

Exhibit 10

**IMPLEMENTATION PLAN
FOR THE
GATEWAYS REDEVELOPMENT PROJECT**

**Prepared
For the
REDEVELOPMENT AGENCY
OF THE CITY OF SANTA ROSA**

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**IMPLEMENTATION PLAN FOR THE
GATEWAYS REDEVELOPMENT PROJECT**

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IMPLEMENTATION PLAN FOR THE GATEWAYS REDEVELOPMENT PROJECT

I. VISION STATEMENT

The Gateways Vision is to revitalize Santa Rosa's older residential, commercial and industrial areas so that the area will be healthy both physically and economically.

The City of Santa Rosa will spend millions of dollars in this area over the next decades for new or improved parks, roads, sidewalks, fire stations, libraries and other public facilities; improvements to private residential and commercial property through low interest loans made by the Redevelopment Agency and other development assistance programs; and an increased affordable housing supply.

During the next 30 years, many owners of rundown properties would take advantage of low interest loans to fix up the exterior or interior (or both) of buildings. Where the property owner desires, new buildings would be constructed on the few vacant lots remaining in the area or on lots with extra space. Where the property owner wishes, a structure could also be removed prior to building something new.

All uses will be consistent with the Santa Rosa General Plan, Zoning Code, Design Guidelines, and other policy documents of the City of Santa Rosa.

By the end of the program, commercial areas will be more vibrant and successful. Neighborhoods in the Project Area will have the same level of public facilities and infrastructure as other parts of the City. The area will be friendlier for bicyclists and pedestrians. There will be less crime, which means neighborhoods will be safer and require less police and justice system services, which in turn will lessen the financial burden that the rest of the society pays. At the same time, property values and retail sales will increase in the area and be on par with the rest of the City.

The Gateways Redevelopment Plan is a charter to allow the Redevelopment Agency to spend redevelopment funds to revitalize the Gateways Project Area. In a sense, then, the Redevelopment Plan could also be called the Charter for Revitalizing the Gateways Redevelopment Project Area.

II. PROJECT AREA GOALS AND OBJECTIVES

Section 33352(c) of the CRL requires that every redevelopment plan submitted by a redevelopment agency to the legislative body be accompanied by an Implementation Plan. The Implementation Plan describes the specific goals and objectives for the proposed Project Area, the specific projects proposed by the (including a program of actions and expenditures proposed for the first five years of the redevelopment plan), and a description of how these projects will improve or alleviate the blighting conditions found in the Project Area.

The purposes and objectives of the Redevelopment Plan are to eliminate the conditions of blight, as defined by Community Redevelopment Law, existing in the Project Area and to prevent the recurrence of deteriorating conditions in the Project Area. The Agency proposes to eliminate such conditions and prevent their recurrence by providing, pursuant to this Plan, for the planning, development, re-planning, redesign, redevelopment, reconstruction and rehabilitation of the Project Area and by providing for such facilities as may be appropriate or necessary in the interest of the general welfare, in accord with the City's General Plan and other planning documents promulgated pursuant thereto as may be adopted or amended from time to time. As described in the Redevelopment Plan, the goals and objectives for the Project Area are as follows:

1. The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including among others, buildings in which it is unsafe or unhealthy for persons to live or work, small and irregular lots, faulty exterior spacing, obsolete and aged building types, mixed character or shifting uses or vacancies, incompatible and uneconomic land uses, substandard alleys, and inadequate or deteriorated public improvements, facilities, and utilities.
2. The expansion, improvement, and preservation of the community's supply of housing available to very-low, low- and moderate-income persons and families as a priority concern of each applicable project, while integrating housing with commercial uses to enhance live-work situations either on-site or within walking distance from work.
3. The strengthening of retail and other commercial functions in the Project Area.
4. The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements to stimulate new residential, commercial, and light industrial expansion, employment, and social and economic growth.

5. The provision of opportunities for participation by owners and tenants in the revitalization of their properties.
6. The replanning, redesign, and development of portions of the Project Area which are stagnant or improperly utilized.
7. The provision of adequate land for parking and open spaces.
8. The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
9. The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity within the entire Project Area.
10. Historic resources will be protected and preserved.
11. To improve safety, encourage reduced automobile use and make the area more pedestrian and bicycle safe and friendly, install bike lanes where designated in the General Plan or Santa Rosa Bicycle Plan, including a bike and pedestrian bridge over Highway 101 from Jennings to Santa Rosa Junior College, and enhance sidewalks.
12. Upgrade public transit system to encourage increased usage and reduce automobile traffic.
13. Actively solicit and encourage neighborhood and/or merchant associations within an area that would be affected by proposed redevelopment activities to provide input.
14. Redevelopment projects should encourage the betterment of a sub-area or neighborhood within the Project Area rather than just one street or site.

The foregoing goals and objectives are to be pursued and accomplished, subject to and consistent with the City General Plan, as amended from time to time.

The Project Area is characterized by a number of blighting conditions as described in Section IV of this Report including:

- Buildings in which it is unsafe or unhealthy for persons to live or work.

- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots.
- Other factors affecting the economically viable use or capacity of buildings or lots (inadequate tenant spaces and tenant mix at the Coddington Mall).
- Incompatible adjacent and nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the Project Area.
- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- Impaired investments, including but not limited to, those properties containing hazardous materials requiring the use of Agency authority (low property sales prices, declining retail sales, declining visits to the Coddington Mall, and loss of tenants and inadequate tenant mix).
- Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- A high crime rate that constitutes a serious threat to public safety and welfare.

The Agency's proposed projects and programs, as described in Section V of this Report, are intended to eliminate or alleviate these conditions and encourage private investment in the Project Area. As an example, the Development Assistance Programs are intended to encourage and assist private sector investment in the Project Area. These programs will help alleviate blighting conditions such as unsafe and unhealthy buildings, and support the combination of inadequate and undersized buildings and lots into sites that can be effectively reused for vital commercial, industrial and residential uses. The effective reuse of properties in the Project Area will alleviate blight by alleviating impaired investments and supporting market rate rents and property values, thereby removing economic disincentives to property owners to maintain and improve their properties.

The Agency will also implement the Public Improvement Programs, which are a series of public improvements designed to alleviate deficiencies in the Project Area that cause or contribute to blighting conditions. Some of the public improvements will be undertaken to assist in the rehabilitation or reuse of properties where there are utility or infrastructure needs that exceed those normally borne by the private sector and that are needed to alleviate blighting conditions

such as major road improvements, construction of public parking, and upgrades to water, sewer or storm drainage systems. Public improvements may also include projects designed to establish a sense of place or identity in neighborhoods and along the commercial corridors that are gateways to the City. These improvements could also include signage, streetscape and landscaping programs. A matrix illustrating the relationship between the Agency's goals and the redevelopment programs and the overall elimination of blighting conditions found in the Project Area is included as Table 1.

