragon apartments.</p>	 LIVE	7  Owner Participation/ Assistance	Ongoing
<p><input type="checkbox"/> <b>Residential Rehabilitation Program.</b> The Agency works with the San Mateo County Department of Housing and the San Bruno Building Division to facilitate housing rehabilitation for low and moderate income homeowners in the Project Area. Housing rehabilitation projects are also undertaken in cooperation with the North Peninsula Neighborhood Services Center and Rebuilding Together Peninsula.</p> <p>Approximately four very low to moderate income persons will be assisted over the next five years.</p>	  CLEAN      LIVE	2, 7  Owner Participation/ Assistance	Ongoing



**Proposed Affordable Housing Programs 2009-10 through 2013-14**


**TABLE 4**

Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe
<p><input type="checkbox"/> <b>Affordable Housing Development.</b> The Agency will work to facilitate and promote new housing development in the Project Area affordable to low- and moderate-income households. Most new residential development is expected to be high-density multifamily housing, both for-sale and rental, located primarily in the Transit Corridors Area surrounding the future San Bruno Avenue CalTrain Station. The Agency will identify potential development sites and coordinate with affordable housing developers and regional agencies to increase the availability of affordable housing. The Agency will also continue to monitor compliance with Affordable Housing Agreements at The Crossing, Skycrest and Glenview Terrace. The Agency will facilitate a signature affordable housing project to assist low income, senior or disabled populations and enhance residential neighborhoods.</p>		<p>7                      Owner Participation/ Assistance                      Property Acquisition/Land Assemblage                      Funding Public Infrastructure &amp; Facilities</p>	<p>2009-10 to 2013-14</p>
<p><input type="checkbox"/> <b>Community Promotions.</b> Financial assistance will be given to non-profit organizations that provide housing services to low income residents in San Bruno as appropriate. Organizations include HIP Housing and Shelter Network.</p>		<p>7                      Owner Participation/ Assistance</p>	<p>2009-10 to 2013-14</p>
<p><input type="checkbox"/> <b>Code Enforcement Support.</b> Ongoing support is given to mitigate code violations in residential areas within the Project Area in cooperation with the Building Inspection and Code Enforcement Divisions.</p>	 	<p>7                      Owner Participation/ Assistance</p>	<p>Ongoing</p>



**Proposed Affordable Housing Programs 2009-10 through 2013-14**

**TABLE 4**

Project/Description	Goals Achieved	Strategic Objective(s) & Implementation Tool(s)	Projected Timeframe
<p><input type="checkbox"/> <b>Planning Division Support.</b> Ongoing support will be given to the Planning Division to plan for affordable housing and implement the City's Below Market Rate (BMR) housing ordinance. The Agency will also support planning efforts such as the Downtown &amp; Transit Corridors Specific plan and the adoption of a new Housing Element.</p>		<p>7</p> <p>Owner Participation/ Assistance</p> <p>Property Acquisition/Land Assemblage</p> <p>Funding Public Infrastructure &amp; Facilities</p>	<p>Ongoing</p>



## **AFFORDABLE HOUSING COMPLIANCE**

### **BLUEPRINT FOR AGENCY HOUSING ACTIVITIES**

---

The Housing Compliance Plan serves as a blueprint for current and future Agency activities within the Project Area and outlines how it will meet its low and moderate income housing responsibilities and eliminate blight. This Housing Compliance Plan presents a summary of the Agency's inclusionary and replacement housing programs as mandated by Sections 33413(b)(4) and 33490(a)(2) and (3) of CRL Section 33000 et. seq. Specifically, it presents a forecast of the number of affordable housing units that may be required over the ten-year Compliance Period, and assesses the Agency's plans to facilitate the creation of the required number of affordable housing units within this timeframe.

Adoption of a Housing Compliance Plan does not constitute approval of any specific project, program, or expenditure; and it does not change the need to obtain any required approval of a specific program, project, or expenditure from the Agency or community. The Housing Compliance Plan is a general statement of direction rather than an unalterable course of action. As such, in order to effectuate its purposes due to unknown circumstances or new opportunities that arise from time to time, the Agency may amend the Housing Compliance Plan during the five-year term of the Implementation Plan at any point, including but not limited to the mid-term opportunity as required by CRL.

