

REDEVELOPMENT AND HOUSING
IMPLEMENTATION PLAN

2005 through 2009

POWAY

Poway Redevelopment Agency

December 16, 2004

Poway Redevelopment Agency

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**2005 – 2009 IMPLEMENTATION PLAN
POWAY REDEVELOPMENT AGENCY**

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I. INTRODUCTION

In order to ensure that the public be involved in the implementation of redevelopment plans, California Health & Safety Code Section 33490 requires that a five-year implementation plan be prepared and adopted by the redevelopment agency governing board at a noticed public hearing. After adoption of the first Implementation Plan in 1994, redevelopment agencies are required to review and adopt updated implementation plans every five years thereafter. Each Implementation Plan must include the following:

- A statement of an agency's goals and objectives for the project area, specific programs and expenditures planned over the next five years, and a description of how these goals and objectives, programs, and expenditures will alleviate the blighting conditions within a redevelopment project area.
- A detailed outline of how an agency intends to increase, improve, and preserve the community's supply of low-and moderate-income housing, including an explanation of how mandated housing production with appropriate affordability and income requirements will be met.

A. Paguay Redevelopment Project Area

The Paguay Redevelopment Project Area (Project Area) encompasses approximately 8,200 acres including commercial, industrial, and residential land uses. When the Poway City Council established the Project Area in 1983, Poway was essentially a bedroom community, with a deteriorating commercial corridor, deficient infrastructure, a lack of public facilities, and little or no economic base. The establishment of the Poway Redevelopment Agency and the adoption of the Paguay Redevelopment Plan provided the opportunity for a partnership of public and private investment, which would become the catalyst for revitalization in the Project Area.

Figure 1 illustrates the boundaries of the Project Area. A detailed profile of the Project Area is also provided in Table 1.

B. Paguay Redevelopment Plan

The primary goal of the Paguay Redevelopment Plan is to eliminate existing conditions of blight (page 5). The Redevelopment Plan's goals and objectives (page 6) for eliminating blight cover several approaches. Examples include stimulating private investment, upgrading commercial and industrial areas, developing parks and recreation facilities, financing public improvements, alleviating infrastructure deficiencies, and providing

affordable housing to meet the needs of low- and moderate- income households in the community.

Since adoption of the Redevelopment Plan, the Agency has worked to revitalize the Project Area by funding a wide range of projects and programs including public improvements, commercial development, industrial development, and affordable housing. In order to continue removing blight, the Redevelopment Plan was amended in 1993. The Amendment extended the time limit for the use of eminent domain, increased the Plan limit for the total amount of tax increment revenue that could be collected, and increased the amount of bonded indebtedness allowable at any given time. Other amendments have also been adopted to facilitate the implementation of the Redevelopment Plan

C. Paguay Redevelopment and Housing Implementation Plan

In November 1994, the Poway Redevelopment Agency approved an Implementation Plan for the Paguay Redevelopment Project Area, in accordance with California Health and Safety Code Section 33490. The Implementation Plan set forth how the specific goals and objectives for the Project Area would be met during the upcoming five year-period (1994-1999). The Implementation Plan identified the specific redevelopment activities and/or programs that were anticipated to be “implemented” to alleviate blighting conditions. The Implementation Plan further identified the projected expenditures associated with the redevelopment activities/programs; described how each activity/program would alleviate blight; and explained how the Agency’s low-and moderate-income housing funds would be spent and how housing production requirements would be met.

The Agency adopted its second Implementation Plan in June 1999, which covered the Redevelopment Project activities through 2004. This third Implementation Plan outlines the Redevelopment Agency’s anticipated activities over the next five years (2005–2009).

FIGURE 1

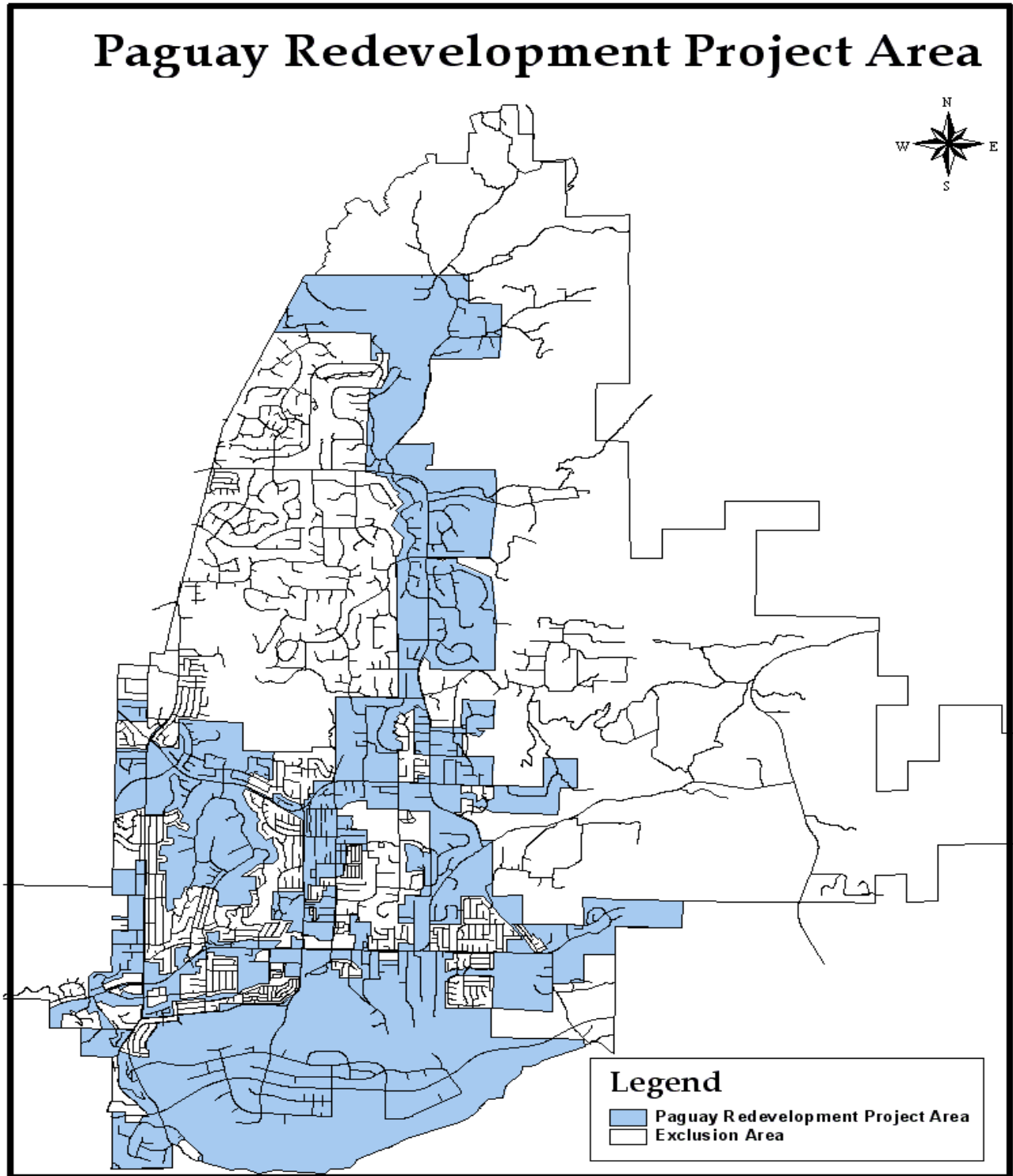


TABLE 1

**Project Area Profile
Paguay Redevelopment Project Area**

Land Area:	Approximately 8,200 acres
Land Uses:	Residential, commercial, industrial, and public uses
Date Adopted:	December 13, 1983
Date of Amendment and Ordinance Number:	July 14, 1993 / Ordinance #415 January 13, 1995 / Ordinance #439 January 1, 2004 / Ordinance #593 September 16, 2004 / Ordinance #605 November 25, 2004 / Ordinance #611
Effectiveness of Plan Limit:	January 12, 2025
Tax Increment Limit:	\$3,500,000,000
Bonding Limit:	\$275,000,000
Current Annual Tax Increment Flow:	\$27,665,000 (Reported FY 2003-2004)

Source: City of Poway, August 2004

II. PAGUAY REDEVELOPMENT PLAN BLIGHTING CONDITIONS, GOALS, AND OBJECTIVES

The Agency developed a list of goals and objectives that were incorporated into the 1983 Redevelopment Plan. These goals provide the framework for the Agency's revitalization efforts. The goals were reviewed when the Redevelopment Plan was amended in 1993, and were used in the preparation of the 1994 and 1999 Implementation Plans. It was determined that these goals and objectives are still relevant and appropriate, as they address adverse conditions, which are still prevalent in the Project Area. The Agency has used these goals to provide direction and focus for deciding which actions and programs will be pursued during the life of the Redevelopment Plan to alleviate blighting conditions.

A. Blighting Conditions

The blighting conditions, which exist in the Project Area, were originally described and documented when the Redevelopment Plan was adopted in 1983. An additional detailed analysis of the blighting conditions was prepared for the 1993 Plan Amendment. This analysis, the *Status Report of the 1983 Blighting Conditions, Paguay Redevelopment Project Area*, described persistent conditions of blight which were still found in the Project Area and identified specific projects that were necessary to remedy adverse conditions. The following blighting influences were identified:

- A. Deteriorated and dilapidated buildings and structures that are in need of extensive to moderate repairs.
- B. Properties which are underutilized because of inadequate public facilities or improvements.
- C. Properties suffering from economic maladjustment, dislocation, disuse, and substandard design.
- D. Buildings or structures suffering from age or obsolescence which require repair or renovation, but whose problems cannot be addressed because of their location in an area prone to flooding.
- E. The presence of mixed uses, shifting uses, and conflicting and incompatible uses situated without adequate buffering.
- F. Subdivided lots of irregular form and shape, and inadequate size for proper usefulness.
- G. Lots of irregular form or shape, laid out in disregard to topographic or other physical characteristics.