**TABLE 1
GATEWAYS REDEVELOPMENT PROJECT
RELATIONSHIP OF AGENCY GOALS AND PROGRAMS TO BLIGHT ELIMINATION**

Agency Goals	Agency Programs (To Implement Projects That Will Attain Redevelopment Plan Goals)	Blighting Conditions Addressed by Programs									
		PHYSICAL BLIGHTING CONDITIONS	Unsafe/Unhealthy Buildings	Factors Preventing or Substantially Hindering Viable Use/Capacity, Including Inadequate Parking	Incompatible Uses	Irregularly Shaped/Inadequately Sized Parcels Under Multiple Ownership	ECONOMIC BLIGHTING CONDITIONS	Depreciated/Stagnant Property Values or Impaired Investments, Including Properties Containing Hazardous Wastes	Abnormally High Business Vacancies, Abnormally Low Lease Rates, High Turnover Rates, Abandoned Buildings, or Excessive Vacant Lots	High Crime Rate	Inadequate Public Facilities and Infrastructure
The elimination of blighting influences and the correction of environmental deficiencies in the Project Area.	Development Assistance - including Financial Assistance, Fine Art Program, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly		X	X	X	X		X	X	X	
	Public Improvements - including Public Works/Infrastructure, Recreation & Parks Facilities, Public Safety, Public Utilities, Transit and Parking, Telecom and Education Facilities			X				X		X X	
	Housing Programs - including Development Assistance First-Time Homebuyers, Residential Rehab Loans		X		X	X		X		X	
The expansion, improvement, and preservation of the community's supply of housing to very-low, low- and moderate-income persons and families as a priority concern of each applicable project while integrating housing with commercial uses to enhance live-work situations either on site or within walking distance from home to work.	Public Improvements - including Public Works/Infrastructure							X		X	
	Housing Programs - including Development Assistance First-Time Homebuyers, Residential Rehab Loans		X	X	X	X		X		X	
The strengthening of retail and other commercial functions in the Project Area.	Development Assistance - including Financial Assistance, Hazardous Substance Remediation, Façade Improvements, Commercial Building Loans, and Land Assembly		X	X	X	X		X	X	X	
	Public Improvements - including Public Works/Infrastructure, Public Safety, Public Utilities, and Transit and Parking			X				X		X	
The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements to stimulate new residential, commercial, and light industrial expansion, employment, and social and economic growth.	Development Assistance - including Financial Assistance, Hazardous Substance Remediation, Façade Improvements, Commercial Building Loans, and Land Assembly		X	X	X	X		X	X	X	
	Public Improvements - including Public Works/Infrastructure, Public Safety, Public Utilities, and Transit and Parking									X	
	Housing Programs - including Development Assistance			X		X		X			
The provision of opportunities for participation by owners and tenants in the revitalization of their properties.	Development Assistance - including Financial Assistance, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly		X	X	X	X		X	X	X	
	Housing Programs - including Residential Rehab Loans		X					X		X	

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RELATIONSHIP OF AGENCY GOALS AND PROGRAMS TO BLIGHT ELIMINATION**

Agency Goals	Agency Programs (To Implement Projects That Will Attain Redevelopment Plan Goals)	Blighting Conditions Addressed by Programs									
		PHYSICAL BLIGHTING CONDITIONS				ECONOMIC BLIGHTING CONDITIONS					
		Unsafe/Unhealthy Buildings	Factors Preventing or Substantially Hindering Viable Uses/Capacity, Including Inadequate Parking	Incompatible Uses	Irregularly Shaped/Inadequately Sized Parcels Under Multiple Ownership	Depreciated/Stagnant Property Values or Impaired Investments, Including Properties Containing Hazardous Wastes	Abnormally High Business Vacancies, Abnormally Low Lease Rates, High Turnover Rates, Abandoned Buildings, or Excessive Vacant Lots	High Crime Rate	Inadequate Public Facilities and Infrastructure		
The replanning, redesign, and development of portions of the Project Area which are stagnant or improperly utilized.	Development Assistance - including Financial Assistance, Fine Art Program, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly	X	X	X	X	X	X	X			
	Public Improvements - including Public Works/Infrastructure, Recreation & Parks Facilities, Public Safety, Public Utilities, Transit and Parking, Telecom and Education Facilities		X			X			X		
	Housing Programs - including Development Assistance Residential Rehab Loans	X		X	X	X		X			
The provision of adequate land for parking and open space.	Development Assistance - including Financial Assistance and Land Assembly		X	X		X					
	Public Improvements - including Recreation & Park Facilities and Transit & Parking		X			X			X		
The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.	Development Assistance - including Financial Assistance and Land Assembly	X	X	X	X	X					
	Public Improvements - including Public Works/Infrastructure					X			X		
	Housing Programs - including Financial Assistance		X	X	X	X					
The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity within the Project Area.	Development Assistance - including Financial Assistance, Fine Art Program, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly	X	X	X	X	X	X	X			
	Public Improvements - including Public Works/Infrastructure, Recreation & Parks Facilities, Public Safety, Public Utilities, Transit and Parking, Telecom and Education Facilities		X			X			X		
	Housing Programs - including Development Assistance Residential Rehab Loans	X	X	X	X	X		X			
Historic resources will be protected and preserved.	Development Assistance - including Financial Assistance, Façade Improvements, Historic Preservation, Commercial Building Loans	X	X	X	X	X	X	X			
	Housing Programs - including Development Assistance Residential Rehab Loans	X	X	X	X	X	X	X			
To improve safety, encourage reduced automobile use and make the area more pedestrian and bicycle safe and friendly, install bike lanes where designated in the General Plan or Santa Rosa Bicycle Plan, including a bike and pedestrian bridge over Highway 101 from Jennings to Santa Rosa Junior College, and enhance sidewalks.	Public Improvements - including Public Works/Infrastructure, Public Safety, Transit and Parking		X						X		
Upgrade public transit system to encourage increased usage and reduce automobile traffic.	Public Improvements - including Public Works/Infrastructure, Public Safety, Transit and Parking		X						X		