### **HOUSING PRODUCTION**

Since 1976, redevelopment agencies have been required to assure that at least 30 percent 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 percent, not less than 50 percent are required to be available at affordable costs to very low income households. Further, for all units developed in the project area by entities other than an agency, the CRL requires that at least 15 percent 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 percent of the dwelling units are required to be available at affordable costs to very low income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated unless so required by an agency. Appendix 2 provides a glossary of terms related to affordable housing covenants, affordability limits, and inclusionary unit satisfaction.

The Inclusionary Housing Obligations table on the following page summarizes the production goals over various time periods as required by the CRL. The number of affordable units required is based on statutory thresholds prescribed by the CRL, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during the Compliance Period.

To estimate the number of housing units that need to be affordable to low and moderate income households, the Agency estimated the total number units to be constructed or substantial rehabilitated in the Project Area and applied formulas established in the CRL. The following inclusionary housing analysis takes into account all residential construction or substantial rehabilitation that occurred within the Project Area since its inception to determine affordable housing production needs, and includes projections for the number of additional dwelling units to be constructed or substantially rehabilitated during the Compliance Period, the next ten years, and over the life of the Redevelopment Plan.



<b>Inclusionary Housing Obligation</b>		<b>TABLE 5</b>		
<b>Time Period</b>	<b>Total Units Produced (Market &amp; Affordable)</b>	<b>Total Affordable Units Required</b>	<b>Very Low Income Units</b>	
<b>Adoption through 2003-04</b>				
<b>July 1999 through 2003-04 (Actual)</b>				
Total Units <sup>1</sup>	0	0	0	
<b>Compliance Period</b>				
<b>2004-05 through 2008-09 (Actual)</b>				
Total Units <sup>1</sup>	917	138	55	
<b>2009-10 through 2013-14 (Projected)</b>				
Total Units <sup>2</sup>	263	39	16	
<b>Next Compliance Period (First Five Years)</b>				
<b>2014-15 through 2018-19 (Projected)</b>				
Total Units <sup>3</sup>	257	39	15	
<b>Remaining Plan Duration</b>				
<b>2019-20 through July 2030 (Projected)</b>				
Total Units <sup>3</sup>	256	38	15	
<b>Total Redevelopment Plan Duration</b>				
Total Units	1,693	254	102	

<sup>1</sup> Units built or substantially rehabilitated in the Project Areas as reported by the City.

<sup>2</sup> Units predicted based on projects under construction or entitled.

<sup>3</sup> Units predicted based on quantified housing objectives in the San Bruno Housing Element (Table 4.5-1). A greater amount may be built based on successful implementation of the Downtown & Transit Corridors Specific Plan. The inclusionary housing unit obligation will be adjusted accordingly based on future development.

Note: Numbers may not appear to add correctly due to rounded decimals

Development since the adoption of the Project Area in 1999 has generated a need for 138 affordable income restricted units, including 55 very low income units. Residential development projected throughout the entire duration of the Redevelopment Plan is estimated to generate a need for 254 affordable income restricted units, including 102 very low income units. The inclusionary housing obligation throughout the remaining life of the Redevelopment Plan is estimated based on the potential build out of land zoned for residential use in the Project Area as stated in the 2009-2014 Housing Element. The inclusionary housing obligation may change based on the level of development realized on opportunity sites identified in the Downtown & Transit Corridors Specific Plan. The Agency will monitor Project Area development and adjust its inclusionary unit production obligation in future years as necessary.

Table 6 shows the number of affordable housing units the Agency has produced from the adoption of the Redevelopment Plan through fiscal year 2008-09, as well as the number of affordable units the



Agency anticipates to produce through the end of the Compliance Period, or fiscal year 2013-14. The table also shows the anticipated number of units the Agency will need to produce from fiscal year 2014-15 through the remaining life of the Redevelopment Plan in order to meet its predicted inclusionary housing obligation.

**Inclusionary Housing Production** **TABLE 6**

Time Period	Affordable Units Built or Covenanted	
	Total	Very Low
<b>Prior to 2004</b>		
Adoption through 2003-04 (Actual)	0	0
<b>Compliance Period</b>	<b>210</b>	<b>108</b>
2004-05 through 2008-09 (Actual)	202	108
<i>Crossing Archstone I</i>	60	60
<i>Crossing Archstone II</i>	37	37
<i>Village Senior Apartments</i>	105	11
2009-10 through 2013-14 (Projected)	8	0
<i>Downtown Southern Gateway</i>	8	0
<b>Next Compliance Period (First Five Years)</b>		
2014-15 through 2018-19 (Projected)	39	15
<b>Remaining Plan Duration</b>		
2019-20 through 2030-31	38	15
<b>Total Redevelopment Plan Duration</b>		
July 1999 through July 2030	287	138

Note: Numbers may not appear to add correctly due to rounded decimals.