H. Inadequate public improvements, public facilities, open space, and utilities.

B. Goals, Objectives, and Actions Necessary for Alleviation of Blight

The Redevelopment Plan identified the following key goals and objectives for revitalization of the Project Area:

1. Elimination of flooding by construction of flood control detention basins and improvements to flood channels.
2. Elimination of deficiencies of trunk line sewer and water distribution systems, to increase system capacities and extend lines as required to serve the ultimate build-out population.
3. Acquisition and resubdivision of properties that have been laid out in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions.
4. Elimination of traffic circulation deficiencies and the provision of future access to accommodate regional traffic demands and service in currently undevelopable outlying areas.
5. Elimination of environmental deficiencies and visual blight, particularly along Poway Road.
6. Development of new streetscapes and the establishment of design controls for redevelopment, rehabilitation, and development of commercial areas.
7. Acquisition and development of new parks and recreation facilities to meet General Plan requirements.
8. Provision of adequate roadways and traffic and circulation improvements to correct street alignment problems and substandard alleys, to eliminate road hazards, and to provide adequate street and freeway access.
9. Elimination and prevention of the reoccurrence of conditions of blight and deterioration and the conservation, rehabilitation, and redevelopment of the Project Area in accordance with the Redevelopment Plan and future annual work programs.

10. Provision for the enhancement and renovation of businesses to promote their economic viability.
11. Encouragement of cooperation and participation of residents, business-persons, public agencies, and community organizations in the revitalization of their properties.
12. Stimulation of investment of the private sector.
13. Provision of needed improvements to the community's educational, cultural, residential, and other community facilities.
14. Promotion of public improvement facilities, which are sensitive to the unique environmental qualities.
15. Establishment of a program, which promotes the rehabilitation of the existing housing stock where appropriate.
16. Expansion of the resource of developable land by making underutilized land available for development.
17. Alleviation of certain environmental deficiencies including substandard vehicular and pedestrian circulation systems, insufficient street lights, off-street parking, and other similar public improvements.
18. Provision, improvement, or preservation of low- and moderate-income housing as is required to satisfy the needs and desires of the various age and income groups of the community.
19. Development of safeguards against noise and pollution to enhance the industrial/commercial community.
20. Upgrade of existing commercial and industrial uses in the Project Area.
21. Assembly and disposition of land into parcels suitable for modern integrated development with improved pedestrian and vehicular circulation.
22. Replanning, redesign, and development of undeveloped areas, which are stagnant or improperly utilized.
23. Strengthening of the economic base of the Project Area and the community by the installation or provision of needed site improvements and public facilities to stimulate new commercial/light industrial expansion, employment and economic growth.

24. The expansion of City, County, and other governmental services and uses.

The Redevelopment Plan identified the specific actions necessary to achieve the above objectives, including:

- The improvement of streets and highways.
- The provision of flood control and drainage facilities.
- The provision of needed community facilities and buildings.
- The improvement and provision of parks and open spaces.
- The improvement of water and sewer distribution systems.
- The development of industrial projects.
- The development of commercial revitalization projects.
- The provision of mobilehome rental assistance.
- The improvement, development, and preservation of low-and moderate-income housing.

III. COMPLETED PROJECTS AND CONTRIBUTION TO BLIGHT ALLEVIATION

The Agency has completed numerous projects in the Paguay Redevelopment Project Area since the Redevelopment Plan was adopted in 1983. These have included both assistance to private development activities and installation and improvement of public infrastructure and facilities. Agency activities in the Project Area are reviewed below and described in greater detail in Tables 2 and 3.

A. Completed Private Projects

The Agency has assisted the privately developed affordable residential communities in the Project Area. These developments were sited on vacant and/or underutilized properties in otherwise densely developed neighborhoods, and include Hillside Village, Brookview Village, Park View Terrace, and Haley Ranch.

The Agency assisted the private, commercial development of Creekside Plaza, Twin Peaks Plaza, Wal-Mart, Richardson Auto, and Mossy Nissan through the installation of public improvements. The Agency acquired property on Poway Road eliminating existing blight, as part of the proposed Poway Road Mixed-Use development. In addition, the Agency assisted smaller commercial developments with financial assistance toward building rehabilitation. The Agency has also acquired property within the Project Area in an effort to mitigate environmental conditions.

As shown in Table 2, the Agency's activities in support of private development in the Project Area have made a substantial contribution towards the alleviation of blighting conditions and addressing the goals and objectives of the Redevelopment Plan. In assisting new development of residential and commercial uses, the Agency has helped to alleviate blighting conditions such as the lack of affordable housing options, environmental contaminants, deteriorated structures, and underutilized lots of irregular form and shape.

TABLE 2

**COMPLETED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
<i>Private Development Program:</i>			
Affordable Residential Rehabilitation Program	Ongoing	Assistance to low-and moderate-income homeowners to preserve and improve Poway's existing affordable housing stock.	9, 11, 12 13, 15, 18 A
Auto Dealership Off-Site Storage Lot	February 2003	Acquisition of a 5.3-acre site to develop an auto storage facility.	10, 12, 19, 23
Brighton Site Acquisition	May 2001	Acquisition of eight parcels totaling 3.19 acres for the purposes of developing 91 units of affordable multi-family workforce housing.	12, 13, 18, 21, 22 A, E, F
Brookview Village Senior Housing Development	May 2000	Development of 102 affordable senior housing units on a 6.8-acre site.	1, 8, 12 13, 14, 18, 23 D
Business Park Hotel Site Acquisition	November 2001	Acquisition of a 4.18-acre site for development of a business class hotel to support the needs of businesses in the Poway Business Park.	12, 13, 16, 20, 23 B
Commercial Rehabilitation Loan Program	Ongoing	Funding to revitalize existing commercial centers and businesses along Poway Road.	4, 5, 6, 9, 10 11, 12, 17, 20 A, C
Community Road Multi-family Site	Ongoing	Site assembly, pre-development and developer selection for development of an affordable family project of approximately 60 housing units.	3, 9, 11, 12, 13 17, 18, 21, 22 A, C, F, G
Creekside Plaza	1993	Construction of a neighborhood serving commercial/retail center.	6, 12, 20, 22, 23
Dodge Expansion	2004	Provided financial assistance to encourage private investment in the project area.	4, 10, 20 C
Evanston Housing Site Acquisition	May 2004	Acquisition of property to implement a first-time homebuyer program.	12, 13, 18, 21 B, E, F
EYE Transitional Project	Ongoing	Development of transitional housing for victims of domestic violence and those in need of emergency shelter.	18

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 2 (CONT'D.)

**COMPLETED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
<i>Private Development Program (Cont'd.):</i>			
Haley Ranch	1992	Development of 65 single-family manufactured homes affordable to very low income households.	12, 13, 18
Hillside Village Affordable Family Development	July 2003	Development of 71 multi-family workforce housing units on a 7.50-acre site.	12, 13, 18
HomeShare Community Connections	Ongoing	Assistance to low-and moderate-income residents by providing services and referrals pertaining to affordable, transitional, and emergency housing.	18
Housing Revitalization Fund	1989	Development of Poinsettia Mobilehome Park as well as the feasibility study for acquisition of Poway Royal Mobilehome Park.	2, 9, 13, 18 A, H
Los Arcos Affordable Housing Development	March 2004	Development of an 84-unit senior affordable housing development on a 3.36-acre site.	12, 13, 18
Metate Housing Acquisition	2004	Acquisition of property to implement a first-time homebuyer program.	12, 13, 18 B, G
Midland Road Acquisition	2001	Acquisition of eight parcels totaling 2.44 acres to pursue expanded recreational, cultural, and commercial opportunities in the Plan Area.	3, 5, 6, 8, 9, 10, 11, 12, 13, 16, 17, 18, 20, 21, 22, 23, 24 A, C, F, H
Mixed-Use Housing Acquisition	Ongoing	Site assembly for development of affordable housing, revitalization of commercial corridor and mitigation of environmental deficiencies.	3, 5, 6, 9, 12 16, 17, 18, 21, 22 B, C, E, F, H
Monte Vista Land Acquisition	February 2002	Acquisition of two acres of property to accommodate approximately 51 affordable multi-family workforce housing units.	12, 13, 18
Mortgage Credit Certificate Program	2004	Program to assist low- and moderate-income first-time homebuyers.	12, 13, 18
Mossy Nissan	2003	Participation in the redevelopment of an automobile sales, service, and repair facility.	6, 10, 12, 20 A, C

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 2 (CONT'D.)

**COMPLETED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
<i>Private Development Program (Cont'd.):</i>			
Non-profit Capacity Building	Ongoing	Ongoing program to support low-and moderate-income housing through capacity building, predevelopment activities, and public education.	9, 13, 18
Old Poway Phase IV	October 2004	Relocation of four mobile homes. Vacated property will be combined with Agency-owned property for public parks and recreation purposes.	8, 13, 18, 21 A, G
Park View Terrace	October 1998	Development of 92 units of affordable multi-family workforce housing .	12, 13, 18
Poway MHP Rent Subsidy	Ongoing	Monthly rental assistance to income qualified households residing in the City-owned mobile home parks.	18
Poway Road Mixed-Use Project	Ongoing	Evaluation of development options and selection of a master developer for the development of 16 acres for commercial, office and residential uses.	3, 5, 6, 8, 9, 10 11, 12, 13, 16, 17 18, 20, 21, 22, 23 A, C, D, E, F, G
Special Friends Group Home	June 2004	Agency funds provided to Special Friends Foundation to develop a six-room affordable group home for the developmentally disabled.	12, 13, 18
Tunecraft Property Acquisition	June 2004	Acquisition of a 0.16-acre parcel to mitigate environmental deficiencies found on the property.	1, 3, 5, 7, 9, 10, 11, 12, 13, 14, 16, 20, 21, 23 A, B, C, D, E, F
York Housing Site Acquisition	2004	Acquisition of property to implement a first-time homebuyer program.	12, 13, 18

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

B. Completed Public Improvements

The Agency has undertaken numerous major public improvements in the Project Area, including installation of streetscape improvements, widening of roadways, improvements to and new construction of recreational facilities, and installation of curbs, sidewalks, and gutters in key locations. Most notable are public improvements along Community Road, Civic Center Drive, and Poway Road, as well as new construction and improvements to recreational facilities such as Community Park, Skate Park, and the Old Poway Park Railroad. Table 3 lists the major public projects completed in the Project Area and their contribution to blight alleviation. The Agency's efforts have contributed to the alleviation of infrastructure deficiencies, underutilized lots of irregular form and shape, and inadequate public facilities.

