2005-2010 IMPLEMENTATION PLAN

Merged Project Area

Redevelopment Agency of the City of San Buenaventura
Adopted December 20, 2004

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I. INTRODUCTION

This document is the Five-Year Implementation Plan ("Plan") for the Merged San Buenaventura Redevelopment Project ("Merged Project Area") of the Redevelopment Agency of the City of San Buenaventura ("Agency"). The Plan covers the fiscal years of 2004-05 through 2009-10 and is required by California Redevelopment Law, Health and Safety Code Section 33000 *et seq.* ("Law").

In effect, this Plan:

1. Guides the Agency's goals, objectives and potential programs over the next five years.

2. Provides flexibility so the Agency can adjust to changing circumstances.

3. Describes the Agency's program to meet its affordable housing obligations pursuant to Law.

II. PLAN REQUIREMENTS

Required Topics

Under the requirements of the Community Redevelopment Reform Act of 1993 (AB 1290) and amended by SB 732 in 1994, redevelopment agencies are required to adopt a new implementation plan every five years. Health and Safety Code Section 33490 specifies the following information in such a plan:

- Redevelopment goals and objectives for the next five years.

- Programs, projects and expenditures planned for the next five years.

- An explanation of how the goals, objectives and expenditures will eliminate blight.

- Specified information about an agency's affordable housing program including plans for deposits to, and expenditures from, the 20 percent tax increment housing set-aside fund ("Housing Fund").

Public Participation

Health and Safety Code Section 33490 requires an agency to hold a noticed public hearing before the adoption of its implementation plan. Notice of the hearing must be posted in at least four locations in the subject project area at least 31 days before the hearing. Additionally, notice of the hearing must be published in an area newspaper of general circulation once a week for at least three weeks, with the first publication occurring at least 31 days before the hearing.

The Agency held its public hearing for this Plan on December 20, 2004. The public hearing notices were published in the *Ventura County Star* and posted in the Merged Project Area.

Health and Safety Code Section 33490(c) states that between two and three years after adoption of an implementation plan, an agency must hold a public hearing to review the redevelopment plan and its latest implementation plan. The purpose of the review is to assess the extent to which an agency's actual activities conform to the activities described in the previously adopted implementation plan. The Agency's mid-term review of this Plan is scheduled between 2007 and 2008.

III. OVERVIEW

Agency Background

The Agency adopted its first redevelopment plan in February 1966 for the Beach Front Project. The objective was to revitalize an important segment of the downtown and adjacent waterfront area by converting and improving appropriate parcels into desirable development sites. Redevelopment occurred through the acquisition and disposition of property, site clearance and improvements, circulation enhancements, property rehabilitation, and utility undergrounding. The Beach Front Redevelopment Plan was amended in 1967 by ordinance to include certain relocation provisions; and in 1971 to add territory and revise development standards.

The Agency's second adopted project area was the Mission Plaza Project in December 1972. The project called for the removal of structurally substandard structures, acquisition and disposition of land parcels, land use changes and the implementation of urban design principles, infrastructure improvements, and the provision of affordable housing units. In July 1973, the Mission Plaza Redevelopment Plan was amended to exclude certain properties from the project area.

The Original Downtown Redevelopment Plan was the Agency's third redevelopment plan. Adopted in March 1978, the plan called for the elimination of blight, the promotion and preservation of the City's historic past, medium density residential development, urban design standards, and tourist activities. The plan was amended in November 1980 to add territory; in July 1983 to amend certain land use designations; and again in September 1990 to make changes to development standards and add territory. The document was also redesignated the Downtown Redevelopment Plan in December 1990 and to keep conformance with the Downtown Specific Plan, it again was amended in July 1993 and July 1995. The latter amendment added territory to the project area.

Finally, in November 1997, the Agency merged its three redevelopment project areas into the current Merged Project Area (Figure 1). The merger allowed: (1) financing purposes pursuant to Article 16, Sections 33485-33489 of the Law; and (2) replacement of the three individual redevelopment plans with one amended and restated redevelopment plan ("Redevelopment Plan"). The Redevelopment Plan now provides a process and basic framework for specific projects in the Merged Project Area; Table 1 provides a Redevelopment Plan profile.

TABLE 1: PROFILE

Land Area	326 acres
General Boundaries	West: State Route 33 East: Ash Street South: Pacific Ocean North: Poli Street, Park Row Avenue
Land Use	Downtown Specific Plan
Date Adopted	11/17/1997
Limits	
Plan Duration[1]	Downtown Original: 04/20/2018 Downtown No. 1: 12/17/2020 Downtown No. 3: 10/10/2030 Downtown No. 5: 07/26/2025 Beach Front Amendment: 01/01/2009 Mission Plaza Amendment: 12/18/2012
Tax Increment (TI)	$200,000,000
Bonded Indebtedness	$36,000,000
Current TI Flow[2]	$2,225,610

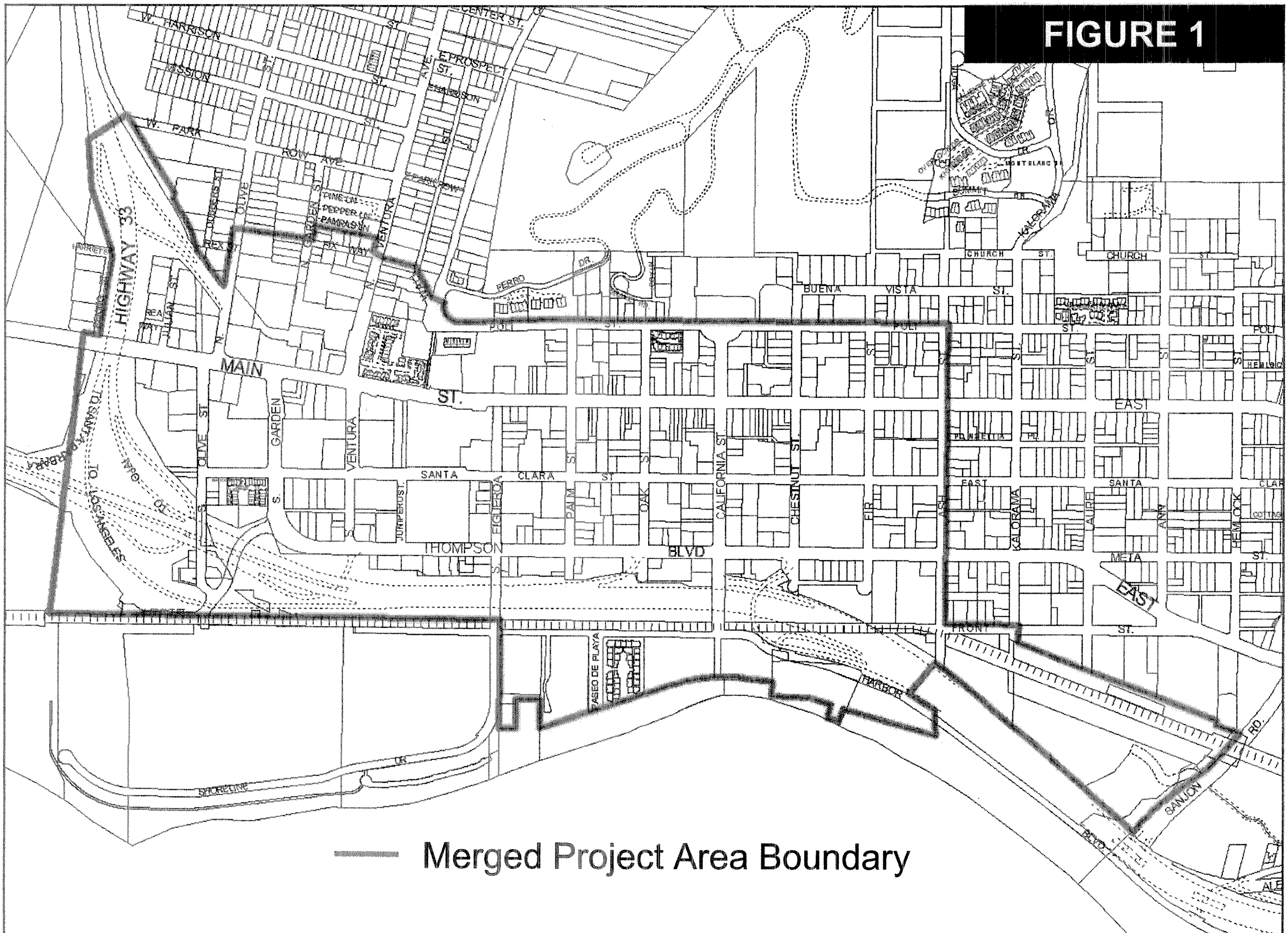
[1] Limits provide for former project areas inclusive of the Merged Project Area.
[2] Projected for FY 2004-05; value is gross TI.