Table 7 summarizes the Agency's inclusionary housing obligation and fulfillment throughout the life of the Redevelopment Plan.



**Inclusionary Housing Fulfillment**

**TABLE 7**

Time Period	Total	Very Low
<b>Prior to 2004-05</b>		
Total Units Required (Adoption through 2003-04)	0	0
Total Units Produced (Adoption through 2003-04)	0	0
Remaining Surplus/(Deficit) as of June 30, 2004	0	0
<b>Compliance Period</b>		
<b>First Five Years (2004-05 through 2008-09)</b>		
Total Units Required (2004-05 through 2008-09)	138	55
Total Units Produced (2004-05 through 2008-09)	202	108
Cumulative Remaining Surplus/(Deficit) as of June 30, 2009	64	53
<b>Next Five Years (2009-10 through 2013-14)</b>		
Total Units Required (2009-10 through 2013-14)	39	16
Total Units Produced (2009-10 through 2013-14)	8	0
Cumulative Remaining Surplus/(Deficit) as of June 30, 2014	33	37
<b>Next Compliance Period (First Five Years)</b>		
Total Units Required (2014-15 through 2018-19)	39	15
Total Units Produced (2014-15 through 2018-19)	39	15
Cumulative Remaining Surplus/(Deficit) as of June 30, 2019	33	37
<b>Remaining Plan Duration</b>		
Total Units Required (2019-20 through 2030-31)	38	15
Total Units Produced (2019-20 through 2030-31)	38	15
Cumulative Remaining Surplus/(Deficit) at End of Plan Duration	33	36
<b>Total Redevelopment Plan Duration (July 1999 through July 2030)</b>		
Total Units Required	254	102
Total Units Produced	287	138
Ending Surplus	33	36

As the above table shows, development since the adoption of the Project Area through 2008-09 has generated a need for 138 affordable income restricted units, including 55 very low income units. The Agency has secured covenants on 202 affordable units from the adoption of the Redevelopment Plan through Fiscal Year 2008-09, 108 of which are restricted to very low income households. Thus, the Agency currently has a surplus of 33 affordable units and 37 very low income units. Development that is projected to occur in the next five years in the Project Area will generate the need for 39 affordable units, 16 of which must be restricted to very low income households. The Agency anticipates that during the same time period, there will 8 affordable units produced. Therefore, as of June 30, 2014, the production of affordable units throughout the Compliance Plan Period combined with those produced through Fiscal Year 2008-09 will give the Agency a total surplus of 33 affordable units and 37 very low income units.



Residential development projected throughout the entire duration of the Redevelopment Plan is estimated to generate a need for 254 affordable income restricted units, including 102 very low income units. Taking into account the surplus of affordable units at the end of the current Compliance Plan Period and the Agency's Below Market Rate housing policy requiring developers to provide affordable units (or pay an in-lieu fee) in housing projects built within the Project Area, the Agency will have an estimated surplus of 33 affordable and 36 very low income units at the expiration of the Redevelopment Plan.

## REPLACEMENT HOUSING

The CRL requires that whenever housing occupied by low and moderate income persons or 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, and moderate) as those removed. No housing units have been destroyed as a result of Agency activity, thus there is no need for replacement housing. The Agency does not anticipate destroying any housing units throughout the Compliance Period.

## HOUSING PROGRAM CASH FLOW ANALYSIS

The Agency's primary source of funding for housing projects and programs is the annual deposit of 20 percent of its tax increment revenue into the Housing Fund. The CRL requires that these funds be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low, and moderate incomes. Other sources of Housing Fund revenues include interest earnings, bond proceeds, loan repayments, and other miscellaneous revenue. The following table presents the Agency's Housing Fund projected cash flow over the next five years.

As shown on Table 8, it is estimated that in addition to the existing fund balance of \$1.8 million, \$9.7 million will be deposited into the Housing Fund over the next five years, of which \$3.3 million will be needed to pay obligations such as administration and operating costs. It is estimated that \$3.9 million will be allocated to on-going projects and programs that have known costs, leaving \$4.3 million (including the existing fund balance) to fund new projects and programs.