TABLE 3

**COMPLETED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
Public Improvement Program:			
Acquisition/Rehab Program	March 2002	Preparation of a Multi-Family Rehabilitation Strategy, that established goals and policies, identified resources available for program implementation, and estimated the amount of funding required to undertake the program.	18
Beeler Creek Trail/Cobblestone Creek Road	1990	Determination of alternate means for serving water supply and fire hydrant needs in the Beeler Creek/Cobblestone Creek area.	2, 12, 14, 24 B, H
Blue Sky Parking Lot & Grading - Phase I	March 2004	Construction of a permanent parking lot and transit facility for Blue Sky Reserve including access road, landscaping, lighting, and signage.	4, 7, 17, 24 H
Civic Center Drive Extension	2003	Preliminary design and right-of-way acquisition for the extension of Tarascan Road.	2, 4, 5, 6, 8, 9 12, 13, 14, 17, 24 B, H
Civic Center Drive Extension	March 2004	The construction of improvements on Civic Center Drive from Bowron Road to the Community Park parking lot. Replacement of the driveway into the Community Park and installation of a 40-foot road, curbs, gutters, and sidewalks.	5, 8, 12, 13, 17, 24 B, H
Community Park Playground	2001	Design and installation of ADA accessible playground equipment and resilient surfacing in the northern section of the park.	7, 9, 13 H
Community Park Soccer Field Reconstruction	February 2003	Reconstruction of the Community Park Soccer Field to accommodate the construction of a Boys and Girls Club facility.	7, 9, 13, 17, 24 B, H
Community Park Telephone/Data System	2004	Installation of T1 lines connecting Community Park to City Hall.	7, 13, 24 C, H
Community Road Improvements - Phase I	March 2004	Demolition of a dilapidated and vacant commercial building. Widening of road and installation of curbs, sidewalks, street lights, and storm drains from Poway Road to Aubrey Street.	2, 4, 8, 9 12, 14, 17 H

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 3 (CONT'D.)

**COMPLETED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
PAGUAY REDEVELOPMENT PROJECT AREA
2005-2009 IMPLEMENTATION PLAN
CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
Public Improvement Program (Cont'd.):			
Community Road Reducing Station	1990	Construction of a domestic water pressure reducing station.	2, 23, 24 H
Community Services Building	2002	Rehabilitation of the Community Services Building exterior in conformance to the Poway Road Specific Plan.	5, 9, 11, 12, 24 H
Comprehensive Affordable Housing Strategy Update	2001	Preparation of a Comprehensive Affordable Housing Strategy Update for FY 2000-01 through FY 2004-05.	18
Espola Road Ultimate Width Improvements Study	2004	Preparation of an alignment study including design work and an environmental impact report (EIR) for ultimate width improvements to Espola Road from Twin Peaks to Titan Way.	4, 8, 9 12, 14, 17 E, H
Espola Road Water Improvements	1990	Installation of a twenty-four inch water transmission line to substantially upgrade to the City's Master Water System.	2, 9, 12, 14, 17 B, H
Espola Road Widening	2000	Widening of 1,400 feet of Espola Road, including curbs, gutters, sidewalks, fire hydrants, streetlights, and a storm drain.	2, 4, 9 12, 14, 17 B, H
Fire Station #3	October 2004	Site acquisition and new construction of a 13,600-SF fire station.	13, 24 H
Garden Road Playground Equipment	August 2002	Improvement and replacement of outdated playground equipment. Installation of a new drinking fountain and shade structure.	7, 9, 14 A, H
Ilene Street Drainage Improvements	February 2002	Repairing of the drainage system along Ilene Street.	5, 6, 8, 9, 21 A, C, E
Library Site Drainage Improvements	June 1997	Installation of drainage improvements at the Community Library.	5, 6, 8, 9 A, C, E

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 3 (CONT'D.)

**COMPLETED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
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Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
Public Improvement Program (Cont'd.):			
Meadowbrook Street Lights	May 2002	Renovation and installation of lighting to existing sports field at Meadowbrook Middle School. Grading and drainage improvements, a new irrigation system, turf, and glare-control lighting for the field.	9, 14, 17, 23 H
Midland Road Acquisition	November 2001	Acquisition of eight parcels totaling 2.44 acres to pursue expanded recreational, cultural, and commercial opportunities in the Plan Area.	3, 5, 6, 9, 10, 11, 12, 13, 16, 17, 20, 21, 22, 23 A, C, F
North Basin Sewer Pump Force Main Study	Mid 1990s	Construction of a new pump station.	2, 12, 14, 23, 24 B, H
Oak Knoll "Neighborhood Revitalization" Survey	2001	Comprehensive income survey of multi-family neighborhoods. Survey certified by HUD resulted in official recognition as a "Neighborhood Revitalization Area", eligible for CDBG funding capital improvements.	1, 2, 4, 8, 9, 13, 17, 18, 22 B, H
Old Pomerado Road Acquisition	October 2003	Acquisition and historic assessment of the Big Stone Lodge for the future development of a public park on a 1.77-acre site.	9, 13, 14, 24 A, C
Old Poway Park Railroad Restoration and Turntable	September 2002	Renovation and restoration of the locomotive and rail system at Old Poway Park, including installation of a staircase and handrails, and construction of a 2,500-SF train barn expansion.	7, 9, 13, 14, 17 H
Orchestra Pit Hydraulic Lift	February 2003	Installation of an orchestra pit lift at the Poway Center for the Performing Arts.	7, 9, 13, 14, 24 H
Pomerado Road Improvement	February 2002	Installation of streetscape improvements including street widening, storm drain replacement, reconstruction of existing driveways, curb inlets, fire hydrants, street lights, and a traffic signal.	2, 4, 6, 8, 9 12, 14, 17 B, E, H

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 3 (CONT'D.)

**COMPLETED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
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Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal⁽¹⁾
Public Improvement Program (Cont'd.):			
Poway Road Environmental Assessment Grant	Ongoing	Successful application for a \$200,000 EPA Grant to assess environmental deficiencies along Poway Road.	5, 16
Poway Road Monumentation Program	2004	Development of commercial sector identification along Poway Road through monument signage.	4, 6, 8, 9, 10, 11, 12, 17, 20, 22, 23
Poway Royal Sewer Improvements	2000	Installation of sewer infrastructure improvements.	2, 9, 13, 18 A, H
Public Improvements in Business Park	Ongoing	Installation of public improvements in support of retail commercial and manufacturing in the Poway Business Park.	6, 10, 12, 23, 24 B, C
Rattlesnake Creek Flood Plain Protection Acquisitions	Ongoing	Acquisition of properties located within the Rattlesnake Creek floodway and floodplain properties for future recreational and open space use.	1, 7, 13, 14, 22, 24 A, B, C, D
Skate Park	September 2003	Construction of a new 14,400-SF concrete skate park designed for skate boarding and rollerblading.	7, 9, 12, 13 H
Starridge Park Playground	2001	Installation of park renovations to eliminate flooding problems and replace deteriorated playground equipment with new ADA accessible equipment.	7, 13, 17 A, H
Street Maintenance	Ongoing	Rehabilitation of 12,000 linear feet of existing streets, concrete curbs, gutters, sidewalks, and access ramps throughout the City.	2, 4, 6, 8, 9 12, 14, 17 B, E, H
Supporting Homeownership in Poway (S.H.O.P.)	Ongoing	Program to provide low- and moderate-income homebuyers assistance to purchase a home through Agency supported second mortgages.	11, 12, 15, 18
Tarascan/Poway Road Parcel Acquisition (A+ Acquisition)	April 2002	Acquisition of land to expand Civic Center Drive south of Poway Road.	4, 5, 8, 12 B, C, H

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 3 (CONT'D.)

**COMPLETED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal ⁽¹⁾
<i>Public Improvement Program (Cont'd.):</i>			
Water Reclamation Plant	Mid 1990s	Design of a water reclamation plant for use at an existing plant site.	2, 10, 12, 14, 20, 23, 24 H
Water Treatment Program	November 1997	Construction of new media filters to replace previous system and achieve compliance with the surface water rule.	2, 10, 11, 12, 14, 20, 23, 24 A, C, E

(1) Refer to pages 5-8 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

IV. UPDATED ASSESSMENT OF CURRENT BLIGHTING CONDITIONS

The Agency has taken important steps toward the alleviation of blighting conditions in the Paguay Redevelopment Project Area. Nevertheless, many of the blighting conditions identified when the Redevelopment Plan was adopted are still present in the Project Area, and continue to impair private investment and development activity. As a result, a number of important developments and improvements still need to be implemented in order to achieve the Agency's goals and objectives.

The following blighting conditions in the Project Area, documented in the 1993 Plan Amendment, still remain. These conditions are as follows:

- A. Deteriorated and dilapidated buildings and structures that are in need of extensive to moderate repairs.
- B. Properties which are underutilized because of inadequate public facilities or improvements.
- C. Properties suffering from economic maladjustment, dislocation, disuse, and substandard design.
- D. Buildings or structures suffering from age or obsolescence which require repair or renovation, but whose problems cannot be addressed because of their location in an area prone to flooding.
- E. The presence of mixed uses, shifting uses, and conflicting and incompatible uses situated without adequate buffering.
- F. Subdivided lots of irregular form and shape, and inadequate size for proper usefulness.
- G. Lots of irregular form or shape, laid out in disregard to topographic or other physical characteristics.
- H. Inadequate public improvements, public facilities, open space, and utilities.

V. GOALS AND OBJECTIVES, PROPOSED PROJECTS, AND CONTRIBUTION TO BLIGHT ALLEVIATION FOR THE PERIOD OF 2005-2009

This section identifies the Agency's goals and objectives, specific programs, and possible projects in the Paguay Redevelopment Project Area for the next five years. Explanation is also provided as to how these goals and programs will alleviate blight. Planned expenditures are also reviewed in this section.

A. Goals and Objectives

The Agency's principal goals and objectives for the Project Area for the period between 2005 – 2009 remain unchanged from the goals and objectives identified when the Redevelopment Plan was adopted. These goals and objectives are as follows:

1. Elimination of flooding by construction of flood control detention basins and improvements to flood channels.
2. Elimination of deficiencies of trunk line sewer and water distribution systems, to increase system capacities and extend lines as required to serve the ultimate build-out population.
3. Acquisition and resubdivision of properties that have been laid out in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions.
4. Elimination of traffic circulation deficiencies and the provision of future access to accommodate regional traffic demands and service in currently undevelopable outlying areas.
5. Elimination of environmental deficiencies and visual blight, particularly along Poway Road.
6. Development of new streetscapes and the establishment of design controls for redevelopment, rehabilitation, and development of commercial areas.
7. Acquisition and development of new parks and recreation facilities to meet General Plan requirements.
8. Provision of adequate roadways and traffic and circulation improvements to correct street alignment problems and substandard alleys, to eliminate road hazards, and to provide adequate street and freeway access.