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Agency Goals	Agency Programs (To Implement Projects That Will Attain Redevelopment Plan Goals)	Blighting Conditions Addressed by Programs									
		PHYSICAL BLIGHTING CONDITIONS	Unsafe/Unhealthy Buildings	Factors Preventing or Substantially Hindering Viable Use/Capacity, Including Inadequate Parking	Incompatible Uses	Irregularly Shaped/Inadequately Sized Parcels Under Multiple Ownership	ECONOMIC BLIGHTING CONDITIONS	Depreciated/Stagnant Property Values or Impaired Investments, Including Properties Containing Hazardous Wastes	Abnormally High Business Vacancies, Abnormally Low Lease Rates, High Turnover Rates, Abandoned Buildings, or Excessive Vacant Lots	High Crime Rate	Inadequate Public Facilities and Infrastructure
Actively solicit and encourage neighborhood and/or merchant associations within an area that would be affected by proposed redevelopment activities to provide input.	Development Assistance - including Financial Assistance, Fine Art Program, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly	X	X	X	X	X	X	X	X	X	
	Public Improvements - including Public Works/Infrastructure, Recreation & Parks Facilities, Public Safety, Public Utilities, Transit and Parking, Telecom and Education Facilities	X	X	X	X	X	X	X	X	X	
	Housing Programs - including Development Assistance First-Time Homebuyers, Residential Rehab Loans	X	X	X	X	X	X	X	X	X	
Redevelopment projects should encourage the betterment of a sub-area or neighborhood within the Project Area rather than just one street or site.	Development Assistance - including Financial Assistance, Fine Art Program, Hazardous Substance Remediation, Façade Improvements, Historic Preservation, Commercial Building Loans, Land Assembly	X	X	X	X	X	X	X	X	X	
	Public Improvements - including Public Works/Infrastructure, Recreation & Parks Facilities, Public Safety, Public Utilities, Transit and Parking, Telecom and Education Facilities	X	X	X	X	X	X	X	X	X	
	Housing Programs - including Development Assistance First-Time Homebuyers, Residential Rehab Loans	X	X	X	X	X	X	X	X	X	

III. PROJECTS AND PROGRAMS FOR THE FIRST FIVE YEARS OF THE REDEVELOPMENT PLAN AND HOW THE PROJECTS AND PROGRAMS AND EXPENDITURES WILL ALLEVIATE BLIGHT IN THE PROJECT AREA

A. NON-HOUSING PROGRAMS

As summarized in the table below, the Agency anticipates expending approximately \$18.5 million over the first five years on the non-housing programs and activities proposed for the Project Area. The majority (sixty-nine percent) of the revenues to fund the proposed five-year expenditures will derive from tax allocation bond proceeds issued in Year 3 (\$12.8 million). The remaining \$5.7 million to fund the \$18.5 million in expenditures over the first five years of the Plan will be attributed from net tax increment (\$5.6 million; not including housing set-aside funds) and interest earnings on the bond proceeds reserves (\$0.6 million). As shown on Table 2, the majority of the expenditures will be for development assistance (fifty-four percent) and public improvements (twenty-three percent). Future bond debt service from the tax allocation bonds to be issued in Year 3 (2008-09) will account for twelve percent (12%) of the proposed expenditures while the repayment of a City General Fund loan to finance the adoption of the proposed Plan and initial start costs will account for eight percent. Administration costs are also anticipated to account for four percent of the projected expenditures over the first five years of the proposed Plan.

Table 2: Five Year Non-Housing Expenditure Plan

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Totals
Future Bond Debt Service	0	-	0	1,058,000	1,058,000	2,116,000
Repay General Loan Fund	0	-	1,470,000	0	0	1,470,000
Administration	0	93,000	172,000	217,000	251,000	733,000
Development Assistance	0	437,000	8,745,000	298,000	456,000	9,936,000
Public Improvements	0	187,000	3,748,000	128,000	196,000	4,259,000
Total Expenditures	0	717,000	14,135,000	1,701,000	1,961,000	18,514,000

As specifically described in Section V of this Report and summarized below, the Agency proposes a series of non-housing activities and programs designed to alleviate the blighting conditions in the Project Area. These include the following:

1. Development Assistance Programs

As described in more detail in Section V of this Report, the Development Assistance Programs are designed to provide financial and other forms of assistance to businesses and property owners in the Project Area to improve, rehabilitate, and construct new buildings in the Project Area. Specific programs include Financial Assistance, Hazardous Substance Remediation, Façade Improvement and Historic Preservation, Fine Art, Commercial Building Loans, and Land Assembly. These programs will help alleviate blighting conditions such as unsafe and unhealthy buildings, and support the combination of inadequate and undersized buildings and lots into sites that can be effectively reused for vital commercial, industrial and residential uses. The effective reuse of properties in the Project Area will alleviate blight by alleviating impaired investments and supporting market rate rents and property values, thereby removing economic disincentives to property owners to maintain and improve their properties. It is assumed that seventy percent (70%) of annual available discretionary revenues will be used to finance this implementation activity. Total estimated funding for this implementation activity over the first five years of the Project, as estimated on the feasibility cash flow in Section VI, is projected to total \$9,936,000.

2. Public Improvements

As described in more detail in Section V of this Report, the Agency will implement a series of public improvements designed to alleviate deficiencies in the Project Area that cause or contribute to blighting conditions. Some of the Public Improvements will be undertaken to assist in the rehabilitation or reuse of properties where there are utility or infrastructure needs that exceed those normally borne by the private sector and that are needed to alleviate blighting conditions such as major road improvements, construction of public parking, and upgrades to water, sewer or storm drainage systems. Public Improvements may also include projects designed to establish a sense of place or identity in neighborhoods and along the commercial corridors that are gateways to the City. These improvements could include signage, streetscape and landscaping programs. It is assumed that thirty percent (30%) of annual available discretionary revenues will be used to finance this implementation activity. Total estimated funding for this implementation activity over the first five years of the Project, as estimated on the feasibility cash flow in Section VI, is projected to total \$4,259,000.

3. Administration

The Agency will provide oversight and management for all redevelopment activities in the Project Area, including, but not limited to, coordination of the planning, marketing,

and disposition of properties, management of infrastructure improvements, and the caretaking and maintenance of acquired assets. Total estimated funding for this implementation activity over the first five years of the Project, as estimated on the feasibility cash flow in Section VI, is projected to total \$733,000.

IV. HOUSING PROGRAMS

A. INTRODUCTION

This section of the Implementation Plan addresses the Agency's affordable housing production and expenditures. It has been prepared to meet the requirements of California Community Redevelopment Law (CRL) and to guide the Agency in its housing related activities over the next 10 years. Specifically, this section addresses the following sections of the California Health and Safety Code:

- Low and moderate income housing production requirements (Section 33413)
- Replacement housing requirements (Section 33413)
- Twenty percent (20%) housing fund requirements (Section 33334.2)
- Housing fund expenditure targeting requirements (Section 33334.4)

In 1991, the California State Legislature adopted Assembly Bill 315 (AB 315), which added Subsection 33413(b)(4) to the State Health and Safety Code. AB 315 requires each redevelopment agency to adopt a plan demonstrating how the Agency will comply with the affordable housing production requirements of the Code (the "Housing Production Plan"). The Housing Production Plan is often referred to as an AB 315 Plan.