**Housing Fund Cash Flow Projections 2009/10 - 2013/14**

**TABLE 8**

	2009-10	2010-11	2011-12	2012-13	2013-14	Cum. 5-Year
<b>Beginning Fund Balance</b>	\$ 1,782,758	\$ 2,144,845	\$ 2,570,259	\$ 3,067,282	\$ 3,638,062	
<b>Revenue</b>						
LMIHF Deposit <sup>1</sup>	1,769,616	1,852,032	1,943,368	2,037,443	2,134,341	9,736,800
<b>Total Revenue</b>	1,769,616	1,852,032	1,943,368	2,037,443	2,134,341	9,736,800
<b>Expenses / Encumbrances</b>						
Admin, Operations, Planning <sup>2</sup>	608,833	627,098	645,911	665,288	685,247	3,232,377
County Admin Fee <sup>3</sup>	17,696	18,520	19,434	20,374	21,343	97,368
<b>Total Expenditures</b>	626,529	645,618	665,345	685,663	706,590	3,329,745
<b>Net Cash Flow</b>	<b>2,925,845</b>	<b>3,351,259</b>	<b>3,848,282</b>	<b>4,419,062</b>	<b>5,065,813</b>	
Ongoing/Planned Projects & Programs <sup>4</sup>	781,000	781,000	781,000	781,000	781,000	3,905,000
<b>Ending Balance Available for New Projects/Programs</b>	\$ 2,144,845	\$ 2,570,259	\$ 3,067,282	\$ 3,638,062	\$ 4,284,813	

<sup>1</sup> Equals 20% of gross tax increment revenue, assuming a 3% growth rate in assessed value. Tax increment is assumed to be one percent of the incremental value (the assessed value minus the base year value).

<sup>2</sup> Admin and Planning expenses assumed to grow at annual rate of 3%. FY 2009-10 amount reported in the annual Agency budget. Includes personnel services, contract services, operations, and internal allocations (excluding direct project costs).

<sup>3</sup> Estimated to be 1% of LMIHF deposits

<sup>4</sup> Does not include costs for all proposed projects and programs. Costs for several projects and programs are to be determined based on market opportunities and the available fund balance in the Agency budget.

Notes:

- a. Total revenues do not reflect potential for future bond issues.
- b. Developer participation may supplement revenues needed to fund redevelopment project
- c. All ongoing/planned projects and programs will be prioritized based upon available revenues.



## EXPENDITURES BY HOUSEHOLD TYPES

Effective January 2002, expenditure of Housing Fund revenues is subject to certain legal requirements. At a minimum, the Agency's Housing Fund revenue is to be expended in proportion to the community's need for very low and low income housing, as well as the proportion of the low income population under the age of 65. New legal requirements took effect in 2006 that modified the previous limitation of spending Housing Fund monies on households under the age of 65. Section 33334.4(b) of CRL used to require that an agency spend its Housing Fund monies "in at least the same proportion as the population under age 65 bears to the total population based on the most recent census." The new language provides a higher level of specificity to spend "in at least the same proportion as the number of low income households with a member under age 65 bears to the total number of low income households of the community as reported in the most recent census."

The community's proportionate need is based on statistics from the Association of Bay Area Governments, used by local government to meet state requirement for affordable housing by category, and the US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy ("CHAS") allocation numbers. However, as data relating to low income person under the Age of 65 is not readily available from the US Census, the metric that closest approximates it is from the CHAS database which represents data of low income persons below the age of 62.

The following represents the minimum Housing Fund expenditure thresholds for very low and low income as well as the maximum housing expenditure thresholds for households over 65 years of age required over the term of the Compliance Period. The chart specifically details the Agency's Housing Fund expenditure during the first five years of the Compliance Period and the projected expenditures during the remainder of the Compliance Period. The Agency anticipates meeting their Housing Fund targeting requirements by the end of the Compliance Period.