9. Elimination and prevention of the reoccurrence of conditions of blight and deterioration and the conservation, rehabilitation, and redevelopment of the Project Area in accordance with the Redevelopment Plan and future annual work programs.
10. Provision for the enhancement and renovation of businesses to promote their economic viability.
11. Encouragement of cooperation and participation of residents, business-persons, public agencies, and community organizations in the revitalization of their properties.
12. Stimulation of investment of the private sector.
13. Provision of needed improvements to the community's educational, cultural, residential, and other community facilities.
14. Promotion of public improvement facilities, which are sensitive to the unique environmental qualities.
15. Establishment of a program, which promotes the rehabilitation of the existing housing stock where appropriate.
16. Expansion of the resource of developable land by making underutilized land available for development.
17. Alleviation of certain environmental deficiencies including substandard vehicular and pedestrian circulation systems, insufficient street lights, off-street parking, and other similar public improvements.
18. Provision, improvement, or preservation of low- and moderate-income housing as is required to satisfy the needs and desires of the various age and income groups of the community.
19. Development of safeguards against noise and pollution to enhance the industrial/commercial community.
20. Upgrade of existing commercial and industrial uses in the Project Area.
21. Assembly and disposition of land into parcels suitable for modern integrated development with improved pedestrian and vehicular circulation.
22. Replanning, redesign, and development of undeveloped areas, which are stagnant or improperly utilized.

23. Strengthening of the economic base of the Project Area and the community by the installation or provision of needed site improvements and public facilities to stimulate new commercial/light industrial expansion, employment and economic growth.
24. The expansion of City, County, and other governmental services and uses.

B. Proposed Private Projects

To achieve the Agency's goals and objectives, the Agency proposes to undertake the programs and potential private development projects listed in Table 4 and summarized below. However, in order to implement the projects and programs outlined in Table 4, the Agency must determine the scope of each of these programs and projects in much greater detail. Nothing in this Implementation Plan shall constitute Agency approval of any specific program or project. For each proposed activity, the table indicates blighted conditions that would be alleviated, if the activity were undertaken.

The Agency plans a program of private development on various sites in the Project Area. Many of the available sites are presently constrained by either irregular topography or flood hazard conditions. Agency activities in support of development on these potential sites include:

- Acquisition of property for development of commercial, residential, recreational, and open space uses.
- Financial assistance to attract and retain businesses located within the Project Area.
- Assistance toward the creation of new affordable housing opportunities and the preservation and improvement of Poway's existing affordable housing stock.
- Development of a mix of residential and commercial uses within the Project Area.

As shown in Table 4, Agency-sponsored private developments in the Project Area can be expected to contribute to blight alleviation by reducing conditions such as: depreciated/stagnated property values; parcels of irregular size, shape, or topography; lack of affordable housing; and vacant/underutilized lots. Table 4 is not intended to be an exclusive list of the projects which could be sponsored by the Agency during the five-year term of this Implementation Plan. The Agency intends to pursue other programs and projects as appropriate, which are consistent with the above.

TABLE 4

**PROPOSED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
<i>Private Development Program:</i>		
Affordable Housing Assistance	Assistance toward the creation of new affordable housing opportunities and the preservation and improvement of Poway's existing affordable housing stock.	12, 13, 15, 18
Auto Dealership Off-Site Storage	Development of a five-acre property to provide 800 spaces for off-site auto storage which will eliminate traffic circulation deficiencies on Poway Road and will include improvements that provide adequate access, security, and lighting and stimulate economic growth.	4, 5, 8, 12, 23 C, E
Brighton Affordable Housing Development	Development of approximately 91 units of affordable family work force housing.	12, 13, 18, 21, 22 A, E, F
Business Park Hotel	Acquisition of a 4.18-acre site for development of a business class hotel to support the needs of businesses in the Poway Business Park.	12, 13, 16, 23 B
Commercial Site Acquisition - Midland/Aubrey	Site acquisition and relocation of Midland Animal Clinic. Includes activities necessary for site mitigation and infrastructure improvements resulting from relocation.	10, 12, 17 C, F, H
Commercial Rehabilitation Loan Program	Funding to revitalize existing commercial centers and businesses along Poway Road.	4, 5, 6, 9, 10, 11, 12, 17 A, C
Community Road Multi-family Site	Site assembly and development of approximately 60 units of family workforce housing.	3, 9, 12, 13, 18, 21, 22 A, C, F, G
Evanston Affordable Ownership Housing Development	Development of approximately 10 units of affordable for-sale housing as part of a first-time homebuyer program.	12, 18 E, F
Financial Assistance	Financial assistance to attract and retain businesses located within the Project Area.	5, 6, 10, 11 12, 14, 20, 23 A, D

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 4 (CONT'D.)

**PROPOSED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
PAGUAY REDEVELOPMENT PROJECT AREA
2005-2009 IMPLEMENTATION PLAN
CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal ⁽¹⁾
<i>Private Development Program (Cont'd.):</i>		
HomeShare Community Connections	Assistance to low- and moderate-income residents by providing services and referrals pertaining to affordable, transitional, and emergency housing.	18
Housing Rehabilitation Loan Program	Assistance to low- and moderate-income homeowners to preserve & improve Poway's existing affordable housing stock.	9, 11, 12, 13 15, 18 A
Hyundai Dealership	Provide funding for public improvement to stimulate private investment in the project area.	11, 12, 23 B, C
Metate Affordable Ownership Housing Development	Development of approximately 34 units of affordable for-sale housing as part of the first-time homebuyer program.	12, 13, 18 B, G
Mixed-Use Commercial Developments	Phased development of 16-acre mix of commercial and office that includes a master plan.	3, 5, 6, 8, 9, 10, 11, 12, 13, 17, 18 20, 21, 22, 23 A, C, D, E, F, G
Mixed-Use Housing Development - Schneider	Site assembly for development of affordable housing, revitalization of commercial corridor and mitigation of environmental deficiencies.	3, 5, 6, 9, 12 16, 17, 18, 21, 22 B, C, E, F, H
Monte Vista Affordable Housing Development	Development of approximately 50 units of affordable family workforce housing.	12, 13, 18
Mortgage Certificate Credit Program	Program to assist low- and moderate-income, first-time homebuyers to qualify for conventional home mortgages.	12, 13, 18
Non-profit Capacity Building	Ongoing program to support low- and moderate-income housing through capacity building, predevelopment activities, and education.	9, 13, 18

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 4 (CONT'D.)

**PROPOSED PRIVATE PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
<i>Private Development Program (Cont'd.):</i>		
Poway Mobilehome Park Rent Subsidy	Provides monthly rental assistance to income qualified households residing in the City-owned Poway Royal mobilehome park.	18
Property Acquisition	Acquisition of property for development of commercial, residential, recreational, and open space uses.	3, 4, 5, 7, 9 16, 18, 21 A, B, C, D
Sycamore Affordable Ownership Housing Development	Rehabilitation and sale of a single-family home as part of the first-time homebuyer program.	12, 13, 15, 18 D
Twin Peaks Affordable ownership Housing Development	Environmental clean-up and the development of affordable single-family housing.	5, 12, 13, 16, 18
York Affordable Ownership Housing Development	Development of approximately 4 units of new affordable for-sale housing as part of a first-time homebuyer program.	12, 13, 18 B, D, E, F

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

C. Proposed Public Improvements

The Agency also plans to undertake a number of major public improvements in the Project Area during the next five years. These include:

- New construction and improvement of roadways, highways, curbs, gutters, sidewalks, access ramps, water, sewer, flood control, and drainage systems.
- Development and improvement of parks, recreational facilities, and open space.
- Installation of public facilities and improvements to revitalize and leverage private investments in the Project Area.

These public improvements may be financed by the Agency upon the City Council finding that the public improvements are of benefit to the Project Area, that there are no other reasonable means of financing the public improvements, and that the public improvements will assist in the elimination of blight within the Project Area or provide housing for low or moderate income persons. In addition, the public improvements must be consistent with the Implementation Plan, and provided for in the Redevelopment Plan.

Table 5 shows that the proposed public improvements will contribute to the alleviation of depreciated/stagnated property values, deteriorated buildings, and inadequate public facilities.

TABLE 5

**PROPOSED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
Public Improvement Program:		
ADA Comprehensive Needs Assessment	Completion of Phase 2 of the assessment and implementation of identified improvements.	11, 17 B
Blue Sky Parking Lot & Grading - Phases II, III, and IV	Construction of a permanent parking lot and transit facility for Blue Sky Reserve including development of restrooms, the open-air amphitheatre, and the education building.	4, 7, 17 H
Budwin Lane/Twin Peaks Road Signal	Installation of a four-way traffic signal at the intersection of Budwin Lane and Twin Peaks Road.	2, 4, 6, 8 9, 12, 14, 17 B, E, H
Community Fine Arts Center Funding	New construction of a facility dedicated to the exposition of and instruction in the fine arts.	12, 13 H
Community Park Parking Lot Expansion	Construction of additional parking spaces at Community Park.	7, 9, 12, 14 A, H
Community Park Playground Lighting	Installation of exterior lights in Community Park and the Adventure Playground.	7, 13 B, H
Corrugated Metal Pipe (CMP) replacement in Powers/Frame area of Pomerado	Replacement and enlargement of CMP pipes running from the east side of Pomerado Road to Pomerado Creek.	1, 2 H
Espola Road to Oak Coach Widening	Widening of Espola Road, including curbs, gutters, sidewalks, fire hydrants, streetlights, and a storm drain.	4, 8, 12 14, 17, 23 H
Espola Road to Old Coach Widening	Widening of Espola Road north of Twin Peaks to Titan Way to four-lane width.	4, 8, 12 14, 17, 23 H
Fire Suppression Facilities Improvement	Construction of a replacement multipurpose structure for equipment storage and fire suppression training at Crosthwaite Circle, as well as other minor improvements at Fire Station I.	7, 9, 12, 14 A, H

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 5 (CONT'D.)