In 1993, the Legislature adopted Assembly Bill 1290 (AB 1290), a comprehensive redevelopment reform bill. One of the key provisions is the requirement that each agency prepare and adopt an overall Implementation Plan. The Implementation Plan incorporates the AB 315 requirements for the housing portion of redevelopment activities and establishes a time frame and process for the Plan as a whole. AB 1290 also specifies additional requirements with respect to housing production compliance and expenditures of the Agency's Low- and Moderate-Income Housing Fund monies. As with existing law, AB 1290 also requires that the Plan be consistent with the City's Housing Element, which has its own time line for adoption and amendment.

In 2002, two new pieces of legislation, Assembly Bill 637 (AB 637) and Senate Bill 211 (SB 211) were added to the Community Redevelopment Law. AB 637 changes, among other matters, the Agency's affordable housing production, replacement housing, and Low- and Moderate-Income Housing Fund requirements. SB 211 establishes a simplified procedure to eliminate debt incurrence time limits for pre-1994 plans, allows amendments to redevelopment plans to extend plan effectiveness/tax increment receipt deadlines for pre-1994 plans, and requires that certain affordable housing obligations be met by the end of the redevelopment plans. Due to several inconsistencies created by these two pieces of new legislation in the Community Redevelopment Law, a third piece, Senate Bill 701 (SB 701), was adopted in 2003 to "clean up" and clarify much of the confusion created by AB 637 and SB 211, and to make some additional changes to the Community Redevelopment Law.

This section, therefore, is the Agency's Housing Production Plan for the Gateways Project Area, and the Affordable Housing Component of the Implementation Plan. It is updated with the changes required by AB 637, SB 211 and SB 701. Pursuant to AB 315 and as amended by SB 637, the Agency is required to meet its housing production requirements during each specific 10-year period (from 2006/07 to 2015/16). Housing Fund targeting requirements must be completed within the same 10-year period.

The Agency must adopt an Implementation Plan with the Affordable Housing Component for 2006/07-2010/11. The CRL requires that the Implementation Plan be reviewed in a public hearing, and amended if necessary, between two and three years after adoption. A new Implementation Plan is required to be prepared and adopted every five years.

B. AFFORDABLE HOUSING PRODUCTION COMPLIANCE STATUS

1. Housing Production Requirement

The Housing Production requirements provided in Section 33413 of the California Health and Safety Code are only applicable to redevelopment project areas adopted or amended with added area after January 1, 1976. The Gateways Project Area consists of predominantly urbanized land in central Santa Rosa, and includes some of the oldest commercial corridors, industrial areas, and residential neighborhoods in the City.

CRL requires that defined percentages of newly constructed and significantly rehabilitated housing within the Project Area be restricted to Low- and Moderate-Income households at an affordable housing cost. At least 15 percent of all new or substantially rehabilitated units in the Project Area that are not developed/significantly rehabilitated by

the Agency must be affordable to and occupied by Low- and Moderate-Income households. Of the 15 percent requirement, 40 percent must be restricted to Very Low-Income households. These are the "Non-Agency Units Production Requirements."

For units that are either directly developed or significantly rehabilitated by the Agency, at least 30 percent of these units must be restricted to Low- and Moderate-Income households, and not less than 50 percent of the requisite affordable units shall be available at affordable housing cost to and occupied by Very Low-Income households. This 30 percent inclusionary requirement applies to all units built or substantially rehabilitated by the Agency, regardless of the location of the units.

"Substantially rehabilitated" means rehabilitation in which the value of the rehabilitation constitutes 25 percent of the after-rehabilitation value of the dwelling unit(s). Originally, under AB 1290, the rehabilitated units to be included in this calculation consisted of all one- and two-unit complexes that have undergone substantial rehabilitation with Agency assistance, and all multi-family rented dwelling units with three or more units that are substantially rehabilitated, regardless of the funding source. As amended by SB 701 and AB 637, however, as of January 1, 2002, the multi-family units to be counted must be substantially rehabilitated and have received Agency assistance.

The definitions of Very Low-Income, Low-Income, and Moderate-Income are established by the U.S. Department of Housing and Urban Development, based on the area median income of a geographic area of the state, normally the county. Generally, Very Low-Income means persons and families whose incomes do not exceed the qualifying limits for Very Low-Income families as established pursuant to Section 8 of the United States Housing Act of 1936 (in most instances 50 percent of the area median income or below, as adjusted for family size). Low- to Moderate-Income means persons and families whose income does not exceed 120 percent of the area median income, adjusted for family size. Income levels meeting these definitions vary by household size. "Affordable housing cost" is defined in Sections 50052.5 and 50053 of the Health and Safety Code, and can vary depending on whether the housing is rental or owner-occupied.

In order for units to count toward meeting the Agency's Housing Production Requirements, sale prices or rent for units must be restricted by Agency-imposed covenants or restrictions recorded against the units. These covenants and restrictions must remain in effect for the "longest feasible time," but in any event not less than specified minimum time periods. AB 637 imposes new minimum duration periods of 55 years for rental units and 45 years for owner-occupied units. These minimum periods are required for affordable covenants recorded after January 1, 2002. For units constructed prior to January 1, 2002, the minimum period for affordability covenants is

the remaining life of the redevelopment plan, but not less than 15 years for rental and 10 years for owner-occupied units.

2. Housing Counted Toward Meeting the Housing Production Requirement

Pursuant to CRL, units to be counted towards meeting the Housing Production Requirement include the following:

- a. New construction and substantially rehabilitated units located within the Project Area, with requisite recorded affordability covenants;
- b. Existing multi-family units on which affordability covenants have been purchased with Agency assistance so that the units will remain affordable for the requisite period. At least 50 percent or more of these purchased affordability covenants must be for Very Low-Income households. Units acquired through covenant purchase cannot constitute more than 50 percent of the units included to meet the Housing Production Requirement; and
- c. Covenanted units located outside the Project Area but within the City of Santa Rosa, provided that only one unit for every two produced outside the Project Area may be counted towards the Housing Production Requirement.

Deed-restricted ownership units that have been sold and the affordability covenants released prior to the expiration of the requisite affordability period cannot be included in the Agency's compliant unit count, unless the housing funds are recaptured and used to assist another unit at the same income level within three years of sale and appropriate affordability covenants are placed on the new unit.

3. Plan for Achieving Housing Production Requirements by 2015/2016

The CRL, as clarified in AB 1290, requires that agencies meet their affordability production requirements within 10 years. The Housing Production Plan and the AB 1290 Implementation Plan require agencies to delineate what they intend to do over each of the next five-year periods and generally over the 10-year period. The steps that the Agency will take to meet its Housing Production Requirements are described below.

One component of the Housing Production Plan is documentation of the specific projects and actions that will be undertaken to generate the required number of affordable units

over the next 10-year period, as described below and in Section D: Housing Fund Revenues and Expenditures. A second component of the Housing Production Plan is general policies and procedures that the City and Agency plan to pursue to increase and encourage the production of affordable housing in the Project Area over the next 10 years. General policies and procedures are described in terms of Santa Rosa's Housing Element, in the last section of the Housing Production Plan.