**Proportional Expenditure Allocation, 2004-05 to 2013-14**

**TABLE 9**

Income Level	RHNA Allocation 2007-2014 (Units) <sup>1</sup>	Targeting Requirement (% of Total)	2004-05 to 2008-09		2009-10 to 2013-14		2004-05 to 2013-14	
			Expenditure	%	Expenditure	%	Expenditure	%
Very Low (min)	222	39%	\$1,805,684	91%	\$3,405,000	89%	\$5,210,684	90%
Low (min)	160	28%	\$97,105	5%	\$400,000	11%	\$497,105	9%
Moderate/Unrestricted (max)	188	33%	\$74,211	4%	\$0	0%	\$74,211	1%
	570	100%	\$1,977,000	100%	\$3,805,000	100%	\$5,782,000	100%

Age Category	CHAS Allocation (Households) <sup>2</sup>	Targeting Requirement (% of Total)	2004-05 to 2008-09		2009-10 to 2013-14		2004-05 to 2013-14	
			Expenditure	%	Expenditure	%	Expenditure	%
Non-Age Restricted (min)	2,962	63%	\$1,677,000	85%	\$3,805,000	100%	\$5,482,000	95%
Age-Restricted (max) <sup>3</sup>	1,716	37%	\$300,000	15%	\$0	0%	\$300,000	5%
	4,678	100%	\$1,977,000	100%	\$3,805,000	100%	\$5,782,000	100%

<sup>1</sup> Association of Bay Area Governments' Regional Housing Needs Allocation

<sup>2</sup> 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>).

<sup>3</sup> Age-restricted means any housing unit that is not available to all persons regardless of age.



The Agency expended the majority of the Housing Fund on very low income and non-senior households during the beginning of the Compliance Period (2004-05 through 2008-09). The Agency has projected \$3.8 million of Housing Fund expenditures for projects and programs implemented over the remainder of the Compliance Period (2009-10 through 2013-14). Future Housing Fund expenditures will be expended in the proportions detailed in the above table. The Agency will exceed the minimum proportion of expenditures required for very low income households and will not exceed the maximum proportion of expenditures permitted for moderate income/unrestricted households. The minimum proportion of expenditures on low income households may be fulfilled by expenditures on very low income households. Although the Agency has a surplus of affordable housing units, the Housing Fund must be expended in a timely manner to avoid penalties due to the Agency incurring an excess surplus in the Housing Fund pursuant to CRL Section 33334.10.

## **PRIOR FIVE-YEAR HOUSING FUND EXPENDITURES**

### **Units Assisted by Housing Set Aside Fund**

The CRL requires a recap of the number of the projects assisted by the Housing Fund to create extremely low, very low, and low units over the past implementation plan period (Fiscal Years 2004-05 through 2008-09). The CRL also requires a recap of the number, location, level of affordability and the amount of Housing Funds expended on multi-family units. The table on the following page summarizes these statistics.



**Housing Fund Expenditures 2004-05 through 2008-09**

**TABLE 10**

Project	Very Low Inc. Units	Housing \$ Spent on Very Low Inc. Units	Low Inc. Units	Housing \$ Spent on Low Inc. Units	Moderate Inc. Units	Housing \$ Spent on Moderate Inc. Units	Total Affordable Units	Total Housing Expenditures
Crossing Archstone I	60	1,218,000	0	-	0	-	60	\$ 1,218,000
Crossing Archstone II	37	459,000	0	-	0	-	37	459,000
Village Senior Apartments <sup>1</sup>	11	8,684	123	97,105	94	74,211	228	180,000
Residential Rehabilitation Program Rental Subsidies	2	120,000	0	-	0	-	2	120,000
<b>Total</b>	<b>110</b>	<b>\$ 1,805,684</b>	<b>123</b>	<b>\$ 97,105</b>	<b>94</b>	<b>\$ 74,211</b>	<b>327</b>	<b>\$ 1,977,000</b>

Age Category	Very Low Inc. Units	Housing \$ Spent on Very Low Inc. Units	Low Inc. Units	Housing \$ Spent on Low Inc. Units	Moderate Inc. Units	Housing \$ Spent on Moderate Inc. Units	Total Affordable Units	Total Housing Expenditures
Units for Seniors	13	128,684	123	97,105	94	74,211	230	300,000
Units for Families	97	1,677,000	0	0	0	0	97	1,677,000
<b>Total</b>	<b>110</b>	<b>\$ 1,805,684</b>	<b>123</b>	<b>\$ 97,105</b>	<b>94</b>	<b>\$ 74,211</b>	<b>327</b>	<b>\$ 1,977,000</b>

<sup>1</sup> The Village Senior Apartments has 123 units that are restricted to households at or below 60% of the Area Median Income for 30 years. Although the length of the covenant is too short to qualify as inclusionary housing, the expenditures may be counted toward low income senior households.