**PROPOSED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
PAGUAY REDEVELOPMENT PROJECT AREA
2005-2009 IMPLEMENTATION PLAN
CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
Public Improvement Program (Cont'd.):		
Hilleary Park Playground	Removal/replacement of playground equipment, installation of rubber surfacing, and landscape replacement.	13 H
Lake Poway Upper Playground	Removal/replacement of playground and landscape.	13 H
Metate Historical Park	Relocation of historical buildings to a 2-acre site located on the south side of Metate.	13, 14
Midland Road Acquisition	Acquisition of eight parcels totaling 2.44 acres to pursue expanded recreational, cultural, and commercial opportunities in the Plan Area.	3, 5, 6, 8, 9, 10 11, 12, 13, 16, 17 18, 20, 21, 22, 23 A, C, F
Midland Village Improvement Fund	Construction of improvements to the section of Midland Road between Aubrey and Edgemoor to its ultimate width and set into place the infrastructure for the future improvement of this area.	4, 8, 9, 12, 14, 17 B, C, H
Oak Knoll Outfall Sewer Upgrade	Installation of 3,100' of 24" sewer line to replace existing line in Oak Knoll between Community Park and Pomerado.	2, 3, 14 H
Oak Knoll Revitalization Program	Complete revitalization plan and implement identified improvements.	1, 2, 4, 5, 8, 9, 13, 17, 18, 22 B, H
Oak Knoll Widening	Widening of Oak Knoll Road to accommodate a center turn lane, curbs, sidewalks, and on-street parking between Poway and Pomerado Roads.	2, 4, 6, 8, 9, 12, 14, 17 B, E, H
Old Poway Neighborhood Improvements	Installation of roadway infrastructure improvements along Midland Road including streetscape lighting, street furniture, sidewalks, curbs, and gutters.	2, 4, 6, 8, 9, 12, 14, 17 B, E, H

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 5 (CONT'D.)

**PROPOSED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
PAGUAY REDEVELOPMENT PROJECT AREA
2005-2009 IMPLEMENTATION PLAN
CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
Public Improvement Program (Cont'd.):		
Old Poway Train Depot	Construction of a train depot at the southeastern portion of Old Poway Park.	7, 13 C, H
Park Development	Development and improvement of parks, recreational facilities, and open space.	7, 13, 14 H
Poway Creek Bridge Improvements - Garden Road Area	Examination of the needs of the channel and two bridges crossing Poway Creek (at Standish and Naddick Roads). The study would assess the best remedial modifications. The bridges will be upgraded to accommodate traffic over the 100-year flows.	1, 2, 8, 14 B, H
Poway Road District Sign Program	Installation of new median signage along Poway Road that will identify and create awareness of specific districts and help to promote nearby businesses.	5, 6, 8, 9, 10, 11 12, 17, 20 21, 22, 23 B, C, E
Poway Road Environmental Remediation	Remediation of problems found upon completion of the EPA grant assessment.	5
Poway Road Mixed-Use Project	Evaluation of development options and selection of a master developer for development of 16 acres for commercial, office and residential uses.	3, 5, 6, 8, 9, 10 11, 12, 13, 16, 17 18, 20, 21, 22, 23 A, C, D, E, F, G
Poway Road Sewer Replacement	Installation of a 100' of 18" sewer line in Poway Road west of Carriage Road to upgrade the existing line.	2, 3, 14 H
Poway Road Specific Plan Implementation	Installation of streetscape improvements, ornamental lighting, business signage, and a Citywide banner program.	4, 6, 8, 9, 10, 11, 12, 17, 20, 22, 23 H
Poway Road Street and Streetlight Improvements	Installation of streetscape improvements along Poway Road, including furniture, lighting, a district wide signage program, and the installation of 17 new streetlights.	5, 6, 9 12, 17 B, H

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

TABLE 5 (CONT'D.)

**PROPOSED PUBLIC PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 PAGUAY REDEVELOPMENT PROJECT AREA
 2005-2009 IMPLEMENTATION PLAN
 CITY OF POWAY**

Project/Program	Project/Program Description	Contribution to Blight Removal (1)
<i>Public Improvement Program (Cont'd.):</i>		
Public Facilities Improvements	Installation of public facilities and improvements to revitalize and leverage private investments in the Project Area.	13, 14, 23, 24 B, H
Public Infrastructure Improvements	New construction and improvement of roadways, highways, curbs, gutters, sidewalks, access ramps, water, sewer, flood control, and drainage systems.	1, 2, 4 6, 8, 14 17, 19, 20, 23 H
Railroad Restoration/Gondola	Renovation and restoration of the locomotive and rail system at Old Poway Park, including installation of a staircase and handrails, and construction of a 2,500-SF train barn expansion.	4, 7, 9, 12 13, 14, 17 H
Rattlesnake Creek Acquisitions	Site acquisition for the development of sports/playing fields, park areas, recreational facilities, and open space.	1, 3, 7, 12, 13, 24 B, H
Sagewood Sewer Diversion Structure	Installation of a sewer diversion structure that will balance the flow between two parallel systems in the intersection of Orchard Bend and Rostrata.	2, 3, 14 H
Silverlake Drain Replacement	Replacement of CMP arch under Poway Road. Project will include removal and replacement of medians to accommodate traffic.	2, 3, 14 H
Supporting Home Ownership in Poway (S.H.O.P.)	Program to provide low- and moderate income homebuyers assistance to purchase a home through Agency-supported second mortgage.	11, 12, 15, 18
Tarascan/Poway Road Environmental Remediation	Ongoing site monitoring of environmental conditions on Civic Center Drive south of Poway Road.	4, 5, 8, 12 B, C, H
Welton Lane Sewer/Water Improvements	Installation of water and sewer lines up Welton Lane to serve 14 residential homes.	2, 3, 14 H

(1) Refer to pages 19-22 to identify the corresponding Redevelopment Plan blighting conditions reference letters and goals and objectives reference numbers.

D. Proposed Revenues and Expenditures

Redevelopment agencies are required to identify their proposed revenues and expenditures over the next five years for purposes of alleviating blight. Agency expenditures for the programs identified in this five-year Implementation Plan will be derived from the following sources:

- Sale of tax allocation bonds supported by tax increment revenues from the Project Area.
- Tax increment revenues over and above the amounts required to cover debt service on the tax allocation bonds.
- Low-and Moderate-Income Housing Funds (Low-Mod Housing Fund), which must be used for increasing, improving, and preserving affordable low-and moderate-income housing. (The status of the Agency's Housing Funds, possible housing developments, and potential expenditures are reviewed in Section VI.)
- Loans and advances that may be provided from time to time by the City of Poway.
- Repayment of loans.
- Proceeds from land sales and leases to private developers for purposes of implementing specific redevelopment projects.
- Loans and advances from private developers.

Tax increment revenues are expected to represent the major funding source for Agency programs. In FY 2005, the Agency projects a beginning fund balance of \$32,578,000. This projection excludes the 20% Low-Mod Housing Fund mandated by State Law. During this same year, the Agency anticipates the receipt of \$21,874,000 in tax increment and interest income, and expenditures of \$23,588,000, toward tax sharing agreements with other government entities, existing business park agreements, County administrative fees, debt service, and contributions toward the Education Revenue Augmentation Fund (ERAF). As a result, the Agency's fund balance at the end of FY 2005 is projected to be \$30,864,000. The Agency's fund balance will remain positive over the next five years, amounting to \$27,215,000 (not discounted) by FY 2009.

The actual amount and timing of Agency expenditures will depend on the availability of funding. The Agency will continue to leverage its limited financial resources with other funding sources in order to implement its redevelopment programs. These may include, among others, advances or payments from developers and property owners, loans from the City, and financial participation by other public agencies. In some cases, it may be prudent

for the Agency to aggregate funds to certain minimum levels before investing in programs and projects identified in this Plan.

In June 2000, the Redevelopment Agency implemented an annual program to allocate two percent (2%) of its gross tax increment funds for non-profit capacity building. The funds will be distributed to qualified, non-profit 501(c)(3) or comparable organizations in the following order of priority:

- First, to capacity-building;
- Second, for pre-development costs; and
- Third, for community outreach and education concerning housing issues.

Available funding for the program is determined on a yearly basis as a percentage of gross tax increment. Funds are distributed to eligible organizations through a Request for Proposal process.

TABLE 6

**REVENUE AND EXPENDITURE PROJECTIONS - FIVE YEAR PLAN
 PAGUAY REDEVELOPMENT PROJECT
 2005 - 2009 IMPLEMENTATION PLAN
 POWAY REDEVELOPMENT AGENCY**

	2005	2006	2007	2008	2009
I. Beginning Balance (1)	\$32,578,000	\$30,864,000	\$30,239,000	\$29,423,000	\$28,423,000
II. Revenue (1)	\$21,874,000	\$22,452,000	\$22,892,000	\$23,292,000	\$23,700,000
III. Expenditures	(\$23,588,000)	(\$23,077,000)	(\$23,708,000)	(\$24,292,000)	(\$24,908,000)
IV. Ending Balance	\$30,864,000	\$30,239,000	\$29,423,000	\$28,423,000	\$27,215,000

(1) Excludes Low-Mod Housing funds.

Source: Poway Redevelopment Agency, Series 2003A Tax Allocation Bond Offering Statement, September 10, 2003.

VI. HOUSING PRODUCTION PLAN

In addition to the removal of blight, a fundamental purpose of redevelopment is to expand and preserve the supply of low-and moderate-income housing. To accomplish this purpose, State law contains numerous provisions to guide redevelopment agency activities with regard to affordable housing. One of these provisions requires agencies to include a housing production plan in each five-year Implementation Plan. The housing plan must specify the Agency's intended approaches to increase, improve, and preserve the community's supply of low-and moderate-income housing.

This section is organized as follows:

- First, a review of the Agency's strategy for providing affordable housing in the Project Area.
- Next, a discussion of the principal housing mandates of State law – impacting the Agency's Low-Mod Housing Fund.
- Lastly, specific targets for housing production are identified for five- and ten-year horizons, as well as the life of the Paguay Redevelopment Project.

A. Housing Program Strategy

1. Redevelopment and Housing Advisory Committee

In 1983, the Poway City Council established the Redevelopment Advisory Committee to provide input and direction on Redevelopment Agency activities. In 1992, the charter of the Council-appointed committee was expanded to include the responsibility of making recommendations on the Agency's use of its Low-Mod Housing Fund. Since that time, affordable housing has been the Committee's primary area of focus. Major accomplishments of the 11-member Committee include:

- Development of the HomeShare and Community Connections Program, the Commercial Rehabilitation Loan Program, and the Supporting Homeownership in Poway (SHOP) Program.
- Conducting public hearings and providing recommendations regarding site selection for the Affordable Housing (AH) Overlay Zone designation.
- Participating in the preparation of the first and second Redevelopment Housing Implementation Plan and the Comprehensive Affordable Housing Strategy.

- Development of the Residential Rehabilitation Loan Programs.

During 2005-2009 Implementation Plan period, the Committee will continue to meet quarterly to review current Agency activities and make recommendations regarding important Agency programs.

2. Comprehensive Affordable Housing Strategy

The Comprehensive Affordable Housing Strategy (Strategy) is a five-year capital plan for the expenditure of the Agency's Low-Mod Housing Fund monies to address affordable housing needs within the Project Area. The Strategy, prepared in 2001, identified the following goals and objectives, which provide the framework for the policies and programs served by the Housing Fund.

- Produce and preserve the maximum feasible number of housing units affordable to households within targeted low-and moderate-income groups.
- Create a continuum of housing affordable to the full range of very low, low, and moderate income households to allow households to remain in Poway as their incomes increase and they move from assisted housing to market-rate housing.
- Produce and preserve affordable multi-family housing to the maximum extent feasible for a range of household types including families, seniors, and special needs populations, such as the developmentally disabled.
- Augment the Agency's program for the construction of new affordable housing in Poway with the acquisition and rehabilitation of existing multi-family units to increase and/or preserve the supply of affordable rental housing in the City, improve the existing multi-family housing stock, and stimulate neighborhood revitalization.
- Promote first-time homebuyer programs for income-eligible households, with a goal of targeting areas in need of neighborhood revitalization, to provide a balance of affordable rental and ownership housing in the City.
- Utilize the \$1.9 million in the City's accumulated Housing In-Lieu Fees in accordance with the restrictions on these funds. According to the Poway Municipal Code, ownership units funded by in-lieu fees must carry long-term affordability restrictions, and must be targeted to households earning up to 120% of Area Median Income.
- Maximize leverage of County, State, Federal, and private funds to produce and preserve affordable rental and ownership housing, consistent with minimum affordability

requirements needed both to successfully compete for such funds and to comply with their restrictions.

- Magnify the neighborhood revitalization effects of the Agency's acquisition and/or rehabilitation program by focusing other available program resources in acquisition/development target areas. Examples include expenditure of Community Development Block Grant funds for infrastructure improvements, acquisition/development of adjacent vacant sites, and application for non-local resources for infrastructure and community facilities.
- Protect Poway's public investment in the production and preservation of affordable ownership housing with effective resale restrictions for the longest feasible time, including where possible permanent affordability, but not less than required by applicable law.
- Ensure new affordable housing complies with the City's General Plan/design guidelines and remains sensitive to the surrounding neighborhood.
- Ensure new affordable housing is developed to maximize cost-efficient design and management.

3. *Housing Element*

The Implementation Plan is required to be consistent with the Housing Element of the City's General Plan. An update of the City's Housing Element is currently underway, and must be adopted by July 2005.

California Health and Safety Code Section 33334.4 requires redevelopment agencies to target Low-Mod Housing Fund expenditures to the relative percentage of unmet need for very low, low, and moderate income units, as defined in the City's most recently approved Housing Element.

The adoption of this Implementation Plan will occur prior to the update of the Housing Element. Therefore, calculations regarding how Low-Mod Housing Funds should be targeted (proportionality requirements), as indicated on pages 38-39, are based upon housing needs identified in the City's July 1999-June 2005 Housing Element.

The Agency will amend and/or update the housing need proportionality requirements (page 38) during the mandatory Mid-Term Update process to comply with the outcomes of the City's 2005-2010 Housing Element.

4. Affordable Housing Overlay Zone

The Agency plans to continue its efforts to provide affordable housing on targeted affordable housing sites, known as Affordable Housing Overlay sites. Each property developed using the Affordable Housing Overlay Zone option must do so in accordance with a Specific Plan. The Specific Plan must specify the income group targeted and allows residential densities of up to 25 dwelling units per acre. In addition, the Specific Plan must include conditions under which the property may be developed including design criteria. Affordability covenants are required for units developed using the Affordable Housing Overlay Zone option.

B. Housing Set-Aside Strategy

State law requires that 20% of the tax increment generated in Project Areas be used for the purposes of increasing, improving, or preserving the community's supply of very low, low, and moderate income housing.

1. Excess Surplus

State law mandates that redevelopment agencies use Low-Mod Housing Funds in a timely manner. Specifically, the law stipulates that agencies may not retain "Excess Surplus" in their Low-Mod Housing Fund. "Excess Surplus" is defined as the unexpended or unencumbered amount of an Agency's Low-Mod Housing Fund that exceed the greater of \$1,000,000 or the aggregate amount deposited in the fund during the preceding four years. This calculation is performed annually and reported to the State Department of Housing and Community Development on Schedule "C" of the Agency's annual report. An agency with an excess surplus has the following fiscal year to either transfer the surplus to the housing authority or to expend/encumber the surplus funds. Failure to spend or encumber the excess surplus within an additional two years (for a total of three years from the date the funds became excess surplus) results in an agency losing most of its discretionary powers over redevelopment until the surplus, plus an amount of non-Housing Funds equal to 50 percent of the surplus amount, is spent or encumbered. Determination of when excess surplus will occur will affect the timing of expenditure of Low-Mod Housing Funds. The Agency's 2002-2003 Schedule HCD-C report to the State, as summarized below, illustrates that Poway does not have an excess surplus in its Housing Fund.

Exhibit VI-1: Excess Surplus Calculation				
Fiscal Year	Total Tax Increment Deposited to Housing Fund	Sum of Tax Increment Deposited	Total Unencumbered Balance *	Excess Surplus
1998-1999	\$2,847,000			
1999-2000	\$3,466,400			
2000-2001	\$4,193,000			
2001-2002	\$4,714,000			
2002-2003		\$15,221,000	\$2,381,000	\$0

*While these funds are “unencumbered”, all monies in the Low-Mod Housing Fund are reserved for specific projects.

2. Proportionality Requirements

Under California Health and Safety Code Section 33334.4, the Agency must target Low-Mod Housing Fund expenditures in accordance with an income proportionality test and an age restriction proportionality test as explained in detail below. These proportionality tests must be met between January 1, 2002 and December 2014, and then again through the termination of the Redevelopment Plan. These tests do not have to be met on an annual basis.

- Housing Need Proportionality Test** - The income proportionality test requires that the Agency target Low-Mod Housing Fund expenditures to the relative percentage of unmet need for very low, low, and moderate income units, as defined in the City’s current Housing Element. The Agency may adjust the proportion by subtracting from the need identified for each income category, the number of units for persons of that income category that are constructed with other locally controlled government assistance and without Agency assistance. Based on the City’s 1999-2004 Housing Element, the Agency’s minimum required allocation for very low and low income expenditures, and maximum moderate income housing expenditures are:

Exhibit VI-2: Housing Need Income Proportionality Test - Poway	
Very Low Income (50% AMI and below)	At least 41%
Lower Income (from 51% to 80% AMI)	At least 30%
Moderate Income (from 81% to 120% AMI)	No more than 29%

In order to meet the income targeting standards, the Agency proposes that this Implementation Plan allocate 41% of the Housing Fund project and program

expenditures to very low income households, 30% of the fund to low income households, and no more than 29% of the funds to moderate income households. The Agency will be required, as a matter of law, to comply with the housing needs identified in the City's 2005-2010 Housing Element.

- *Age Restriction Proportionality Test* - The age restriction proportionality test requires that the maximum percentage of Low-Mod Housing Funds that an agency can allocate to senior housing is limited to the percentage of residents within the City that are 65 years of age and older, as reported by the most recent census of the U.S. Census Bureau.

As shown below, according to Census 2000, 8.6% of the City's population is aged 65 years or older.

Exhibit VI-3: Age Restriction Proportionality Test - Poway		
Under 65 Years Old	43,906	91.4%
65 Years and Older	4,138	8.6%
Source: U.S. Census, Census 2000		

In order to meet the age restriction proportionality test requirements, the Agency proposes that this Implementation Plan allocate at least 91.4% of the Housing Fund project and program expenditures to non-age-restricted housing.

3. Replacement Obligation

State law also requires the replacement of low-and moderate-income housing when an agency causes the removal of such housing as part of its redevelopment activities. Redevelopment agencies are required to cause the development of replacement dwelling units, for low or moderate income households, in numbers equal to those eliminated within four years of removal.

As summarized in Exhibit VI-4, since adoption of the Redevelopment Plan in December 1983, 78 residential units containing 130 bedrooms have been removed as result of Agency activities. The majority of the units displaced were recreational vehicles and travel trailers. The Agency has met its replacement housing requirements through the development of affordable units at Haley Ranch Estates and Hillside Village. The replacement units have been made available at the same or lower income level as the persons displaced from destroyed or removed units.

Exhibit VI-4: Replacement Obligation		
	<u>Units</u>	<u>Bedrooms</u>
Units/Bedrooms Removed	78	130
Replacement Units/Bedrooms		
Haley Ranch Estates	35	102
Hillside Village	<u>11</u>	<u>29</u>
Total Replacement Units/Bedrooms (1)	46	131
<p>(1) Pursuant to Health & Safety Code Section 33413(f), the Agency may replace destroyed or removed units with fewer units if the replacement units have a greater or equal number of bedrooms and are affordable to the same income level household as the destroyed or removed units.</p>		
<p>Source: City of Poway</p>		

4. Inclusionary Housing

State law incorporates inclusionary housing requirements where defined percentages of housing must be reserved for low-and moderate-income households. This requirement must be met every ten years.

Where the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units developed in a Project Area must be affordable to low-and moderate-income households. Of the 15% reserved, 40% must be restricted to very low-income households.

If housing is developed or rehabilitated by the Agency itself, 30% of the housing must be affordable to low-and moderate-income households. Of those units, 50% must be affordable to very low-income households.

Prices or rents for inclusionary units must be restricted by Agency-imposed covenants for the longest feasible time, as determined by the Agency. With respect to for-sale housing developed after January 1, 2002, this restriction must apply for a minimum of 45 years. The minimum requirement for rental housing developed after January 1, 2002 is 55 years.

State law allows affordable housing production outside project areas to count on a 2-for-1 basis in order to fulfill these requirements.

Housing Production, 1995-2004

A summary of total housing production and percentages reserved and proposed for low-and moderate-income residents in the Paguay Project Area for the 10-year period from January 1, 1995 to December 31, 2004 is presented in Table 7.

As shown, a total of 777 housing units were developed in the Paguay Project Area between 1995-2004. All of the housing units produced were built by private developers.

Based on this production level, the Agency's inclusionary obligation over the past 10 years for low-and moderate-income units is 117 units.

During this period, the Agency restricted 299 units, all to very low income households. Based on the foregoing, the Agency has complied with State law inclusionary requirements, and in fact has exceeded its housing obligation by 182 units.

Housing Production, Since Project Area Formation

Total housing production in the Paguay Project Area and percentages reserved and proposed for low-and moderate-income residents since the Plan was adopted in 1983 are presented in Table 8.

Since adoption of the Redevelopment Plan, a total of 1,753 housing units have been developed in the Paguay Project Area, resulting in an inclusionary obligation of 263 units, of which 105 must be affordable to very low-income households. As shown in Table 8, the Agency has produced 329 inclusionary units since the Redevelopment Plan was adopted, resulting in a current inclusionary housing surplus of 66 units. All inclusionary units produced since Project Area formation have been affordable to very low-income households. As a result, the Agency has a very low income housing surplus of 224 units.

TABLE 7

**SUMMARY OF HOUSING PRODUCTION, 1995-2004
PAGUAY REDEVELOPMENT PROJECT
2005 - 2009 IMPLEMENTATION PLAN
POWAY REDEVELOPMENT AGENCY**

January 1, 1995 - December 31, 2004

I. Housing Production

	Total Number of Units	Inclusionary Obligation @ 15.0%	Qualifying as Inclusionary Units
			<u>Moderate/Low</u> <u>Very Low</u>
Total Housing Production (1)	777	117	
II. Affordable Housing Production			
Brookview Village	102		0 102
Hillside Village (2)	71		0 60
Los Arcos (3)	84		0 42
Park View Terrace	92		0 92
Special Friends (3)	<u>6</u>		<u>0</u> <u>3</u>
Total Prior Affordable Housing Production	355		0 299

III. Total Inclusionary Housing Surplus/(Deficit)

	Total Surplus/(Deficit)	Moderate/Low	Very Low (4)
Inclusionary Units Produced	299	0	299
(Less) Inclusionary Obligation	<u>(117)</u>	<u>(70)</u>	<u>(47)</u>
Total Inclusionary Housing Surplus/(Deficit)	182	<u>(70)</u> (5)	252

(1) Source: City of Poway.

(2) Eleven (11) units at Hillside Village were credited against the Agency's replacement housing obligation.

(3) Los Arcos and Special Friends are located outside the Project Area. As such, affordable units at Los Arcos and Special Friends are counted on a 2:1 basis.

(4) At least 40% of the inclusionary housing obligation should be targeted to very low-income households.

(5) There is no minimum requirement for the number of moderate/low income units. As such, deficit shown does not reflect an outstanding obligation of the Agency.

TABLE 8

**SUMMARY OF HOUSING PRODUCTION, 1983-2004
PAGUAY REDEVELOPMENT PROJECT
2005 - 2009 IMPLEMENTATION PLAN
POWAY REDEVELOPMENT AGENCY**

December 13, 1983 - December 31, 2004

I. Housing Production

	<u>Total Number of Units</u>	<u>Inclusionary Obligation @ 15.0%</u>	<u>Qualifying as Inclusionary Units</u>	
			<u>Moderate/Low</u>	<u>Very Low</u>
Total Housing Production (1)	1,753	263		

II. Affordable Housing Production

Brookview Village	102		0	102
Haley Ranch Estates (2)	65		0	30
Hillside Village (3)	71		0	60
Los Arcos (4)	84		0	42
Park View Terrace	92		0	92
Special Friends (4)	<u>6</u>		<u>0</u>	<u>3</u>
Total Prior Affordable Housing Production	420		0	329

III. Total Inclusionary Housing Surplus/(Deficit)

	<u>Total Surplus/(Deficit)</u>	<u>Moderate/Low</u>	<u>Very Low (5)</u>
Inclusionary Units Produced	329	0	329
(Less) Inclusionary Obligation	<u>(263)</u>	<u>(158)</u>	<u>(105)</u>
Total Inclusionary Housing Surplus/(Deficit)	66	<u>(158)</u> (6)	224

(1) Source: City of Poway.

(2) Thirty-five (35) units at Haley Ranch Estates were credited against the Agency's replacement housing obligation.

(3) Eleven (11) units at Hillside Village were credited against the Agency's replacement housing obligation.

(4) Los Arcos and Special Friends are located outside the Project Area. As such, affordable units at Los Arcos and Special Friends are counted on a 2:1 basis.

(5) At least 40% of the inclusionary housing obligation should be targeted to very low-income households.

(6) There is no minimum requirement for the number of moderate/low income units. As such, deficit shown does not reflect an outstanding obligation of the Agency.

C. Proposed Housing Program

Redevelopment agencies are required to outline proposed housing activities at varying levels of detail for five years, ten years, and the life of the Redevelopment Plan. Accordingly, this section addresses the Agency's housing goals, and identifies projected and planned housing production, both market-rate and affordable, for all three time periods.

Agency Goals - The Agency has identified two key housing goals and objectives for the Paguay Redevelopment Project:

- Provide, improve, or preserve low- and moderate-income housing as is required to satisfy the needs and desires of the various age and income groups of the community and meeting the requirements of State law.
- Establishment of a program which promotes the rehabilitation of the existing housing stock where appropriate.

To accomplish these goals, the Agency has estimated inclusionary housing production based on future redevelopment potential within the Project Area. As presented in Tables 9 through 11 and summarized in Exhibit VI-5 and Exhibit VI-6, future inclusionary housing production will continue to meet State law requirements over the next five years, ten years, and the life of the Plan.

Exhibit VI-5 Estimated Inclusionary Housing Production (1)

	<u>5-Year Plan</u> <u>2005-2009</u>	<u>10-Year Plan</u> <u>2005-2014</u>	<u>Lifetime Plan</u> <u>2005-2025</u>
I. Estimated Number of Units Produced			
Housing Production 2005-2009 (Table 9)	410	410	410
Housing Production 2010-2014 (Table 10)		317	317
Housing Production 2015-2025 (Table 11)			403
Total Number of Units Produced	410	727	1,130
II. Estimated Inclusionary Housing Obligation			
Estimated Inclusionary Obligation (15%) (2)	63	110	173
Add: Previous Inclusionary Obligation (3)	263	263	263
Total Inclusionary Housing Obligation	326	373	436
III. Estimated Inclusionary Housing Produced			
Inclusionary Units Produced 1983-2004 (Table 8)	329	329	329
Inclusionary Units 2005-2009 (Table 9)	302	302	302
Inclusionary Units 2010-2014 (Table 10)		228	228
Inclusionary Units 2015-2025 (Table 11)			329
Total Inclusionary Housing Produced	631	859	1,188
IV. Inclusionary Housing Surplus/(Deficit)			
Inclusionary Housing Produced	631	859	1,188
(Less) Inclusionary Housing Obligation	(326)	(373)	(436)
Total Inclusionary Housing Surplus/(Deficit)	305	486	752

(1) Source: City of Poway

(2) Reflects 15% of total number of units produced for each time period, i.e., 410 x 15% = 63.

(3) Based on total housing production between 1983-2004 of 1,753 units. Reflects 1,753 x 15% = 263.

Exhibit VI-6: Target Affordability – Very Low Income

	<u>5-Year Plan</u> <u>2005-2009</u>	<u>10-Year Plan</u> <u>2005-2014</u>	<u>Lifetime Plan</u> <u>2005-2025</u>
I. Estimated Very Low Income Units Produced			
Inclusionary Units Produced 1983- 2004 (Table 8)	329	329	329
Inclusionary Units 2005-2009 (Table 9)	201	201	201
Inclusionary Units 2010-2014 (Table 10)		167	167
Inclusionary Units 2015-2025 (Table 11)			300
Total Very Low Income Units Produced	530	697	997
II. Estimated Very Low Income Obligation			
Inclusionary Housing Obligation	326	373	436
% Required Very Low	40%	40%	40%
Total Very Low Income Obligation	131	149	175
III. Very Low Income Surplus/(Deficit)			
Very Low Income Units Produced	530	697	997
(Less) Very Low Income Obligation	(131)	(149)	(175)
Total Very Low Income Surplus/(Deficit)	399	548	822

TABLE 9

**FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - FIVE-YEAR PLAN
PAGUAY REDEVELOPMENT PROJECT
2005 - 2009 IMPLEMENTATION PLAN
POWAY REDEVELOPMENT AGENCY**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Total Number of Units 2005 - 2009</u>	<u>Inclusionary Obligation @ 15.0%</u>
I. Proposed Housing Production (2005 - 2009)							
A. Market-Rate Units							
Poway Road Mixed-Use-Market					63	63	10
Future Projects - Market					45	45	7
Total Market-Rate Units					108	108	17
B. Affordable Units							
Target Income							
Very Low	60					60	9
Moderate		1				1	0
Moderate		10				10	2
Moderate		34				34	6
Moderate		4				4	1
Moderate		10	91			10	2
Very Low						91	14
Poway Road Mixed-Use-Affordable					42	42	7
Monte Vista Family Housing				50		50	8
Total Affordable Units	60	59	91	50	42	302	46
C. Total Market-Rate and Affordable Housing Production (2005-2009)						410	63
II. Estimated Inclusionary Housing Obligation							
A. Inclusionary Housing Obligation through 2004 (Table 8)						<u>158</u>	<u>263</u>
B. Projected Inclusionary Housing Obligation (2005-2009)						<u>37</u>	<u>63</u>
C. Total Inclusionary Housing Obligation (December 1983 - 2009)						195	326
III. Estimated Inclusionary Housing Production							
A. Inclusionary Housing Units Produced through 2004 (Table 8)						<u>329</u>	<u>329</u>
B. Projected Inclusionary Housing Production (2005 - 2009)						<u>201</u>	<u>302</u>
C. Total Inclusionary Housing Production (December 1983-2009)						530	631
IV. Inclusionary Housing Surplus/(Deficit)							
A. Total Projected Inclusionary Housing Production						<u>530</u>	<u>631</u>
B. Total Inclusionary Housing Obligation						<u>(131)</u>	<u>(326)</u>
C. Total Inclusionary Housing Surplus/(Deficit)						399	305

(1) At least 40% of the inclusionary housing obligation should be targeted to very low-income households.

(2) There is no minimum requirement for the number of moderate/low income units. As such, deficit shown does not reflect an outstanding obligation of the Agency.

TABLE 10

FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - 10-YEAR PLAN
 PAGUAY REDEVELOPMENT PROJECT
 2005 - 2009 IMPLEMENTATION PLAN
 POWAY REDEVELOPMENT AGENCY

	<u>2005 - 2009</u>	<u>2010 - 2014</u>	<u>Total Number of Units 2005 - 2014</u>	<u>Inclusionary Obligation @ 15.0%</u>
I. Proposed Housing Production (2005 - 2014)				
A. Market-Rate Units				
Poway Road Mixed-Use-Market	63	44	107	17
Future Projects - Market	45	45	90	14
Total Market-Rate Units	108	89	197	31
B. Affordable Units				
Affordable Units (2005-2009)	302		302	46
Affordable Units (2010-2014)				
Poway Road Mixed Use-Affordable		111	111	17
Future Projects - Affordable		117	117	18
Total Affordable Units	302	228	530	81
C. Total Housing Production	410	317	727	110
II. Estimated Inclusionary Housing Obligation				
A. Inclusionary Housing Obligation through 2004 (Table 8)			<u>Moderate/Low</u> 158	<u>Very Low (2)</u> 105
B. Projected Inclusionary Housing Obligation (2005-2014)			66	44
C. Total Inclusionary Housing Obligation (December 1983 - 2014)			224	149
			<u>Total</u> 263	<u>Total</u> 263
III. Projected Inclusionary Housing Production				
A. Inclusionary Housing Units Produced through 2004 (Table 8)			<u>Moderate/Low</u> 0	<u>Very Low (2)</u> 329
B. Projected Inclusionary Housing Production (2005 - 2014)			162	368
C. Total Inclusionary Housing Production (December 1983-2014)			162	697
			<u>Total</u> 530	<u>Total</u> 530
IV. Inclusionary Housing Surplus/(Deficit)				
A. Total Projected Inclusionary Housing Production			<u>Moderate/Low</u> 162	<u>Very Low (2)</u> 697
B. Total Inclusionary Housing Obligation			(224)	(149)
C. Total Inclusionary Housing Surplus/(Deficit)			(62) (3)	548
			<u>Total</u> 859	<u>Total</u> 859
				<u>Total</u> (373)
				<u>Total</u> 486

(1) Assumes 61 units at Moderate and 50 units at Very Low.

(2) At least forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

(3) There is no minimum requirement for the number of moderate/low income units. As such, deficit shown does not reflect an outstanding obligation of the Agency.

TABLE 11

FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - LIFETIME PLAN⁽¹⁾
 PAGUAY REDEVELOPMENT PROJECT
 2005 - 2009 IMPLEMENTATION PLAN
 POWAY REDEVELOPMENT AGENCY

	<u>2005 - 2009</u>	<u>2010 - 2014</u>	<u>2015-2025</u>	<u>Total Number of Units 2005 - 2025</u>	<u>Inclusionary Obligation @ 15.0%</u>
I. Proposed Housing Production (2005 - 2025)					
A. Market-Rate Units					
Poway Road Mixed-Use-Market	63	44	29	136	21
Future Projects - Market	45	45	45	135	21
Total Market-Rate Units	108	89	74	271	42
B. Affordable Units					
Affordable Units (2005-2009)	302			302	46
Affordable Units (2010-2014)		228		228	35
Affordable Units (2015-2025)					
Poway Road Mixed Use-Affordable			29	29	5
Future Projects - Affordable			300	300	45
Total Affordable Units	302	228	329	859	131
C. Total Housing Production	410	317	403	1,130	173
II. Estimated Inclusionary Housing Obligation					
A. Inclusionary Housing Obligation through 2004 (Table 8)	158			105	263
B. Projected Inclusionary Housing Obligation (2005-2025)	103			70	173
C. Total Inclusionary Housing Obligation (December 1983 - 2025)	261			175	436
III. Projected Inclusionary Housing Production					
A. Inclusionary Housing Units Produced through 2004 (Table 8)	0			329	329
B. Projected Inclusionary Housing Production (2005 - 2025)	191			668	859
C. Total Inclusionary Housing Production (December 1983-2025)	191			997	1,188
IV. Inclusionary Housing Surplus/(Deficit)					
A. Total Projected Inclusionary Housing Production	191			997	1,188
B. Total Inclusionary Housing Obligation	(261)			(175)	(436)
C. Total Inclusionary Housing Surplus/(Deficit)	(70) (3)			822	752

(1) Effectiveness of Redevelopment Plan ends on January 12, 2025.
 (2) At least 40% of the inclusionary housing obligation should be targeted to very low-income households.
 (3) There is no minimum requirement for the number of moderate/low income units. As such, deficit shown does not reflect an outstanding obligation of the Agency.

Table 12 presents an estimate of the Agency's Low-Mod Housing Fund over the next five years. These estimates are summarized as follows:

Exhibit VI-7: Projected Low-Mod Housing Fund Appropriations-Five Year Plan	
	5-Year Plan 2005-2009
I. Low-Mod Housing Fund Beginning Balance	\$6,275,000
II. Low-Mod Housing Fund Revenues	\$30,726,000
III. (Less) Low-Mod Housing Fund Expenditures	<u>(\$36,649,000)</u>
IV. Low-Mod Housing Fund Ending Balance	\$352,000
Source: City of Poway	

Table 13 presents an estimate of Low-Mod Housing Fund revenues to be appropriated over the next ten years based on proportionality requirements as identified on pages 38-39. These estimates are summarized as follows:

Exhibit VI-8: Proportionality Requirements		
		10-Year Plan 2005-2014
I. Net Housing Low-Mod Fund Revenues (1)		\$44,870,000
II. Housing Need Proportionality		
Very Low	At least 41%	\$18,397,000
Low	At least 30%	\$13,461,000
Moderate	No more than 29%	<u>\$13,012,000</u>
Total		<u>\$44,870,000</u>
III. Age Restriction Proportionality		
Non-Senior Projects	91.4%	\$41,011,000
Senior Projects	No more than 8.6%	<u>\$3,859,000</u>
Total		<u>\$44,870,000</u>
(1) Reflects Low-Mod Housing Fund fund balance at 2005 (\$6,275,000), projected Low-Mod Housing Fund revenues between 2005-2014 (\$63,812,000), less administration and debt service between 2005-2014 (\$25,217,000).		
Source: City of Poway		

TABLE 12

**PROJECTED LOW-MOD HOUSING FUND APPROPRIATIONS - FIVE YEAR PLAN
 PAGUAY REDEVELOPMENT PROJECT
 2005 - 2009 IMPLEMENTATION PLAN
 POWAY REDEVELOPMENT AGENCY**

	2005	2006	2007	2008	2009
I. Low-Mod Housing Fund Beginning Balance	\$6,275,000	\$1,542,000	\$1,631,000	\$3,809,000	\$3,682,000

II. Total Low-Mod Housing Fund Revenues					
Tax Increment	\$5,643,000	\$5,765,000	\$5,876,000	\$5,989,000	\$6,104,000
Bond Proceeds	\$0	\$0	\$0	\$0	\$0
Interest Income	\$371,000	\$173,000	\$187,000	\$303,000	\$315,000
Total Revenues	\$6,014,000	\$5,938,000	\$6,063,000	\$6,292,000	\$6,419,000

III. Total Low-Mod Housing Fund Expenditures					
Debt Service	(\$1,726,000)	(\$1,691,000)	(\$1,759,000)	(\$1,771,000)	(\$1,778,000)
Administration	(\$546,000)	(\$565,000)	(\$585,000)	(\$605,000)	(\$626,000)
Project/Program Expenditures	(\$8,475,000)	(\$3,593,000)	(\$1,541,000)	(\$4,043,000)	(\$7,345,000)
Total Expenditures	(\$10,747,000)	(\$5,849,000)	(\$3,885,000)	(\$6,419,000)	(\$9,749,000)

IV. Low-Mod Housing Fund Ending Balance	\$1,542,000	\$1,631,000	\$3,809,000	\$3,682,000	\$352,000
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Source: City of Poway

TABLE 13

ESTIMATE OF LOW-MOD HOUSING FUND REVENUES 2005-2014
 PAGUAY REDEVELOPMENT PROJECT
 2005 - 2009 IMPLEMENTATION PLAN
 POWAY REDEVELOPMENT AGENCY

I. Total Net Revenue	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
A. Low-Mod Housing Fund Beginning Balance	\$6,275,000										\$6,275,000
B. Total Low-Mod Housing Fund Revenues											
Tax Increment	\$5,643,000	\$5,765,000	\$5,876,000	\$5,989,000	\$6,104,000	\$6,222,000	\$6,342,000	\$6,466,000	\$6,596,000	\$6,728,000	
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interest Income	\$371,000	\$173,000	\$187,000	\$303,000	\$315,000	\$158,000	\$299,000	\$125,000	\$102,000	\$48,000	
Total Revenues	\$6,014,000	\$5,938,000	\$6,063,000	\$6,292,000	\$6,419,000	\$6,380,000	\$6,641,000	\$6,591,000	\$6,698,000	\$6,776,000	\$63,812,000
C. Total Low-Mod Housing Fund Expenditures											
Debt Service	(\$1,726,000)	(\$1,691,000)	(\$1,759,000)	(\$1,771,000)	(\$1,778,000)	(\$1,803,000)	(\$1,804,000)	(\$1,964,000)	(\$2,236,000)	(\$2,282,000)	(\$18,814,000)
Administration	(\$546,000)	(\$565,000)	(\$585,000)	(\$605,000)	(\$626,000)	(\$648,000)	(\$671,000)	(\$694,000)	(\$719,000)	(\$744,000)	(\$6,403,000)
Total Expenditures	(\$2,272,000)	(\$2,256,000)	(\$2,344,000)	(\$2,376,000)	(\$2,404,000)	(\$2,451,000)	(\$2,475,000)	(\$2,658,000)	(\$2,955,000)	(\$3,026,000)	(\$25,217,000)
D. Total Net Revenue	\$10,017,000	\$3,682,000	\$3,719,000	\$3,916,000	\$4,015,000	\$3,929,000	\$4,166,000	\$3,933,000	\$3,743,000	\$3,750,000	\$44,870,000

Source: Poway Redevelopment Agency