Blighting Conditions

The presence of blighting conditions was addressed at the time the Merged Project Area was formed in 1997. Many of these blighting conditions are still present and continue to be the focus of the Agency's redevelopment activities.

The September 1997 *Report to City Council*, prepared at the time the Merged Project Area was established, included extensive discussion of the area's physical and economic blighting conditions. Apparent physical blighting conditions included unsafe and physically obsolete buildings, lack of parking, incompatible land uses, and parcels of

FIGURE 1



— Merged Project Area Boundary

1 DEC 2004

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irregular shape and inadequate size. Economic blighting conditions included impaired investments, relatively high vacancies, and deficient public improvements.

IV. REDEVELOPMENT ACTIVITIES: 1999-2004

Over the past five years, the Agency has participated in public-private partnerships that resulted in a number of successful projects. These achievements were directed toward meeting the general goals and objectives, and specific projects and programs stipulated in the Agency's 1999-2004 Implementation Plan (Figures 2 and 3).

FIGURE 2
GOALS AND OBJECTIVES

GOAL I
Encourage and Stimulate Private Investment

Objective IA. Continue disposition and development of remaining Agency-owned property.

Objective IB. Promote residential development close to the Downtown core.

Objective IC. Pursue funding sources (and establish programs) for the upgrade of existing commercial property and to assist small businesses.

GOAL II
Provide Affordable Housing Pursuant to Law

Objective IIA. Assist in providing housing for senior citizens.

Objective IIB. Assist in providing housing for families.

Objective IIC. Facilitate homeownership.

Objective IID. Where feasible, subsidize affordable units as a component of market rate projects.

GOAL III
Invest in Infrastructure Upgrades and Enhance Community Facilities

Objective IIIA. Continue to improve City parking facilities downtown.

Objective IIIB. Continue to upgrade existing lighting and landscaping in the public right-of-way.

Objective IIIC. Work to create a unified theme for public improvements in the Downtown core.

FIGURE 3
PROJECTS AND PROGRAMS

1. *Market and dispose of Agency-owned parcels and, as appropriate, use Agency-owned parcels to assemble larger projects.*
2. *Complete Phase I and II environmental site assessments for hazardous materials as necessary for Agency-owned properties.*
3. *Secure necessary regulatory compliance for Agency-owned property.*
4. **Jointly market the Ventura Unified School District property.**
5. **Complete the disposition of a 26-unit townhouse development at Ventura Avenue and Garden Street.**
6. Complete disposition of the Agency's parcel at the northwest corner of Thompson Boulevard and Figueroa Street.
7. **Solicit development proposals for Agency-owned property adjacent to the Knights of Columbus building on Figueroa Plaza.**
8. *Explore ways to assist in marketing and promoting the Downtown commercial district.*
9. **Facilitate planning for a public plaza at the intersection of Santa Clara and California Streets.**
10. Explore and facilitate development options for the southerly portion of Thompson Boulevard and Figueroa Street.
11. *Fund design and assist in the implementation of a unified signage and street furniture program.*
12. **Evaluate the effectiveness of a First-Time Homebuyers Program and consider continuing to fund the program if it is proving successful.**

FONT LEGEND
Italics: Accomplishment Ongoing
Bold: Accomplishment Completed
Regular: Accomplishment Pending

Categorized by Agency goals and inclusive of identified projects and programs, a summary of accomplishments is presented below.

Goal I: Encourage and Stimulate Private Investment

Development Activities
The Agency formalized a disposition policy that provides an efficient process for selling Agency-owned properties. The policy encourages investment by private developers and property owners by allowing the Agency to aggregate development sites and assist in their planning and entitlement approvals.[1]

Currently, the Agency is working on four owner participation projects that will transfer Agency and City-owned properties to adjacent landowners. The goal of these transactions is to assemble Agency properties with adjacent parcels that allow higher and better uses; examples include "catalyst" projects, neighborhood-serving uses, and additional housing. Agency properties scheduled for disposition include locations at: Garden and Main; California and Main; Ventura and Thompson; and 42 N. Chestnut (Figure 4). These projects will provide 6,500 sq. ft. of additional downtown commercial space and 252 new dwelling units.[2,3]

Finally, in conjunction with the Ventura Unified School District ("District"), the Agency marketed the District's Santa Clara site for development (Figure 4). As a result, preliminary plans call for a mixed-use project with an estimated 170 dwelling units. The completed project will provide the stimulus necessary to reverse the area's blighting conditions and promote a new image for the downtown area.

Civic Engagement
The Agency realizes that an economically viable downtown is in the interest of the community. In that light, Agency staff facilitates the Downtown Operations Team ("DOT"), a proactive committee of downtown stakeholders who address issues that appear to hinder downtown's vitality and growth. Over the past few years, the group has been instrumental in resolving downtown needs including a visitor restroom pilot program, increased lighting at City of Ventura ("City") parking lots, kiosk construction, holiday decorations, code violations, and marketing and event programming. The DOT also provides a pivotal role in disseminating information from the City, the Ventura Visitors and Convention Bureau, and other organizations.

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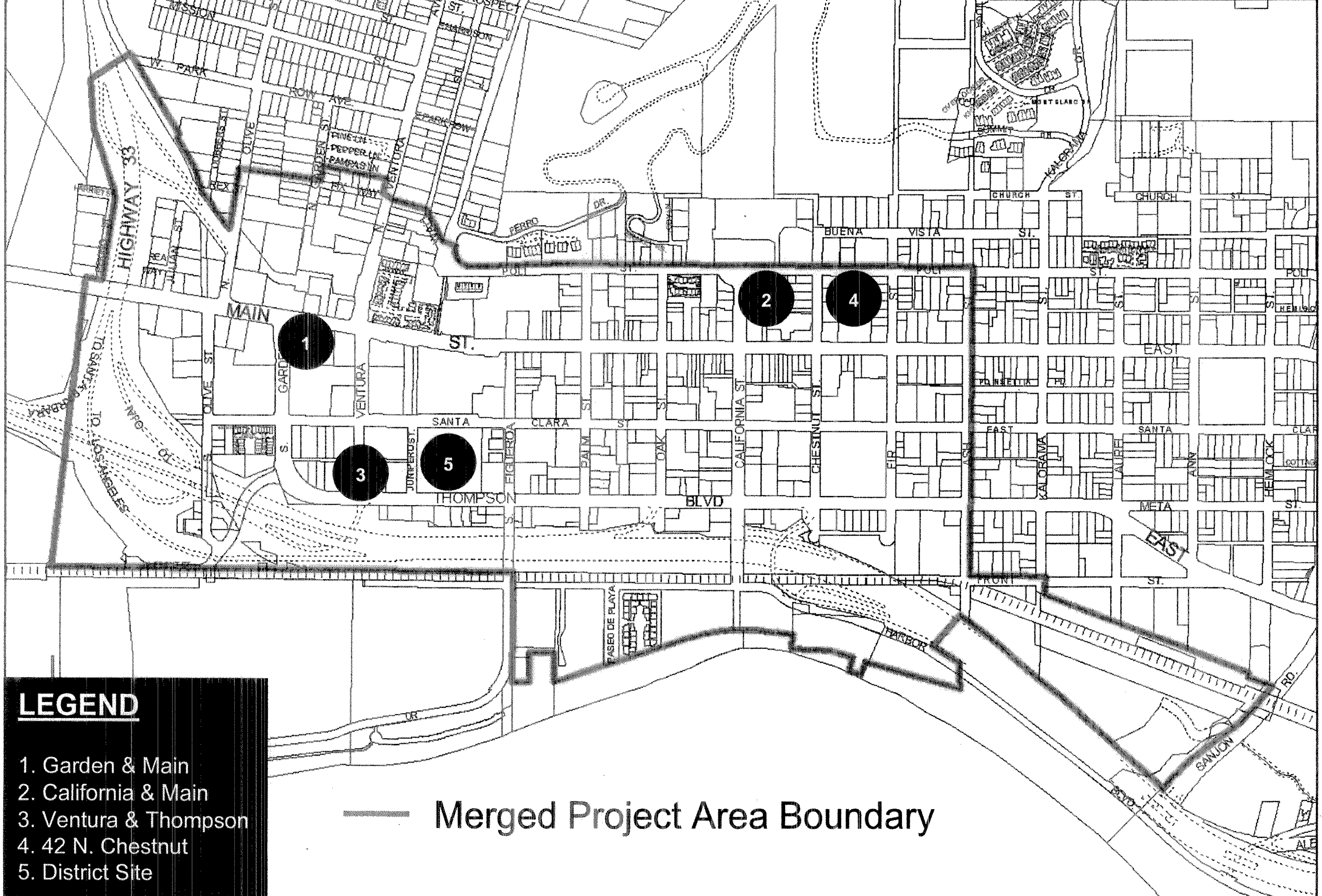
[1] As part of its disposition function, the Agency uses federal "Brownfield" funds for environmental site assessments and regulatory compliance (Figure 3, Items 2 and 3).
[2] Preliminary project estimates include: Garden and Main, 1,500 sq. ft. of commercial space and 33 dwelling units; California and Main, 5,000 sq. ft. of commercial space and 54 dwelling units; Ventura and Thompson, 140 dwelling units; and 42 N. Chestnut, 25 dwelling units. Note that a majority of activities accomplish Items 1 and 4 of Figure 3.
[3] Disposition activities defined by Figure 3, Items 6 and 10 are anticipated for sale or development by 2010.

FIGURE 4



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Small Business Loans

To underscore the importance of small businesses, especially in the downtown area, the Agency actively utilizes the City's Business Assistance Program ("Program"). The Program provides low-interest loans for working capital needs, code compliance issues, and façade improvements. Downtown businesses funded by the Program include: Toy Metropolis/Zazz, Palermo, American Flags and Cutlery, Wild Planet, Fruition, JW Design Studio, Burnon Inc./Rubicon Theatre, and New West Knife Works.[4]

Redevelopment Agency Financing

The Agency successfully completed an $8 million tax allocation financing plan. The plan allowed the issuance of Agency-sponsored tax allocation bonds to provide a $7.2 million repayment to the City's General Fund. As a result, City Council set aside $5.0 million for City-wide economic development projects.

Goal II: Provide Affordable Housing Pursuant to Law[5]

Pacifica Walk

The Agency provided three affordable units as part of the Pacifica Walk development located at Ventura Ave. and Santa Clara St. The ownership units will be maintained as affordable for 45 years and made available to moderate-income households.

First Time Homebuyers Program

Until last year, the Agency annually appropriated $100,000 of its Housing Fund for the City's First Time Homebuyers Program.[6] These monies were used to compliment an existing federally funded mortgage assistance program that allows homeownership to households earning no more than 80 percent of area median income. Ten units were assisted.[7]

Downtown Housing Strategy

The Agency completed a downtown housing strategy report on potential incentives that promote a diverse mix of downtown housing types. Over the next few years, the Agency will help facilitate the development of 769 units including 116 affordable units.[8,9] The goal: create a broad range of housing types and price levels that attract diverse populations to the downtown area.

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[4] Since 2000, the Program provided downtown businesses with over $560,000 in loan funds.

[5] Further discussion of the Agency's housing activities is provided under the section entitled "Housing Activities: 2005-15." Note that presented initiatives are used to leverage resources that allow the Agency to meet, and exceed, its affordable housing obligations.

[6] Starting in FY 2005-06, the Agency will annually allocate $50,000 as a program match source.

[7] All assisted units are outside the Merged Project Area.

[8] Based on developments identified by Table 9.

[9] As a result of the report, the Agency will fund a new Urban Development Division and complete the following studies: Downtown Specific Plan Update, Downtown Compatibility Guidelines, and 3-D View Shed Corridor Analysis.

Downtown Inclusionary Housing Resolution

An inclusionary housing resolution ("Resolution") was adopted to ensure that all future downtown residential projects include a portion of affordable housing. As a result, 15 percent of all new downtown residential units will be made affordable to very low-, low- and moderate-income households.[10]

With inclusionary housing (via Resolution), the construction of very low-, low- and moderate-income housing is linked to the construction of housing in the market place. This is done by requiring developers to provide affordable units in an otherwise market-driven development. Specifically, the Resolution will address the growing needs for workforce housing (e.g. housing for teachers, police, etc.) thus providing housing in the community they serve.

Artist Live-Work Housing (Artspace)

Through use of the City's federal "Brownfield" funds and the Agency's Housing Fund, a feasibility study and seed funding set the stage for an artist live-work development.[11] The project is a collaborative effort with the City's Cultural Affairs Division and Artspace, the nation's premier developer of artist live-work space. Site selection is underway and upon completion, the project will provide Ventura's artist community with up to 50 units of affordable housing.[12]

Goal III: Invest in Infrastructure and Enhance Community Facilities

Downtown Specific Plan Update

Agency staff has aggressively pursued this goal by collaborating with other City departments and community stakeholders to update the Downtown Specific Plan. The Merged Project Area is located within the specific plan boundaries.

The Downtown Specific Plan revisions will recommend land use policies, address parking and circulation deficiencies, provide market studies for suitable development, and prepare urban design plans for streetscape improvements. Scheduled for completion by late 2005, the Agency will review all recommendations and consider funding all identified public improvements such as circulation and parking upgrades, street furniture installations, and other capital projects.[13]

Cultural Arts Center

In November 2004, the Agency executed an agreement with the City and the San Buenaventura Foundation for the Arts to reserve Agency parcels for a future downtown cultural arts center. The agreement specifies design development and fundraising

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[10] The Resolution only applies to developments with 7 or more units.

[11] Funding breakdown: City "Brownfield" funds, $10,250 (feasibility study); Agency Housing Fund, $400,000 (seed funding).

[12] Affordability terms for housing units will meet California Redevelopment Law mandate.

[13] As of the date of this document, the planning exercise has resulted in draft plans for land use, development compatibility, streetscape design, parking studies, and other infrastructure needs. Further discussion is provided under the section entitled "Redevelopment Activities: 2005-2010."

milestones for a three-year period; upon their successful completion, the Agency will dispose of its parcels located on the north side of Santa Clara St.[14,15]

Public Plaza at Santa Clara and California Sts.

Construction of the public plaza at Santa Clara and California Sts. was completed in 1999. The plaza offers a "green space" activity center that provides basic active functions for City-sponsored events (i.e. ArtWalk, Alive After Five, and seasonal festivals) and passive functions for sitting, reading, and relaxing. It also serves as a downtown gateway characterized by walkways, lawn, and an information kiosk.

Benchmarks

The Agency will continue to facilitate the construction of projects that contribute to the economic revitalization of downtown, and at the same time, meet its affordable housing mandates.[16] A clear measure of the Agency's success is evidenced by increases in Downtown tax increment and sales tax revenues over the last five years of reportable data (Table 2).

TABLE 2: DOWNTOWN TAX INCREMENT AND SALES TAX REVENUE

	2000	2001	2002	2003	2004[2]
Revenue[1]					
Tax Increment	$1,237,305	$1,536,024	$1,636,510	$1,935,314	$2,225,610
Sales Tax	940,924	894,002	882,122	1,007,032	1,188,965
Total Revenue	$2,178,229	$2,430,026	$2,518,632	$2,942,346	$3,414,575
Increase	**2000**	**2001**	**2002**	**2003**	**2004[2]**
Tax Increment	0.73%	24.14%	6.54%	18.26%	15.00%
Sales Tax	-2.56%	-4.99%	-1.33%	14.16%	18.07%
Annual Increase	**-0.72%**	**11.56%**	**3.65%**	**16.82%**	**16.05%**

[1] Gross figures.
[2] Projected.

V. REDEVELOPMENT ACTIVITIES: 2005-2010

The Agency's proposed redevelopment program for the next five years will continue to address the goals and objectives identified by Figure 2. In many cases, the Agency's redevelopment program will build on its current activities and include some new ones based on planning recommendations, market demand, and community needs.

[14] Agency parcels include APN 730031130 and APN 730031140, which were identified for future development by Figure 3, Item 7.

[15] The proposed center will incorporate 600-seat and 200-seat performance spaces, art exhibition facilities, classrooms for arts education, and artist studios.

[16] Refer to Table 8 for information on the Agency's affordable housing mandates.

A summary of future Agency initiatives is provided below and again, categorized by Agency objectives. An explanation provided by Table 3 demonstrates how these activities address Agency objectives and eliminate blight.[17]

Goal I: Encourage and Stimulate Private Investment

Development Activities

The Agency will continue to implement its disposition policy. This includes disposition of Agency-owned properties currently in progress, and continued development oversight of the District's former administrative office site.

Given future market demand and available resources, the Agency may market its remaining parcels for disposition. In many cases, these properties will be co-marketed with adjacent City-owned parcels and made first available under an owner participation agreement.[18] Properties considered for future disposition include the parking lots on North Oak St., the Agency's "Salad Bowl" site, and parcels located adjacent to the waterfront parking structure. (Figure 5).[19]

Economic Development

In addition to its facilitatory role with the City's Business Assistance Program and the Downtown Operations Team, the Agency will undertake two new initiatives: development of a downtown retail strategy; and the establishment of a private non-profit downtown organization.

To broaden the range of merchandise and dramatically improve the experiences of shoppers visiting the downtown area, the Agency will develop a plan that responds to the considerable strengths, weaknesses, opportunities and challenges facing downtown retail. Conceptually, the strategy will: identify the appropriate type, mix and location of various types of retail to enhance downtown's retail destination status in the region; develop an implementation plan for the retail strategy; and determine specific recommendations for immediate and future action items. This approach would ultimately set the investment direction for the private and public sectors.

In a separate but complementary role, the Agency will also pursue development of a "Downtown, Inc.", a private non-profit organization formed to develop, manage and market downtown Ventura. Ideally, the corporation would encourage commercial and residential development, procure and manage services that make downtown safer, more attractive, and more accessible; form a marketing entity to attract more customers

[17] Although this Plan is designed to provide a blueprint for the Agency's actions over the next five years, it does not prohibit the Agency from participating in currently unanticipated programs, activities, or development opportunities.

[18] An owner participation agreement provides adjacent landowners or long-term business owners with the first right to provide an unsolicited acquisition proposal for Agency-owned land. Upon execution, each agreement contains guidelines that ensure proposed projects meet applicable development and planning standards.

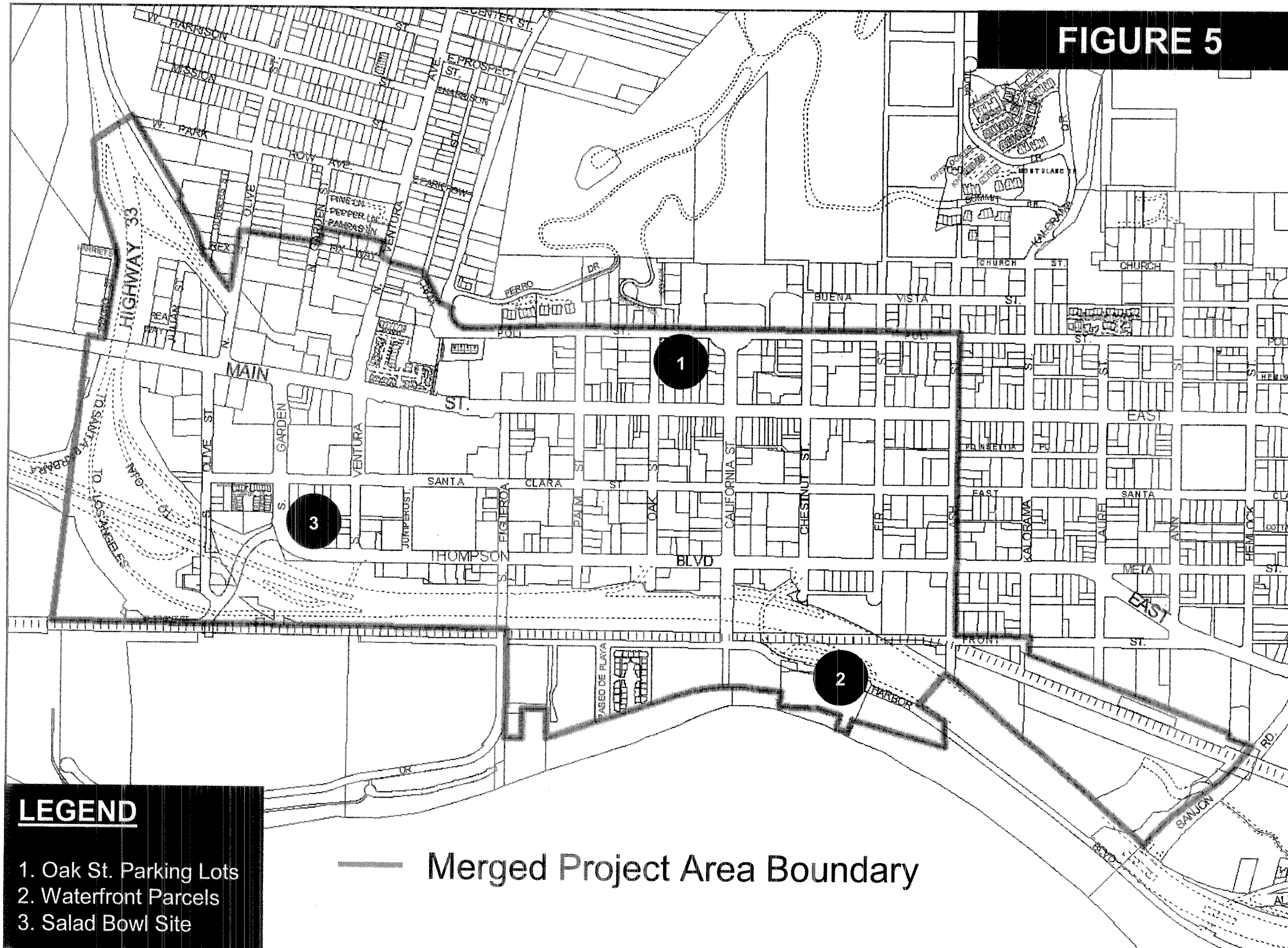
[19] Other activities will include ongoing disposition of the following sites: California and Main, Garden and Main, Ventura and Thompson, and 42 N. Chestnut.

TABLE 3: AGENCY ACTIVITY LINKAGES

	Agency Goals[1]			Blighting Conditions Addressed[2]	
	Encourage and Stimulate Private Investment	Provide Affordable Housing Pursuant to Law	Invest in Infrastructure Upgrades and Enhance Community Facilities	Physical Blight	Economic Blight
Artspace	X	X		X	X
Civic Engagement	X			X	X
Cultural Arts Center	X		X	X	X
Development and Disposition Activities	X	X	X	X	X
Downtown Inclusionary Housing Resolution		X		X	X
Downtown Retail Strategy	X		X	X	X
Downtown Specific Plan Update	X	X	X	X	X
Downtown, Inc.	X		X	X	X
Future Capital Improvement Projects	X		X	X	X
Notices of Funding Availability		X		X	X
Small Business Loans	X			X	X
Urban Development Division	X	X	X	X	X

[1] Figure 2 provides goal objectives for the 2005-10 planning period.
[2] Relates to blighting conditions as defined by Health and Safety Code Section 33031.

FIGURE 5



LEGEND

1. Oak St. Parking Lots
2. Waterfront Parcels
3. Salad Bowl Site

Merged Project Area Boundary

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downtown and increase the patronage of area offerings; and pursue public and private sources for specific services and marketing programs.

Goal II: Provide Affordable Housing Pursuant to Law[20]

Project Expediting

In April 2004, Agency staff went to the City Council with a comprehensive program to expedite processing for downtown projects. The City Council approved the "Green Team" concept, which included funding for the City's new Urban Development Division ("Division"). The Division provides planning support for the downtown area.[21]

The expedited approval process cuts the approval time for downtown projects, which projected for the next five years, are generally mixed-use with a housing component.[22] Reducing approval time for all housing types and prices reduces housing cost and leads to more affordable housing for all.[23]

Notices of Funding Availability

The City released a $3.35 million Notice of Funding Availability (NOFA) in October 2004, of which the Agency's Housing Fund provided $2.2 million. Circulated to qualified developers and development teams, the NOFA will seek proposals that result in the construction of new affordable housing units citywide. The Agency will use this resource as a leveraging tool to ensure that future and qualified downtown developments meet the Agency's inclusionary housing resolution.

Based on projections over the next few years, the Agency will have an additional $2.1 million of Housing Fund monies for future NOFAs (Table 10). Use of the funds will keep true to the Agency's intent to create new affordable housing units citywide.[24]

Goal III: Invest in Infrastructure and Enhance Community Facilities

Identified Capital Improvement Projects

In addition to reviewing and identifying funding for public improvements called out in the soon to be completed Downtown Specific Plan update, the Agency will also consider the following projects.

- Parking Management Strategy: The Agency is currently guiding a new downtown comprehensive parking management strategy that combines alternative transit options and pedestrian enhancements. Sites for potential new "park once" structures (i.e. a

[20] Refer to Footnote 5.

[21] The concept also includes a form-based development code and 3-D view shed corridor analysis of downtown. These tools smooth the entitlement approval process and provide clear direction to property owners and the development community.

[22] Refer to Footnote 8 and the discussion on the Agency's inclusionary housing ordinance (pg. 9).

[23] The process lends itself to housing affordability by lowering the cost of development through the reduction in holding cost and the reduction in the risk that is inherent in development.

[24] All Agency NOFAs invite proposals from qualified developers and developer teams to construct very low-, low- and moderate-income residential or mixed-use projects.

new 500-space downtown parking structure) have been identified and research is underway for a new downtown multi-modal transit center. The City's Public Works Department is studying existing infrastructure capacity; the Agency is devising cost-sharing strategies to privately fund the improvements.

- Downtown Restroom: Again in cooperation with the City's Public Works Department, the Agency will identify funding sources to construct a new downtown restroom facility. Estimated at a cost of $400,000, the facility will support tourist and merchant needs for restroom conveniences.[25] A review of appropriate sites is ongoing with preliminary siting recommendations proposed at the City's existing parking structure or future structure inclusive of the Agency's parking management strategy.

- Downtown Sewer Infrastructure Capacity Study: An analysis is underway to determine downtown's current sewer capacity and its ability to handle the demands of future housing units. Scheduled for completion by early 2005, the assessment will identify sewer lines that require upgrades. The Agency will pursue funding sources to realize the study's recommendations.

- Oak St. Improvement Project: Identified as a potential project of the City's Capital Improvement Program, the Agency will secure funding and facilitate administration of the Oak St. Improvement Project. Scheduled for construction by FY 2008-09 and concomitant with the US-101 off-ramp relocation, the project will provide aesthetic improvements on Oak St.[26] The improved corridor will serve as a new downtown gateway.

VI. FINANCIAL RESOURCES: 2005-2010[27]

Revenues

Tax increment represents the major funding source for Agency activities. As demonstrated by Table 4, this revenue stream is expected to increase significantly as a result of property transfers during FY 2004-05 and 2005-06. It will continue to add new value from project construction and development in the following years. In total, tax increment revenues are expected to exceed $16.1 million over the five-year planning period.

In FY 2004-05, a draw of $525,000 from the Agency's existing line of credit with the City is shown to provide seed funding for the new Urban Development Division.[28] The

[25] The cost does not include public right-of-way acquisition; estimated cost for maintenance and operation is roughly $10,000 a year.
[26] Improvements including themed lighting, trees, sidewalk enhancements and street furniture will improve Oak St. between US-101 and Poli St. The US-101 off-ramp relocation project is on-hold pending State budget financing.
[27] This section only addresses financial resources for non-housing programs. A discussion on available financial resources for the Agency's housing programs is provided under the "Housing Activities" section. Note our discussion is based on fiscal year budgets, i.e. FY 2004-05 to 2009-10.

Agency also receives revenue from loan repayments and investment interest.[29] As a result, $17.4 million in non-housing revenue is anticipated over the next five years (Table 4).

Expenditures

The Agency's non-housing expenses include administration, debt service on existing tax increment bonds, a City line of credit ("LOC"), and projects and programs (Table 4).

Administration generally includes staffing, project management costs, and reimbursement for various City personnel and services. These costs are estimated to be roughly $600,000 in FY 2004-05 with projected annual CPI increases of 4 percent.

Outstanding tax increment bond payments will total $2.5 million by FY 2009-10.[30] The City and Agency are also expected to define a fixed repayment schedule for their LOC through a memorandum of understanding ("MOU").[31] Proposed LOC payments will total more than $3 million over the next five years.

In FY 2008-09, the Agency expects to issue $8 million of tax increment bonds and make a repayment of $7.2 million to the City's General Fund.[32] At that time, the City LOC will be reduced accordingly. Based on this projected fixed payment schedule, the Agency may repay its debt to all lenders by 2028.

Project and Program Funding

Roughly $3.8 million will be available for non-housing projects and programs over the next five years. During the annual budget process, the City Council may also choose to allocate additional funds for specific projects from the City LOC.[33] Some Agency funds will also be used to cover planning projects and services provided by the new Urban Development Division to expedite the approval and construction of new market-rate and affordable housing units.

Additionally, the Agency and City will creatively leverage their land available for redevelopment. This means both entities can dispose of their property with the condition that future developments address relevant infrastructure needs. Examples include sewer upgrades, streetscape improvements, and identified capital improvement projects.

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[28] Funds the "Green Team" concept identified by Footnote 20.

[29] Loan repayments are defined as developer payments of Agency loans; investment interest is defined as the interest made on the sum of the Agency's non-housing revenue sources.

[30] Relates to the discussion on Agency debt refinancing, page 8.

[31] The line of credit provided street improvements on California and Main, and was a primary funding source for the Century Theater complex and downtown parking structure.

[32] Contingent on favorable bond market and economic conditions.

[33] Pursuant to the anticipated MOU.

TABLE 4: NON-HOUSING FUND

Revenue		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 [8]
Tax Increment (TI) [1]	$	1,780,488	$ 2,047,562	$ 2,310,530	$ 2,803,863	$ 3,316,004	$ 3,847,509
Land Sales		-	-	-	-	-	-
City LOC Drawdown		525,000	-	-	-	-	-
Loan Repayment Interest		100,000	134,631	133,248	114,017	102,701	117,315
Investment Earnings		28,551	27,180	20,306	17,709	18,459	20,116
Prior Year Carryover		-	252,698	-	-	-	-
Total Revenue	**$**	**2,434,039**	**$ 2,462,070**	**$ 2,464,084**	**$ 2,935,589**	**$ 3,437,164**	**$ 3,984,940**

Expenditures		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 [8]
Bond Debt Service [2]	$	484,333	$ 514,883	$ 515,033	$ 515,083	$ 514,714	$ 1,188,595
City LOC [3]		500,000	550,000	605,000	665,500	731,304	569,431
Administration [4,5]		590,172	627,788	652,899	679,015	706,176	734,423
Other [6]		281,836	291,778	329,251	399,550	472,531	548,270
Projects and Programs [7]		325,000	477,623	361,901	676,440	1,012,440	944,221
Total Expenditures	**$**	**2,181,341**	**$ 2,462,070**	**$ 2,464,084**	**$ 2,935,589**	**$ 3,437,164**	**$ 3,984,940**

[1] Base TI growth projected at 15 percent for 2005-06 and two percent thereafter. New project TI values begin 2006-07.
New project TI values are calculated at 90% of current market value ($522,500) and affordable market value for very low- and moderate-inc units ($78,000 and $202,000).

[2] Based on debt service schedule for the Agency's 2003 Tax Allocation Bond.

[3] Based on potential MOU with City.

[4] Administration expenses are projected at an annual increase of 4% (based on CPI).

[5] Administration costs in 2004-05 are based on estimated actuals.

[6] Includes ERAF payment, Agency pass-throughs, County administration costs, and other adjustments.

[7] Starting 2004-05, cost includes $325,000 for planning projects and staff resources provided by the Urban Development Division; projected with an annual CPI increase of 4 percent. Agency may recoup funds from Downtown planning fee (proposed by City).

[8] Expenditures in 2009-10 reflect a proposed $8 million TI bond refinancing with a net $7.2 million repayment to the City LOC. LOC payments will be reduced for a fixed amount payoff by 2028.

VII. HOUSING ACTIVITIES: 2005-2015

Pursuant to Law, redevelopment agencies are required to prepare plans that specify how they will assist in the production of low- and moderate-income housing.

This section provides an overview of requirements related to the production of affordable housing and the Agency's specific obligations. Although this Plan is required to cover a five-year period, this section must cover specified ten-year planning periods and the remaining life of the Merged Project Area. These periods cover 1994-2004, 2005-2015 and 2016 through the life of the project area.

Section Requirements

This section is required to set forth specific goals and objectives and outline specific programs and estimated expenditures for the ensuing five-year period. Other planning components include:

- A proportion of the Agency's Housing Fund targeted in relation to percentage of low- and very low-income households in the community and the percentage of the community's population under age 65.

- The number of housing units projected to be rehabilitated, price-restricted, assisted or destroyed.

- A specific plan for using annual deposits into the Agency's Housing Fund.

- The Agency's affordable housing production plan.

- An explanation of how the goals, objectives, projects and expenditures set forth in the Plan will implement affordable housing requirements of the Law, including a housing program for each of the Plan's five-year planning periods.

Statutory Provisions

The major statutory affordable housing requirements imposed on redevelopment agencies and the Agency's related obligations are summarized below.

Targeting the Housing Fund
Housing Fund monies must be targeted to specific income levels. Agencies are specifically required to use their Housing Fund to assist very low-, low- and moderate-income households generally defined as:[34]

- Very Low-Income: Incomes at or below 50 percent of area median income, adjusted for family size.

- Low-Income: Incomes between 51 percent and 80 percent of area median income, adjusted for family size.

- Moderate-Income: Incomes between 81 percent and 120 percent of area median income, adjusted for family size.

Over the remaining life of the Merged Project Area, the Agency is required to target its Housing Fund to the relative percentage of unmet need for very low-, low- and moderate-income units as defined in the City's recently approved Housing Element.[35] Based on the document, the Agency's required Housing Fund allocations are:[36]

[34] The State of California Department of Housing and Community Development annually define income limits.
[35] Pursuant to AB 637 and SB 701.
[36] Based on the City's share of regional housing needs, *City of Ventura 2000-2006 Housing Element.*

TABLE 5: AFFORDABLE HOUSING NEED

Income Level	Units Needed[1]	Proportion
Very Low	448	42%
Low	272	25%
Moderate	354	33%
Total	1,074	100%

[1] Based on Ventura's share of regional housing needs.

As such, this Plan proposes that at least 42 percent of Housing Fund expenditures be used for very low-income households, 25 percent for low-income households, and the remaining 33 percent for units affordable to any of the three income categories.

Affordable Housing Cost and Duration of Affordability

Housing assisted by the Housing Fund must be "available at an affordable housing cost" to the occupants of the unit. The following definitions apply when determining eligible occupants (Table 6).

TABLE 6: AFFORDABLE HOUSING COST

Income Level	Rental Housing	Ownership Housing
Very Low	30% of 50%	30% of 50%
Low	30% of 60%	30% of 70%
Moderate	30% of 110%	35% of 110% but no less than 28% of actual income

Note: The first percentage means the percent of income that can be spent on housing costs; the second percentage means the percent of area median income.

The Law requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted with Housing Fund monies.[37] In the case of new or substantially rehabilitated rental housing, controls must be for the longest feasible time, but not less than 55 years for rental units and 45 years for owner-occupied units.

The Agency has assisted 55 affordable units to date and will pledge additional Housing Fund expenditures through future notices of funding availability and identified housing

[37] Pursuant to Health and Safety Code Section 33413(2)(A), "substantial rehabilitation" means rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value.

programs. Further discussion on the Agency's Housing Fund expenditures is contained herein.

Targeting Funds to Non-Seniors

Recent legislation now requires redevelopment agencies to target their Housing Fund to all persons regardless of age in at least the same proportion as the community's population under 65 relative to the community's total population. This determination is made according to the most recent census.

As demonstrated by Table 7, 12.8 percent of the City's population is aged 65 years or older.[38] The Agency proposes this Plan to allocate 87.2 percent of Housing Fund expenditures to non age-restricted housing.

TABLE 7: AGE PROPORTIONALITIES (VENTURA CITY)

Age	Population	Proportion
Under 65	87,985	87.2%
65 and Older	12,931	12.8%
Total	100,916	100%

Source: 2000 Census.

Affordable Housing Production

The Law mandates that 15 percent of all privately developed housing units constructed in a project area be affordable to low- and moderate-income households and of those units, at least 40 percent (six percent of all privately developed housing units) must be affordable to very low-income households.[39] Agencies are required to meet the housing production requirement every ten years and over the life of the redevelopment project.

Pre-2005

Upon adoption of the first Ten-Year Housing Production Plan in 1994, the Agency was in compliance with its affordable housing requirements. Of the 109 new units developed in the project area since adoption, a total of 46 units were made available at affordable housing cost.[40] These units included seven very low-income and 36 low- and moderate-income units now part of the Garden Estates and Olive Street developments. In fact, the Agency's commitment to affordable housing provided a surplus of 13 low- and moderate-income units over the legal requirement.

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38 Based on the 2000 Census.

39 The Agency has not acted, nor plans to act as a housing developer. Therefore, it is only subject to the 15 percent minimum affordable housing production requirement pursuant to Health and Safety Code Section 33413(2)(a)(i).

40 Balance forward from Project Area adoption or January 1, 1976, whichever is later (Health and Safety Code Section 33413(d)). Note that no units were "substantially rehabilitated."

From 1994 to 1999, 15 more units were developed in the Merged Project Area: the 14-unit Rose Garden senior housing project and a unit at 180 S. Palm.[41] All units inclusive of the senior housing project were made available to very-low income households, the result of a development agreement between the Agency and the City's Housing Authority. The Agency also funded the creation of nine additional very low-income units at the Kalorama Apartments project, which in total provided the Agency with a total 34 surplus units.[42] Surplus counts in excess of the Agency's housing production requirement included 18 very low-income and 16 low-income units.

TABLE 8: AFFORDABLE HOUSING PRODUCTION

Pre-2005[1]	Units
New Construction[2]	183
Substantial Rehabilitation[2]	47
Total Units Developed	**230**
Affordable Units Required (Low- and Moderate-Income)	21
Affordable Units Required (Very Low-Income)	14
Total Affordable Units Required	**35**
Affordable Units Provided (Low- and Moderate-Income)	30
Affordable Units Provided (Very Low-Income)	25
Total Affordable Units Provided	**55**
Affordable Units: Credit (Low- and Moderate-Income)	9
Affordable Units: Credit (Very Low-Income)	11
Total Affordable Units: Credit	**20**

[1] As of December 6, 2004.

[2] Refer to the discussion entitled "Affordable Housing Production" for specifics on affordable unit counts (pg. 20).

Finally, the Merged Project Area saw the addition of 106 units from 1999 to 2004. This figure includes "substantial rehabilitation" of the 47-unit Henshaw Hotel/Somerset Apartment conversion; and 59 units created by individual housing projects and the Pacifica Walk and Poli/Oak developments.[43]

[41] No units were "substantially rehabilitated" over the 1994-1999 term.

[42] Because the Kalorama Apartments project is located outside the Merged Project Area, the Agency only received half-credit (4.5 units) for the provision of its affordable housing units.

[43] The 59 newly constructed units included 26 from Pacifica Walk, 33 from Poli/Oak Pavilion, and three various units within the Merged Project Area.

Pursuant to its affordable housing mandates, the Agency is required to provide 16 income-restricted units resulting from the 106 created units. The Agency provided three moderate-income units as part of the Pacifica Walk development. The remaining 13 required units are to be deducted from the Agency's provided number of income-restricted units, leaving 20 surplus units (Table 8).

2005-2015

769 new housing units are proposed for development by 2015. Table 9 provides project specifics; Figure 6 identifies project locations.

TABLE 9: FUTURE DEVELOPMENTS

FY	Project Name	Units
2004-05	Mayfair Theater	17
2006-07	Garden and Main	33
2006-07	Palm and Poli	22
2006-07	Wonder Bread	27
2006-07	District Site	170
2006-07	California and Thompson	12
2006-07	Palm and Santa Clara	30
2006-07	Artspace	50
2007-08	Hassenflug	12
2007-08	Elks Lodge	14
2007-08	Thompson and Oak	40
2007-08	Strong Steel	140
2007-08	42 N. Chestnut	18
2008-09	Top Hat	35
2008-09	Meta Motel	45
2009-10	California and Main	54
2009-10	Salad Bowl Site	50

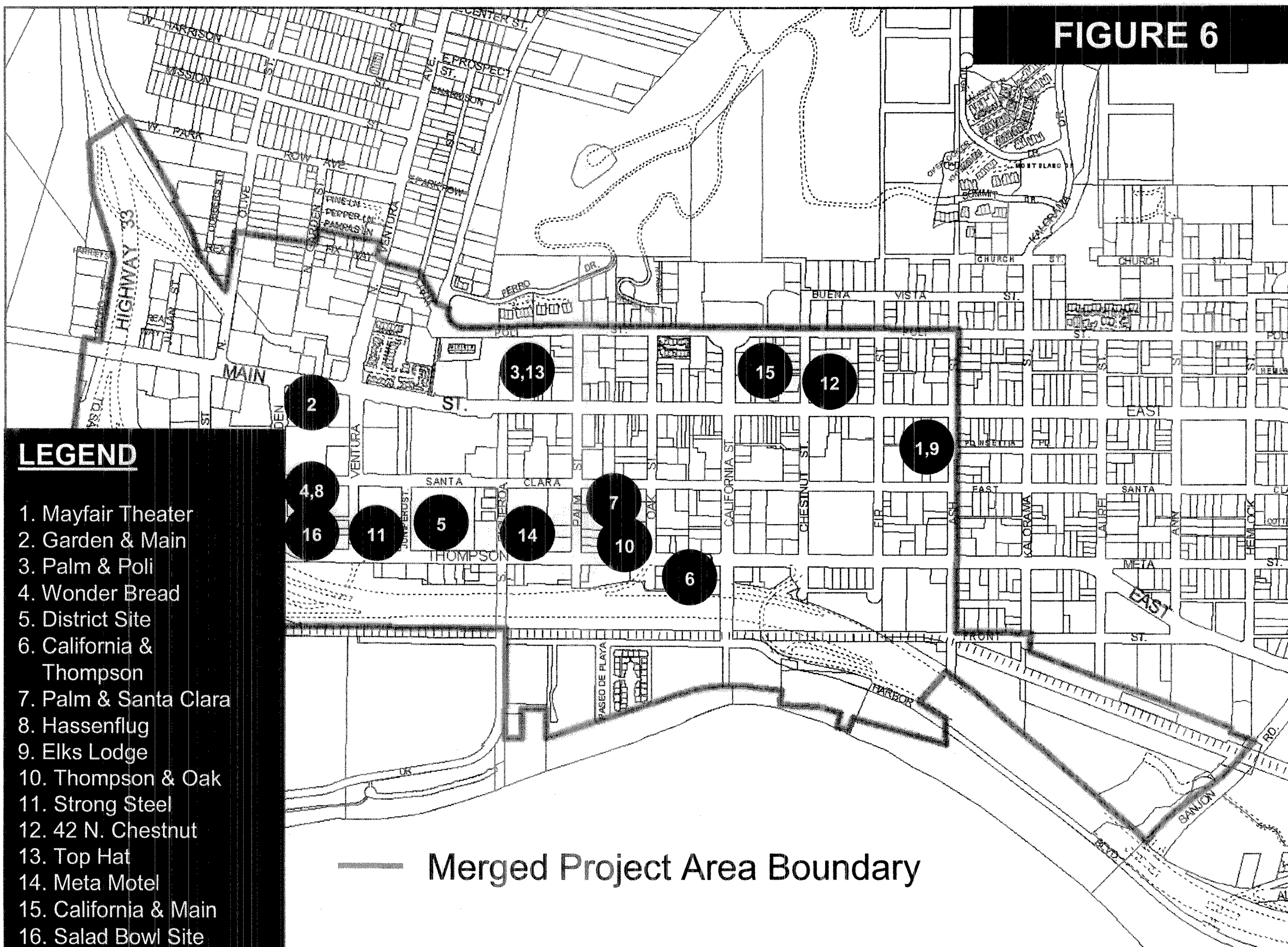
Total Units[1]	**769**
(Less Contingency at 35%[2])	(269)
Net Units	**500**
Required Affordable Units[3]	**75**
Affordable Units: Very Low-Income	30
Affordable Units: Low-and Moderate-Income	45

[1] Assumes no "substantially rehabilitated" units.

[2] Due to development risks, it is assumed that 35% of the proposed units may be delayed for construction until after 2010. Counts will be adjusted in the Agency's mid-term review of this Plan.

[3] Counts are based on 500 units and implementation of the Agency's Resolution. Counts do not include units funded by future NOFAs.

FIGURE 6



1 DEC 2004	This map is a product of the City of San Buenaventura, California. Although reasonable efforts have been made to ensure the accuracy of this map, the City of San Buenaventura cannot guarantee its accuracy.	1" = 800'

These developments will comply with the Agency's affordable housing requirements, resulting in 116 new affordable housing units. These units will include 46 very low-income units and 70 low- and moderate-income units. The Agency will mandate affordability of the 116 units through its Resolution, regardless of any potential Agency assistance.[44]

2016-Life of the Redevelopment Plan

Although the following sites are not anticipated for development in the near term, they do provide additional development capacity for affordable housing (Figure 7):[45]

- Pierside Project: 50 total potential units; approximately eight affordable to very low-, low- and moderate-income households.

- Triangle Project: 250 total potential units; approximately 38 affordable to very low-, low- and moderate-income households.

- Westside Project: 50 total potential units; approximately eight affordable to very low-, low- and moderate-income households.

Replacement Housing Requirement

In an effort to eliminate blighting conditions, Agency activities to date have resulted in the demolition of 28 low- and moderate-income units.[46] These units included 22 demolished for Garden Estates and the Mission Plaza shopping center and another six for the State Court of Appeals project.[47]

The Agency has been active and compliant in replacing the demolished units; this includes funding for 29 affordable units that replaced the 28 units removed. Replacement units included 26 in the Garden Estates project and an additional three units at Rose Garden.

The Agency does not have immediate plans to demolish existing very low-, low- or moderate-income units in the Merged Project Area. However, if such units are removed by Agency activities, the Agency will adopt a replacement housing plan. The plan describes the location, timing and method for the provision of replacement housing. All replacement units would be affordable to the same income categories as those persons displaced from the destroyed or removed units.[48]

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[44] Refers to the Agency's Resolution.

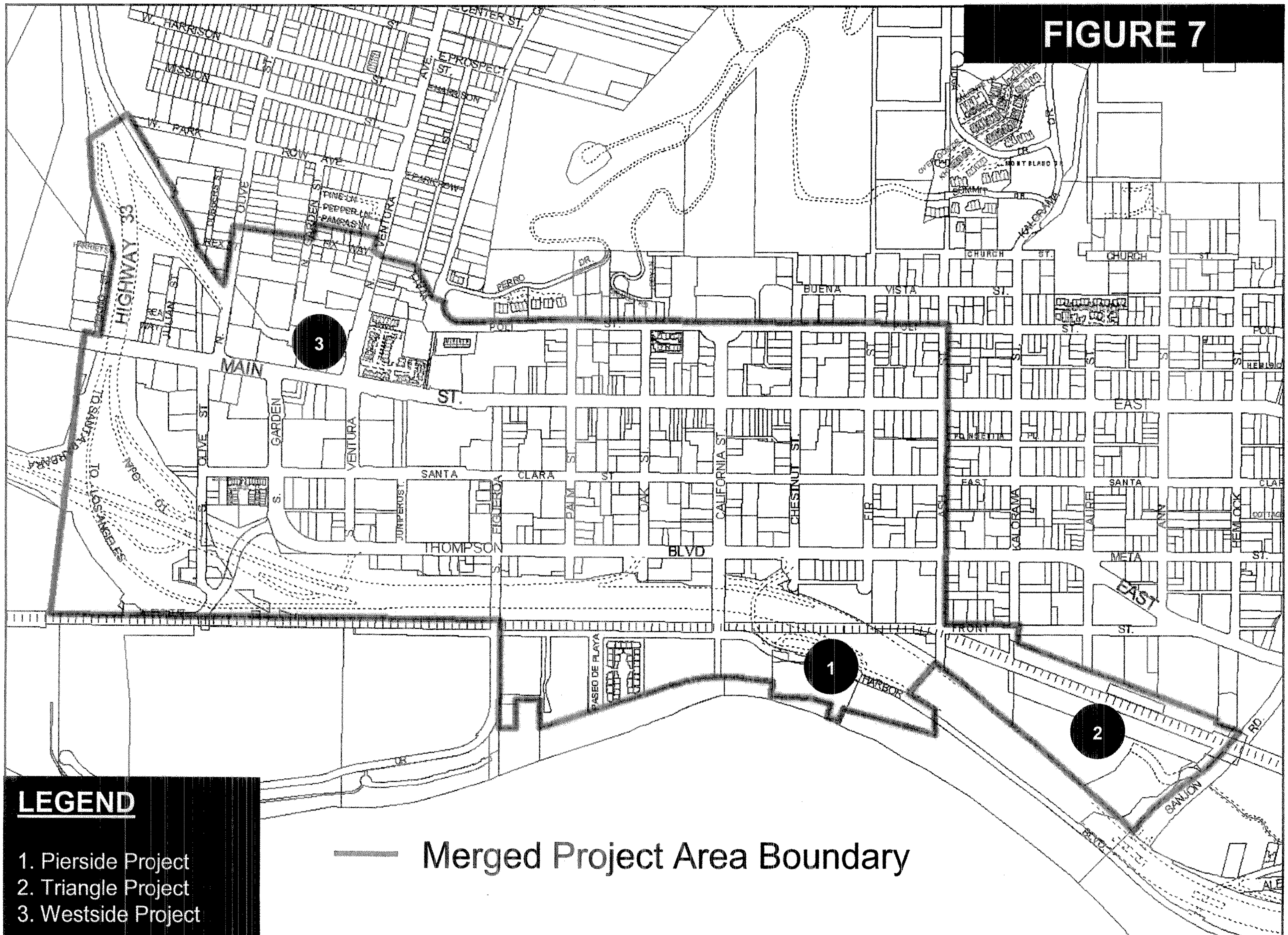
[45] All "catalytic" developments are proposed as mixed-use and incorporate existing affordable housing mandates.

[46] The 28 units contained 52 bedrooms.

[47] Project construction dates: Mission Plaza shopping center (1984); Garden Estates (1987); and the State Court of Appeals (1993).

[48] The plan would also stipulate replacement of the units within 4 years and ensure that the replacement units have an equal or greater number of bedrooms as those units destroyed. Displaced and eligible households would have priority to rent or buy housing units pursuant to the Agency's affordable housing requirements (Health and Safety Code Section 33413).

FIGURE 7



LEGEND

1. Pierside Project
2. Triangle Project
3. Westside Project

Merged Project Area Boundary

1 DEC 2004

This map is a product of the City of San Buenaventura, California.
Although reasonable efforts have been made to ensure the accuracy of this map, the City of San Buenaventura cannot guarantee its accuracy.

1" = 800'

Affordable Housing Production Strategy

The Agency is prepared to meet its obligations to ensure that at least 15 percent of any new residential development in the Merged Project Area is affordable to very low-, low- and moderate-income households.

Downtown Inclusionary Housing Resolution
In April 2004, the Agency Board adopted an inclusionary housing resolution ("Resolution") for the Merged Project Area. The Resolution requires new residential developments of seven or more units to allocate 15 percent of the units for affordable to low- and moderate-income households, of which at least six percent of the total units must be available to very low- income households. This requirement ensures that future developments in the downtown meet the Agency's legal mandate for affordable housing production. Translated, this means of the project area's 1,119 potential new housing units, a total of 170 units may be made available and affordable to very low-, low-, and moderate-income households.[49]

Notice of Funding Availability
The City released a $3.35 million Notice of Funding Availability (NOFA) in October 2004, of which the Agency's Housing Fund provided $2.2 million. Circulated to qualified developers and development teams, the NOFA seeks proposals that result in the construction of new affordable housing units citywide. The Agency will avail the resource as a leveraging tool to ensure that future and qualified downtown developments address the Agency's Resolution.[50]

Based on projections, the Agency will have an additional $2.1 million of Housing Fund monies for future NOFAs (Table 10). Use of the funds will keep true to the Agency's intent to create new affordable housing units.[51]

Through these initiatives, the Agency will make its best attempt to ensure that all future housing developments in the Merged Project Area meet or exceed its affordable housing mandates.

Housing Fund Projections

Table 10 provides projections of Housing Fund revenues and expenses for the next five years. The Agency intends to utilize future notices of funding availability to increase the City's affordable housing inventory. Primarily through the use of NOFAs, up to $4.3 million in Agency funding will be available to qualified developers and development teams to aid in the production of affordable housing.

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[49] Tallies proposed units from FY 2004-05 to Life of the Redevelopment Plan.
[50] Finding of benefit allows the Agency to take credit for units constructed outside the project area at a 2:1 ratio.
[51] All Agency NOFAs invite proposals from qualified developers and developer teams to construct very low-, low- and moderate-income residential or mixed-use projects.

TABLE 10: HOUSING FUND

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 [5]
Beginning Balance	**$ 2,546,000**	**$ 2,321,256**	**$ 369,031**	**$ 69,387**	**$ 49,127**	**$ 28,844**
Revenue						
Tax Increment (TI) [1]	$ 445,122	$ 511,890	$ 677,633	$ 700,966	$ 829,001	$ 961,877
Interest Income	63,098	93,728	78,531	61,097	60,582	62,300
Total Revenue	**$ 508,220**	**$ 605,618**	**$ 656,164**	**$ 762,063**	**$ 889,583**	**$ 1,024,177**
Expenditures	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10 [5]**
Administration [2]	$ 206,634	$ 214,899	$ 223,495	$ 232,435	$ 241,733	$ 251,402
Agency Match [3]	158,339	50,000	50,000	50,000	50,000	50,000
NOFA	-	2,220,000	600,000	400,000	500,000	600,000
Artspace	337,500	-	-	-	-	-
Other [4]	30,491	72,944	82,313	99,888	118,133	137,067
Total Expenditures	**$ 732,964**	**$ 2,557,843**	**$ 955,808**	**$ 782,323**	**$ 909,866**	**$ 1,038,469**
Ending Balance	**$2,321,256**	**$369,031**	**$ 69,387**	**$49,127**	**$ 28,844**	**$ 14,552**

[1] Base TI growth projected at 15 percent for 2005-06 and two percent thereafter. New project TI values begin 2006-07. New project TI values are calculated at 90% of current market value ($522,500) and affordable market value for very low- and moderate-income units ($78,000 and $202,000).

[2] Administration expenses are projected at an annual increase of 4% (based on CPI).

[3] Federal HOME program match.

[4] Includes Agency pass-throughs, County administration costs, and other adjustments.

[5] Expenditures in 2009-10 reflect a proposed $8 million TI bond refinancing with a net $7.2 million repayment to the City LOC. LOC payments will be reduced for a fixed amount payoff by 2028.

If adequate funding is available, the Agency may also use its Housing Fund to construct infrastructure and public improvements. All improvements will be subject to the following conditions:[52]

- The improvements must be an integral part of the new construction or rehabilitation of income-restricted housing units that are directly benefited by the improvements.
- Assisted developments will impose affordability covenants, i.e. 55 years for rental units and 45 years for ownership units.
- If the newly constructed or rehabilitated units are part of a larger project, housing funds may be utilized only for a pro rata share of the cost of the improvements.

[52] Refer to Footnote 34.

Housing Element Compliance

The Agency is committed to supporting the goals, policies and programs presented in the City's adopted Housing Element. However, these goals do not constitute Agency requirements and are presented here as context and background information only. The City has five main goals with respect to housing:

- Goal 1: Maintain and improve the quality of existing housing and residential neighborhoods in Ventura.

- Goal 2: Facilitate the provision of a range of housing types to meet the diverse needs of the community.

- Goal 3: Provide adequate housing sites through appropriate land use and zoning designations to accommodate the City's share of the regional housing needs.

- Goal 4: Mitigate or remove any potential government constraints to housing production and affordability.

- Goal 5: Promote equal opportunity for all residents to reside in the housing of their choice.

Although housing is not the primary activity of the Agency, to the extent that the Agency has a legal obligation to stimulate housing production, its activities will be consistent with the above goals.