The table above breaks down the Housing Fund expenditures from the past five years by income category and age group. As is also shown in the Housing Fund Proportional Expenditure Allocation table, \$1.8 million (91 percent) of the Housing Fund was expended on very low income housing, \$97,105 (5 percent) was expended on low income housing, and \$74,211 (4 percent) was expended on moderate income housing. The Agency also spent \$1.7 million (85 percent) of the Housing Fund on non-age restricted units and \$300,000 (15 percent) on age-restricted senior units.

#### **Housing Units Constructed During Prior Implementation Plan Without Housing Set Aside Funds**

Since Fiscal year 2004-05, no affordable units featuring long term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing) have been created with funds other than tax increment.



## **APPENDIX 1: GLOSSARY OF HOUSING TERMS**



## APPENDIX 1

### Glossary of Housing Terms

---

There are many ways in which the Agency may create inclusionary units that satisfy the requirements outlined in Law Section 33413 including new construction of for-sale and rental housing, substantial rehabilitation, and the purchase of covenants on multifamily rental housing.

New Construction & Substantial Rehabilitation: For-sale (affordable) inclusionary units or inclusionary multifamily rental housing may be created by assisting new construction or providing financing for purchasers of new housing, and by substantially rehabilitating such units per the Law definition. To be counted toward the Agency inclusionary unit need, for sale units must be covered by a 45-year affordability covenant and rental units by a 55-year affordability covenant.

Purchase of Covenants: The Agency may use the Housing Fund to subsidize multifamily units that are not substantially rehabilitated or newly constructed, by the purchase of an affordability covenant. The affordability covenants on multifamily units would restrict such units for a period of 55 years. Such units must be occupied by and affordable to very low and low income households. The Agency may only meet up to 50 percent of their required inclusionary unit need in this manner. Furthermore, 50 percent of the covenants purchased must be affordable to very low and low income households. Inclusionary units secured by the Agency through the purchase of covenants, substantial rehabilitation, and new construction that are located within the Project Area boundaries can be counted on a one-for-one basis. If the units are located outside of the Project Area they only receive one-half ( $\frac{1}{2}$ ) credit (counted on a two-for-one basis). Mutual self-help housing units receive a  $\frac{1}{3}$  credit towards satisfying inclusionary unit production requirements.

Mutual Self-help Housing: Mutual self-help housing refers to very low or low income, owner-occupied housing units where residents have contributed at least 500 hours of work on the unit to ensure safe and sanitary housing. Mutual self-help housing units must be deed restricted for at least 15 years. Each housing production unit must have a covenant recorded with the county pursuant to Law Section 33334.3 in order to be counted.

### DURATION OF AFFORDABILITY COVENANTS

Prior to January 1, 2002: for no less than the period of land use controls established in the redevelopment plan.

After January 1, 2002: for the longest feasible time, but not less than 55 years for rental housing and 45 years for owner occupied housing.

Under Section 33413, rental housing units may be replaced prior to the expiration of the 55-year period with equally affordable and comparable rental units in another location within the City if (i) the replacement units are available for occupancy prior to the displacement of any persons residing in the subject units and (ii) the comparable replacement units are not developed using moneys in the Housing Fund.

Under Section 33413, owner-occupied units may be sold prior to the expiration of the 45-year period for a price in excess of what would otherwise be allowed if the units are subject to an equity sharing agreement or some other program that protects the Agency's investment of Housing Fund moneys. The Agency must deposit the excess proceeds in the Housing Fund and within three years from the date of the sale of the units, spend funds to make affordable an equal number of units at the same



income level as the units sold. Only the units originally assisted by the Agency can be counted towards the Agency's obligations under Section 33413.

## AFFORDABILITY INCOME AND COST LEVELS

Section 50052.5 of Health and Safety Code defines affordable housing cost as:

- Extremely Low – Not more than 30% of 30% of the County median household income.
- Very Low - Not more than 30% of 50% of the County median household income.
- Low - Not more than 30% of 70% (or 30% of 60% for rental projects) of the County median household income.
- Moderate - Not more than 35% of 110% (or 30% of 120% for rental projects) of the County median household income.

The following tables detail affordable housing costs for rental and ownership units in San Bruno based on the 2009 San Mateo County Area Median Income.