According to the Draft Gateways Environmental Impact Report (prepared by LSA in December 2005), it is expected that 1,084 units will be developed in the Project Area from 2005 to 2020. This is equivalent to approximately 72 units per year on average, which translates to 723 units from 2006/07 to 2015/16 and 2,168 units over the life of the Plan. The Agency's current list of proposed and approved residential projects in the Project Area exceeds the EIR projections, with 700 units in 17 projects expected to be completed through 2008. Of these, 458 units are in projects that have already been approved.

4. Anticipated Ten-Year Affordable Housing Production Compliance Status
 - a. Privately Built Units

For purposes of this report, it is assumed that all of the proposed and approved projects in the pipeline for 2008 will be completed by 2010/2011, and that 72 units a year will be developed each following year per the EIR expectations. It is estimated that 1,060 units will be privately built within the Project Area by 2015/2016. As tax increment funds become available, the Agency plans to fund several housing programs. Additionally, the Agency intends to require future developments to meet their inclusionary requirements on-site. Already in projects currently in the Pipeline for 2008, 296 units are expected to be affordable to Very Low- to Moderate-Income households, of which 286 units will be affordable to Very Low-Income households. The results in a surplus of 137 Very Low- to Moderate-Income unit and 222 Very Low-Income units were compared to production requirements between 2006/07 and 2015/16. Affordable housing production requirements generated by the expected new units, and fulfillment of these requirements, are shown in detail in Table 3 and Appendix A.

- b. Agency Built or Significantly Rehabilitated Units

The Agency does not intend to build or significantly rehabilitate units in the Gateways Project Area.

5. Affordable Housing Production Compliance over the Life of the Project Area

The 1994 amendment to AB 1290 (Bergeson, SB 732) requires that the Housing Production Plan address affordable housing compliance over the life of the Redevelopment Plan. The life of the Gateways Project Area will extend thirty years, to 2036. If housing production maintains a steady pace after the period analyzed by the EIR, continuing at a rate of 72 units per year, this will result in a total of 2,500 units over the life of the Plan. This number of units would generate a total requirement of 375 Very Low- to Moderate-Income units and 150 Very Low-Income units.

While total requirements for Very-Low- Income units will be exceeded by 2008 according to Agency expectations, in order to meet Housing Production Requirements for Very-Low- to Moderate-Income units over the life of the Redevelopment Plan, the Agency plans to require each project to meet its requirements on-site, and intends to provide several housing programs:

- Development assistance for new and existing affordable housing units;
- A first-time homebuyer program; and
- Residential rehabilitation loans.

Through these efforts, the Agency intends to be in full compliance from the first Implementation Plan period until the Redevelopment Plan ends.

C. REPLACEMENT UNIT COMPLIANCE STATUS

CRL requires that dwelling units housing persons and families of low or moderate income removed as a result of redevelopment action must be replaced by an equal number of units that have an equal or greater number of bedrooms as those removed. Post January 1, 2002, 100 percent of the replacement units must be affordable to households at the same or lower income levels as those displaced. Demolished units must be replaced within four years of being removed.

The Agency does not have any specific plans to remove units during the 2006/07-2010/11 Implementation Plan period. Nevertheless, if any such plans develop, the Agency intends to follow CRL requirements for replacing units. Specifically, at least 30 days prior to acquisition, disposition and development, or owner participation

TABLE 3

FUTURE HOUSING UNIT PRODUCTION COMPLIANCE STATUS (2006/07 - 2015/16), NON-AGENCY BUILT HOUSING
 SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
 SANTA ROSA, CA

	Total Built	Units w/Covenants	
		Very Low to Mod. Income	Very Low Income <i>(Incl. in Very Low to Mod.)</i>
<u>New Construction & Substantial Rehab Units (2006/07 - 2015/16)</u>			
New Units Built <i>(from Appendix Table A-1.)</i>	1,060		
Units Substantially Rehabilitated <i>(from Appendix Table B-1.)</i>	0		
Total Units to be Built or Substantially Rehabilitated (2006/07 - 2015/16)	1,060		
<u>Inclusionary Requirements (2006/07 - 2015/16)</u>			
Percent Requirements		15%	(40% of 15%) 6%
<i>Inclusionary Unit Requirement (2006/07 - 2015/16)</i>		159	64
<u>Covenanted Units to be Built or Substantially Rehab. (2006/07 - 2015/16)</u>			
New Units Built <i>(from Appendix Table A-1.)</i>		296	286
Units Substantially Rehabilitated <i>(from Appendix Table B-1.)</i>		0	0
<i>Total Covenanted Units to be Built or Substantially Rehab. (2006/07 - 2015/16)</i>		296	286
Subtotal Excess (Shortage) of Covenanted Units (2006/07 - 2015/16)		137	222
Plus: Multi-Family Covenants to be Purchased		0	0
<Less> Covenanted Units to be Sold/Restrictions Lifted		0	0
Plus: Affordable Units to be Built Outside Project Area <i>(from Appendix Table A-2)</i>		0	0
Total Excess (Shortage) of Covenanted Units (2006/07 - 2015/16)		137	222

agreements that would lead to unit removals, the Agency would adopt a replacement housing plan. The replacement housing plan would include the general location of the replacement housing, an adequate means of financing the replacement housing, a finding that the replacement housing does not require voter approval pursuant to Article XXXIV of the California Constitution, the number of units planned, and a timetable for meeting replacement housing plan objectives.

The Agency will prepare relocation plans for any households that are displaced as a result of unit removals, and ensure that no Low- or Moderate-Income households are displaced unless suitable housing is available for them to move into. Any replacements will occur within four years.

D. HOUSING FUND REVENUES AND EXPENDITURES

The CRL requires a redevelopment agency to direct at least 20 percent of all gross tax increment revenues generated in its project area to a separate and Low- and Moderate-Income Housing Fund. These funds must be used for the purpose of increasing, improving or preserving the supply of Low- and Moderate-Income units within the community. To meet these objectives, agencies may expend funds on land acquisition, building acquisition, construction of new units, on- and off-site improvements (subject to certain conditions and findings), rehabilitation of existing units, a portion of principal and interest payments on bonds, loans and subsidies to buyers or renters, and other programs that preserve or construct affordable housing.

Additionally, Section 33334.4 of the Health and Safety Code states that each agency shall expend the moneys in its Housing Fund to assist housing for persons of Low- and Very Low-Income in at least the same proportion as the total number of housing units needed for those income groups within the community. Proportionality requirements by age apply as well.

This section summarizes the Project Area's Housing Fund resources now available and expected to be available over the next 10 years, and how those resources will be utilized to meet the purposes summarized above.

The Agency plans to establish several housing programs during the first Implementation Plan:

- Development assistance for the preservation of existing, or creation of new, affordable housing units;

- A first-time homebuyer program for Very Low- to Moderate-Income families; and
- Residential rehabilitation loans to improve Low- to Moderate-Income households.

Details of the expenditures associated with these programs are provided below.

E. REVENUES AND EXPENDITURES

1. Housing Fund Revenues, 2006/07 – 2010/11

The Gateways Project Area's revenues consist primarily of property tax increment. The "tax increment" earned by the Agency is the property tax on the difference between the assessed value of properties within the Project Area at the time it was adopted and the current tax year assessed value. Pursuant to CRL, the City of Santa Rosa Redevelopment Agency will deposit 20 percent of the Gateways Area's annual gross tax increment into its Housing Fund.

As shown on Table 4, it is estimated that approximately \$250,000 of property tax increment will be deposited into the Gateways Housing Set Aside fund in the Project Area's second year, 2007/2008. Annual Housing Fund increment is anticipated to increase steadily over the Implementation Plan period and reach \$670,000 in FY 2010/11.

2. Housing Fund Programs, Projects, and Expenditures 2006/07-2010/11

The Agency's anticipated annual Housing Fund expenditures for the next five years are presented in Table 4. The Housing Fund will not have any outstanding debts on which it will be obligated to make debt service payments. During the period, the Agency anticipates spending \$1,958,000 on projects and programs. It is estimated that about half of this amount will be used to provide development assistance to preserve and construct housing units. Approximately a third of expenditures will be spent on the first-time homebuyers program and a fifth on rehabilitation loans. Administrative expenses are expected to represent five percent of total Housing Fund spending. The number of units that the Agency's funds are estimated to annually assist is as follows:

TABLE 4
HOUSING FUND CASH FLOW PROJECTIONS 2006/07 - 2010/11
SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
SANTA ROSA, CA

	2006-07	2007-08	2008-09	2009-10	2010-11	5 Years
<u>Beginning Balance</u>	\$0	\$0	\$0	\$0	\$0	\$0
<u>Agency Revenues</u>						
Set-Aside Revenues	\$0	\$249,393	\$459,137	\$579,310	\$669,751	\$1,957,591
Investment Earnings	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenues Avail. for New Expenditures	\$0	\$249,393	\$459,137	\$579,310	\$669,751	\$1,957,591
<u>Agency Expenditures</u>						
Development Assistance	\$0	\$118,462	\$218,090	\$275,172	\$318,132	\$929,856
First Time Homebuyers	\$0	\$71,077	\$130,854	\$165,103	\$190,879	\$557,913
Residential Rehabilitation Loans	\$0	\$47,385	\$87,236	\$110,069	\$127,253	\$371,942
Other Projects	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Agency Expenditures</i>	\$0	\$236,923	\$436,180	\$550,345	\$636,263	\$1,859,711
Administration	\$0	\$12,470	\$22,957	\$28,966	\$33,488	\$97,880
Total Agency Expenditures, Incl. Admin.	\$0	\$249,393	\$459,137	\$579,310	\$669,751	\$1,957,591
<u>Ending Balance</u>	\$0	\$0	\$0	\$0	\$0	\$0

	Development Assistance	First-Time Homebuyer	Rehabilitation Loans	Total Units
2006/07	0	0	0	0
2007/08	1	1	1	3
2008/09	2	2	2	6
2009/10	3	3	3	9
2010/11	6	5	6	18

F. EXPENDITURES RELATIVE TO THE COMMUNITY'S NEED

Under California Health and Safety Code Section 33334.4, the Agency must target its Housing Fund expenditures in each project area to assist: (1) Low- and Very Low-Income households in proportion to the units needed to assist such households as determined by the regional fair share allocation; and (2) all persons regardless of age in at least the same proportion as the number of low income households with a member under age 65 to the community's total low income households, according to the most recent census. These "Housing Fund Targeting Requirements" must be satisfied for 10-year periods throughout the life of the Plan, with the initial period coinciding with the Project Area's housing production requirements, or from 2006/07 to 2015/16.

1. Proportionality by Income Levels

The income proportionality test requires that the Agency target set-aside expenditures to the relative percentage of unmet need for Very Low-, Low- and Moderate-Income units. According to ABAG's 1999-2006 Regional Housing Needs Determination, Santa Rosa's share of the regional housing need is as follows:

- 1,539 Very Low-Income units;
- 970 Low-Income units; and
- 2,120 Moderate-Income units.

Consistent with this distribution of needed units, the Agency's minimum required allocation for Very Low- and Low-Income expenditures, and maximum Moderate-Income housing expenditures are as follows:

Very Low-Income	At least 33%
Low-Income	At least 21%
Moderate-Income	No more than 46%

The Agency is entitled to expend a disproportionate amount of funds for Very Low-Income households, and to subtract a commensurate amount from the Low- and/or Moderate-Income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for Low-Income housing by reducing the amount of funds allocated to Moderate-Income households. In no event can the expenditures targeted to Moderate-Income households exceed the established threshold amount.

In order to meet the income targeting standards, the Agency intends to allocate at least 33 percent of Housing Fund expenditures to Very Low-Income households, 21 percent of funds to Low-Income households, and not more than 46 percent of funds to Moderate-Income households. These percentages translate to a total target appropriation of approximately \$7.3 million between 2006/07 and 2015/16, allocated by need as shown on Table 5 and as follows:

Agency Housing Fund Expenditure Targets by Income Level				
2006/07-2015/16	Very Low Income	Low Income	Moderate Income	Total
<i>Proportionate Target</i>	<i>At least 33%</i>	<i>At least 21%</i>	<i>No more than 46%</i>	
Target Appropriation of Housing Fund (% of Spending)	\$2.4 million (33%)	\$1.5 million (21%)	\$3.4 million (46%)	\$7.3 million

2. Proportionality by Age

The age restriction proportionality test requires that the maximum percentage of set-aside funds that an agency can allocate to senior housing is limited to the percentage of Very Low- to Low-Income households within the community that have a member 65 years of age or older, as reported by the most recent survey of the U.S. Census Bureau. According to Census 2000 SOCDS CHAS Data, the City's Very Low-Income and Low-Income household composition is as follows:

Very Low- to Low-Income Non-Elderly Households	67%
Very Low- to Low-Income Elderly Households	33%

The application of this requirement to the Agency's budget estimates for the Project Area translates into a targeted expenditure of \$4.9 million on non-age restricted housing for the period of 2006/07 and 2015/16. The Agency intends to expend at least this sum on non-age restricted housing. A projection of these amounts of Housing Funds based on target expenditures by age is shown on Table 5 and summarized below.

TABLE 5
 LOW AND MODERATE INCOME HOUSING FUND EXPENDITURE PLAN (2006/07 - 2015/16)
 SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
 SANTA ROSA, CA

	2006/07 - 2015/16		By Need			By Age		
	Revenues		Very Low At Least 33%	Low At Least 21%	Moderate No More Than 46%	Non-Senior At Least 67%	Senior No More Than 33%	
Beginning Balance	\$0							(2)
Set-Aside Revenues	\$7,332,893							
Investment Earnings	\$0							
Net Revenues Available for New Expenditures:	\$7,332,893							
Target Housing Needs Appropriations	TOTAL							
	\$7,333,000		\$2,438,000	\$1,537,000	\$3,358,000	\$4,923,000	\$2,409,000	
Discretionary Costs								
Development Assistance	\$3,483,124		\$1,158,032	\$729,883	\$1,595,209	\$2,338,651	\$1,144,473	
First Time Homebuyers	\$2,089,875		\$694,819	\$437,930	\$957,126	\$1,403,191	\$686,684	
Residential Rehabilitation Loans	\$1,393,250		\$463,213	\$291,953	\$638,084	\$935,461	\$457,789	
Other Projects	\$0		\$0	\$0	\$0	\$0	\$0	
Subtotal Agency Expenditures	\$6,966,248		\$2,316,063	\$1,459,767	\$3,190,418	\$4,677,303	\$2,288,946	
Administration	\$366,645		\$121,898	\$76,830	\$167,917	\$246,174	\$120,471	
Total Expenditures, Including Admin.	\$7,332,893		\$2,437,961	\$1,536,597	\$3,358,335	\$4,923,476	\$2,409,417	

Notes:

(1) Based on % of Fair Share Housing Needs (per ABAG 1999-2006 Regional Housing Needs Determination):

Very Low Income Units	1,539	33.2%
Low- Income Units	970	21.0%
Moderate-Income Units	2,120	45.8%
Total	4,629	100%

(2) Based on % of low-income population in non-elderly and elderly households (per 2000 Census - SOCDS CHAS Data: Housing Problems Output):

Non-elderly households	15,056	67.1%
Elderly households	7,368	32.9%
Total	22,424	100.0%

Agency Housing Fund Expenditure Targets Age Needs			
2006/07-2015/16	Non-Senior Housing	Senior Housing	Total*
<i>Proportionate Target</i>	<i>At least 67%</i>	<i>No more than 33%</i>	
Target Appropriation of Housing Fund (% of Spending)	\$4.9 million (67%)	\$2.4 million (33%)	\$7.3 million

As shown, the Agency will meet the proportionality test requirements by need, both for income level and age.

G. CONSISTENCY WITH HOUSING ELEMENT

AB 1290 and AB 315 require that the Agency's affordable housing activities be consistent with the City's Housing Element. The following section describes some of the commitments set forth in Santa Rosa's 2001 Housing Element, which will enhance both the City's and the Agency's ability to increase the supply of affordable housing.

As detailed below, the Housing Element's objectives include:

- Promoting conservation and rehabilitation of the existing housing stock;
- Retaining affordable units at risk for conversion to market rate;
- Subsidizing affordable housing production;
- Using Housing Fund monies for housing programs including rehabilitation and development of new units; and
- Assisting special needs housing with City funds when available.

The Agency's programs and expenditures are entirely consistent with and supportive of the Housing Element's affordable housing objectives. As discussed in Sections B and D of this Plan, the Agency:

- Plans to spend \$930,000 in development assistance to preserve existing affordable housing units and create new ones;

- Plans to spend \$558,000 to assist Very Low- and Low-Income households with down payment and closing costs as part of a First-Time Homebuyer program; and
- Intends to provide \$372,000 in rehabilitation loans.

A detailed description of the Housing Element's goals and objectives follows.

- ***Meet the Housing Needs of all Santa Rosa Residents***
 - Ensure adequate sites are available for development of a variety of housing types for all income levels.
 - Review the Zoning Code to ensure it allows development of a variety of housing types.
 - Improve community acceptance of higher density housing through outreach and education.
 - Use increased densities when consistent with preservation of existing neighborhoods.
 - Promote conservation and rehabilitation of the existing housing stock, and discourage intrusion of non-compatible uses in residential neighborhoods.
 - Meet with Sonoma County Planning staff on a regular basis to address housing needs of lower income and special needs groups and coordinate housing issues.
- ***Maintain and Rehabilitate Santa Rosa's Existing Affordable Housing Supply as Needed***
 - Rehabilitate 50 affordable housing units annually through rehabilitation loan programs.
 - Prevent the conversion of mobile home parks to other uses through enforcement of the Mobile Home Park Conversion Ordinance.
 - Retain HUD and locally-subsidized affordable units at risk for contract termination by working with property owners and non-profit housing providers, using

redevelopment funds, and investigating revenue sources such as CDBG and HUD 202.

- Accommodate existing non-conforming residential uses in non-residential land use areas on an interim basis, until such areas are ready to convert to non-residential use.
- Continue improving living conditions in the City's neighborhoods through active code enforcement and the Neighborhood Revitalization Program.
- Preserve rental apartments from conversion to ownership units by enforcing the Condominium Conversion Ordinance.
- Administer the federal Section 8 Housing Choice Voucher Program.
- Continue to operate the Mobile Home Repair Loan and Mobile Home Rent Deferral programs.
- Continue to designate a portion of the Real Property Transfer Tax to affordable housing programs.
- Review and document the performance of affordable housing programs annually.
- ***Expand the Supply of Housing Available to Lower Income Households***
 - Implement the Housing Allocation Plan, the City's inclusionary program.
 - Amend the Housing Allocation Plan to ensure it works together with the City's other housing programs to meet ABAG's Regional Housing Needs Assessment.
 - Consider a Commercial Linkage Fee for non-residential development.
 - Investigate establishing a Housing Trust Fund as an additional source of funding for affordable housing.
 - Allow higher densities in certain areas if adequate infrastructure is available, design is compatible with surrounding neighborhoods, and affordable units are provided.

- Continue to encourage and assist the production of residential units downtown.
- Promote the development of second units, discussing the option with residential developers during initial application meetings.
- Support non-profit housing sponsors by continuing to provide funds to subsidize affordable housing production.
- Continue to use the Redevelopment Area Housing Fund for affordable housing programs including rehabilitation of existing units, acquiring land for the development of affordable units, and financially assisting "non-traditional" housing.
- Participate in tax credit and mortgage revenue bond programs providing tax exempt, low-cost financing for projects with an affordable component.
- Allow mobile homes on single-family lots with certificates of compatibility.
- Aggressively participate in federal, State, and private non-profit programs for providing affordable housing.
- Continue participation in the Mortgage Credit Certificate and Loan Pledge Pool programs to assist lower income and/or first-time homebuyers in purchasing new homes.
- Review and amend Santa Rosa's General Plan to be consistent with the County General Plan's higher residential densities in unincorporated areas within the Urban Growth Boundary.
- Work with Sonoma County and its other cities to identify and discuss proposed General Plan Amendments and development projects that could improve or worsen the countywide jobs/housing balance.
- ***Provide Housing for Households with Special Needs***
 - Continue existing programs for persons with special needs, including the Housing Rehabilitation and Conservation Program, Community Development Block Grant and Home funds, Mobile Home Repair Loan and Mobile Home Rent Deferral programs, and Section 8 Housing Choice Voucher Program.

- Ensure that all new multi-family construction meets federal and State Fair Housing Act accessibility requirements and that accessibility modifications are installed where demand exists.
- Encourage special housing arrangements, including shared and congregate housing and single-room occupancy hotels (SROs), by helping sponsors obtain federal and State funds, and by assisting developers with City funds when available.
- Identify non-residential land with SRO development potential, develop additional incentives and programs to encourage new SRO development, promote motel room rehabilitation for SRO occupancy, and maintain units provided.
- Revise existing regulations to allow SRO units in non-residential zoning districts.
- Adopt an ordinance specifically addressing SRO development, and including incentives such as development fee payment by the City, density bonuses, reduced parking requirements, and fast track processing.
- Support the development of rental housing for seasonal and permanent farm workers.
- Provide funding to groups offering shelter and other services to the homeless.
- Obtain federal and State funds to increase the number of beds in homeless shelters.
- Allow development of homeless shelters/transitional housing in any land use designation with a Conditional Use Permit. Ensure that sites are distributed throughout the City.
- Continue to study the feasibility of additional year-round homeless shelters throughout Santa Rosa and work with entities that can provide and operate such shelters.
- Focus efforts on developing a new homeless shelter near Finley Avenue and South Wright Road, and support interim use of the National Guard Armory as a winter-time shelter for homeless adults.

- Provide incentives for developing housing for the elderly, including density bonuses, reduced parking requirements, or deferred development fees.
- Require that at least 25 percent of new senior housing built with City incentives or funding be available to low income seniors, and encourage senior housing not receiving City incentives to provide a substantial number of units affordable to low income seniors.
- Use flexible design guidelines that encourage innovative housing programs to stimulate development of senior housing.
- ***Promote Equal Access to Housing***
 - Eliminate discrimination in housing opportunities in Santa Rosa and ensure that access to housing will not be denied on the basis of race, ethnic or national origin, religion, marital status, sexual orientation, age, or physical disability. Developments designed specifically for seniors or the disabled will be allowed to exclude children, however.
 - Continue to fund and support the City's equal opportunity housing agency, Fair Housing of Sonoma County.
 - Complete Zoning Code amendments to include a procedure for persons with disabilities seeking fair access to housing to request reasonable accommodation.
- ***Remove Constraints to Very Low- and Low-Income Housing Production***
 - Ensure that residential projects are heard by the first decision making board within 120 days of application for development approval.
 - Amend Zoning Code to allow affordable projects in certain districts as a matter of right.
 - Acquire sites for potential affordable housing projects, and dispose to affordable housing providers.
 - Defer payment of development fees for projects providing affordable units.
 - Review Zoning regulations to eliminate disincentives to, and include new incentives for, housing production.

- Initiate clarification of the Residential Density Bonus Ordinance regarding requirements for discretionary approvals.
- Review Housing Authority policies to ensure these do not discourage potential lower income housing developers.

APPENDICES

APPENDIX TABLE A -1

NEW CONSTRUCTION IN PROJECT AREA - NON-AGENCY BUILT
SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
SANTA ROSA, CA

Completion Date	Project Name	Affordable/ Mkt. Rate/Mix (list one) <i>(for general background - not required)</i>	Rental/ Ownership/Mix (list one)	Senior/Non- Senior/Mix (list one)	Number of New Units Built				
					Total All Units	Units With Covenants (1)			Above
					Very Low	Low	Mod.	Mod.	
2006	Moore Center				80				80
	Mendocino Place				7				7
	The Burbank				26				26
	Aston Place				33				33
	Terracina Transitional Housing				10	10			0
	Arroyo Point/Jennings Ave Family Housing				70	69			1
	Jennings Ave Subdivision				14				14
	Crossings				49	48			1
2007	Monte Vista - Burbank Housing			non-senior	107	105			2
	Jennings Court - Burbank Housing			senior	55	54			1
	Aston Way Townhomes				7				7
	South A Lofts				20				20
	Aston Ave Duplex Apts				28				28
	Aston Ave Apartment Complex				93		10		83
	1975 Cleveland Ave Shopping Ctr				79				79
2008	433 Riley Mixed Use				7				7
	Aston Way Homes				15				15
Subtotal 2006/07 - 2010/11					700	286	0	10	404
2011-2012	annual expected units (2)				72	0	0	0	72
2012-2013	annual expected units (2)				72	0	0	0	72
2013-2014	annual expected units (2)				72	0	0	0	72
2014-2015	annual expected units (2)				72	0	0	0	72
2015-2016	annual expected units (2)				72	0	0	0	72
Subtotal 2011/12 - 2015/16					360	0	0	0	360
Total 2006/07 - 2015/16					1,060	286	0	10	764

(1) Affordable projects currently in the pipeline were provided by staff, week of May 15, 2006, and exceed requirements.

(2) The Draft EIR for the Gateways Redevelopment Project Area estimates 1,084 units from 2005 to 2020, or 72 units per year.

APPENDIX TABLE A-2

~~NEW CONSTRUCTION OUTSIDE PROJECT AREA - NON-AGENCY BUILT~~
 SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
 SANTA ROSA, CA.

Completion Date	Project Name	Affordable/ Mkt. Rate/Mix (list one) <i>(for general background - not required)</i>	Rental/ Ownership/Mix (list one)	Senior/Non- Senior/Mix (list one)	Number of New Units Built				
					Total All Units	Units With Covenants			Above Mod.
					Very Low	Low Mod.	Mod.		
2006					0	0	0	0	0
2007					0	0	0	0	0
2008					0	0	0	0	0
2009					0	0	0	0	0
2010					0	0	0	0	0
Subtotal 2006 - 2010					0	0	0	0	0
50% Production Credit					0	0	0	0	0

APPENDIX TABLE B-1

SIGNIFICANTLY REHABILITATED UNITS IN PROJECT AREA

SANTA ROSA REDEVELOPMENT AGENCY - GATEWAYS PROJECT AREA
 SANTA ROSA, CA

Completion Date	Project	Affordable/ Mkt. Rate/Mix <i>(list one)</i> <i>(for general background - not required)</i>	Rental/ Ownership/Mix <i>(list one)</i>	Senior/Non- Senior/Mix <i>(list one)</i>	Number of Units Rehabilitated				
					Total All Units	With Covenants			Above Mod.
					Very Low	Low	Mod.		
2006					0	0	0	0	0
2007					0	0	0	0	0
2008					0	0	0	0	0
2009					0	0	0	0	0
2010									
Subtotal 2006 - 2010					0	0	0	0	0