**SAN MATEO COUNTY  
 2009 Affordable Rent Limits**

*(Income figures based on Department of Housing and Community Development Income Limits dated April 2, 2009)*

<b>Studio</b>		<b>1 Bedroom</b>		<b>2 Bedroom</b>		<b>3 Bedroom</b>	
<b>Median Income: \$67,750</b>		<b>Median Income: \$77,450</b>		<b>Median Income: \$87,100</b>		<b>Median Income: \$96,800</b>	
Income Category	Monthly Affordable Rent <sup>(1)</sup>	Income Category	Monthly Affordable Rent	Income Category	Monthly Affordable Rent	Income Category	Monthly Affordable Rent
Very Low	\$847	Very Low	\$968	Very Low	\$1,089	Very Low	\$1,210
Low	\$1,016	Low	\$1,162	Low	\$1,307	Low	\$1,452
Moderate	\$1,863	Moderate	\$2,130	Moderate	\$2,395	Moderate	\$2,662

<b>4 Bedroom</b>		<b>5 Bedroom</b>		<b>6 Bedroom</b>		<b>7 Bedroom</b>	
<b>Median Income: \$104,550</b>		<b>Median Income: \$112,300</b>		<b>Median Income: \$120,050</b>		<b>Median Income: \$127,800</b>	
Income Category	Monthly Affordable Rent	Income Category	Monthly Affordable Rent	Income Category	Monthly Affordable Rent	Income Category	Monthly Affordable Rent
Very Low	\$1,307	Very Low	\$1,404	Very Low	\$1,501	Very Low	\$1,598
Low	\$1,568	Low	\$1,685	Low	\$1,801	Low	\$1,917
Moderate	\$2,875	Moderate	\$3,088	Moderate	\$3,301	Moderate	\$3,515

**DEFINITIONS**

1. Affordable Rent: Monthly rent amount would be adjusted for a reasonable utility allowance.



**SAN MATEO COUNTY  
 2009 Affordable Ownership Housing Cost Limits**

*(Income figures based on Department of Housing and Community Development Income Limits dated April 2, 2009)*

<b>Studio</b>		<b>1 Bedroom</b>		<b>2 Bedroom</b>		<b>3 Bedroom</b>	
<b>Median Income:</b>	<b>\$67,750</b>	<b>Median Income:</b>	<b>\$77,450</b>	<b>Median Income:</b>	<b>\$87,100</b>	<b>Median Income:</b>	<b>\$96,800</b>
Income Category	Monthly Affordable Housing Cost <sup>(1)</sup>	Income Category	Monthly Affordable Housing Cost	Income Category	Monthly Affordable Housing Cost	Income Category	Monthly Affordable Housing Cost
Very Low	\$847	Very Low	\$968	Very Low	\$1,089	Very Low	\$1,210
Low <sup>(2)</sup>	\$1,186	Low	\$1,355	Low	\$1,524	Low	\$1,694
Moderate <sup>(3)</sup>	\$2,174	Moderate	\$2,485	Moderate	\$2,794	Moderate	\$3,106

<b>4 Bedroom</b>		<b>5 Bedroom</b>		<b>6 Bedroom</b>		<b>7 Bedroom</b>	
<b>Median Income:</b>	<b>\$104,550</b>	<b>Median Income:</b>	<b>\$112,300</b>	<b>Median Income:</b>	<b>\$120,050</b>	<b>Median Income:</b>	<b>\$127,800</b>
Income Category	Monthly Affordable Housing Cost	Income Category	Monthly Affordable Housing Cost	Income Category	Monthly Affordable Housing Cost	Income Category	Monthly Affordable Housing Cost
Very Low	\$1,307	Very Low	\$1,404	Very Low	\$1,501	Very Low	\$1,598
Low	\$1,830	Low	\$1,965	Low	\$2,101	Low	\$2,237
Moderate	\$3,354	Moderate	\$3,603	Moderate	\$3,852	Moderate	\$4,100

**DEFINITIONS**

1. Monthly Housing Costs: Amount of mortgage payment principal and interest, mortgage insurance, property taxes, and property insurance. and reasonable utility allowance
2. Low Income Affordable Housing Costs: Assumes affordable housing costs computed at 30% of 70% of median income.
3. Moderate Income Affordable Housing Costs: Assumes affordable housing costs computed at 35% of 110% of median income; may not be less than 28% of household's gross income.



San Bruno Redevelopment Agency  
567 El Camino Real  
San Bruno, California 94066  
(650) 616-7074

Adopted February 9, 2010

Prepared By:

