

# FIVE YEAR IMPLEMENTATION PLAN 2009-10 THROUGH 2013-14

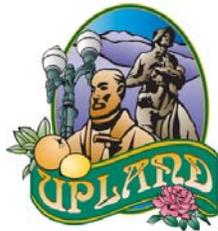
REDEVELOPMENT  
AGENCY OF THE  
CITY OF UPLAND





**FIVE YEAR  
IMPLEMENTATION PLAN  
JULY 1, 2009 THROUGH JUNE 30, 2014  
and  
CCRL SECTION 33413(b) (4) HOUSING COMPLIANCE PLAN**

**2006 AMENDED AND MERGED REDEVELOPMENT PROJECT**



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December 2009





# **Five Year Implementation Plan 2010 through 2014 for the 2006 Amended and Merged Redevelopment Project**

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# Five Year Implementation Plan 2010 through 2014 for the 2006 Amended and Merged Redevelopment Project

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## **EXECUTIVE SUMMARY**

California Community Redevelopment Law (the "CCRL") mandates that each redevelopment agency prepare an implementation plan every five years that outlines its accomplishments, goals, programs, affordable housing production plan, and estimated revenues and expenditures. The 2010-2014 Implementation Plan has been prepared pursuant to CCRL Sections 33490(a)(1) and 334113(b)(4) and applies to the 2006 Amended and Merged Redevelopment Project.

The Implementation Plan is presented in four sections:

- 1.0 Introduction and Historical Review:** This section includes a historical overview of the Agency's redevelopment plans, definitions of the terms used in the Implementation Plan, the public participation process, project area locations, boundaries, and a summary of historic accomplishments.
- 2.0 Redevelopment and Economic Development Implementation Program:** This section discusses the Agency's plan to eliminate blight in the Project Area, presents the goals and objectives nexus to blight elimination, and summarizes anticipated revenues and expenditures for the Agency's economic development program.
- 3.0 Housing Compliance Plan and Implementation Program:** This section demonstrates the Agency's compliance with inclusionary housing requirements and presents the housing programs and projects that the Agency anticipates implementing over the next five years by project area in correlation to projected revenues and expenditures.
- 4.0 Plan Administration:** This section describes the general regulations pursuant to plan administration.

### **Conclusion**

The Agency has been successful in its efforts to eliminate blight, reverse deteriorating trends, attract new jobs and businesses, stimulate development of downtown improvement programs, reduce crime, and gain active participation and investment by residents. The Agency's housing programs have also been extremely successful. The Agency will begin the 2010-2014 Implementation Plan term with an inclusionary housing obligation surplus of 117 affordable units. With the completion of the Upland Community Senior Housing Project and potential downtown housing, the Agency is expected to end the term with a surplus of over 200 units.

The continued success of Agency programs and projects is largely dependent on the strength of the national, state, and regional economies. Tax increment revenue, the primary source of income for the Agency, is expected to grow very slowly for the next few years. Additionally, the State of California has passed legislation authorizing the taking of local redevelopment funds to balance the State budget. The Agency's take for 2009-10 is \$2,955,805 and \$608,548 in 2010-11. Although the legality of the taking has been challenged, the Agency has identified the programs and projects that it will reduce or eliminate in the event the State prevails in the lawsuit.

## **Recommendations**

It is recommended that the Agency continue with its current successful approach to blight removal and affordable housing production. Specific recommendations include:

- The Agency should continue its efforts to acquire non-Agency funding to carry out projects and programs directed at expanding, improving and preserving affordable housing (i.e., HOME, CDBG, and other state and federal programs.).
- The Agency should continue to spend its Low- and Moderate-Income Housing (LMI) funds over the implementation period to ensure compliance with redevelopment law concerning fund balances.
- The Agency should continue to actively support the development and expansion of existing businesses and the attraction of new high quality sustainable uses that diversify and expand the City's economic base to increase employment opportunities and maintain the Upland historical charm
- The Agency should continue to support economic development programs and/or activities that educate Upland residents on the importance of shopping locally to strengthen City services and programs that facilitate the rehabilitation of commercial buildings along major corridors in the Project Area.
- The Agency should continue to support and initiate public capital improvement projects, property rehabilitation, and private development that eliminate, ameliorate, prevent or reverse the spread of physical blight in the Project Area.
- The Agency should continue to work closely with the County of San Bernardino Economic Development Agency to encourage Upland businesses and job seekers to take advantage of the no-cost and/or low-cost business and job seeking services administered by the county.

## **1.0 INTRODUCTION**

This five-year Implementation Plan (the "Implementation Plan") is the fourth in a series of redevelopment implementation plans mandated since 1994 by the State legislature's adoption of Assembly Bill (AB)1290, which added Section 33490 to the California Community Redevelopment Law (CCRL; California Health and Safety Code section 33000 et seq.).

### **1.1 HISTORICAL OVERVIEW**

The City of Upland established its Redevelopment Agency for the primary purpose of eliminating blight and stimulating the City's economic base through development of new public improvements, commercial and industrial projects, and affordable housing. Establishment of a redevelopment plan authorizes the collection of tax increment funds for the purpose of financing programs that eliminate physical blight and to establish a Low- and Moderate-Income Housing Fund that finances affordable housing production. The history of the Agency, the Plans, and certain time limits associated with the Plans are shown in detail in Appendix A.

To accomplish its goals, the Agency has worked diligently with community leaders, private sector businesses, and other governmental agencies. The economic downturn that began in late 2006 negatively impacted the Agency's ability to execute its economic development program. Nonetheless, the Agency continued to actively promote its redevelopment and economic development programs. Key achievements of the Preceding Implementation Plan time period (July 1, 2004 – June 30, 2009) are highlighted in Appendix B along with which goals and blight conditions were addressed by the Agency's programs and projects.

The Agency has focused on goals and objectives as set forth in the 2005-2009 Implementation Plan, which relate directly to the provision, improvement, and rehabilitation of public infrastructure to lessen conditions of blight, and to the improvement the overall economic and physical condition of the Project Area. However, while the Agency has spent substantial amounts on blight remediation, the projects identified above have not been able to fully ameliorate the conditions of blight described in CCRL Sections 33031(a), 33031(b), and 33030(c) and conditions of blight continue to detract from more positive aspects of the Project Area. Available Agency resources will continue to play an integral role in the City's ability to remedy negative physical and economic conditions still affecting the Project Area.

Historic information contained in this Implementation Plan is based on a review of Agency reports and budgets, the 2005-2009 Implementation Plan, and discussions with Agency and City staff. The Implementation Plan acknowledges the 2009 State of California budget proposal to take redevelopment funds for State purposes; however, recognizes that a final determination may not occur until after the due date of Implementation Plan.

### **1.2 DEFINITIONS**

The following **bold** terms shall have the following meanings unless the context in which they are used clearly requires otherwise:

**"2006 Amended and Merged Project Area"** means the Agency's three project areas, Merged Project, Town Center Project, and Magnolia Project, which were merged by Ordinance 1801 on July 10, 2006. Ordinance 1801 also amended the Magnolia Project to add 363 acres.

**"Agency"** means the Upland Community Redevelopment Agency.

**"Agency Board"** means the Board of Directors of the Agency. The members of the Agency Board are also the members of the City Council.

**"CCRL"** means the California Community Redevelopment Law, Section 33000 et seq. of the Health and Safety Code as currently drafted or as it may be amended from time to time.

**"City"** means the City of Upland.

**"ERAF"** means the Educational Revenue Augmentation Fund, which is the state property tax allocation system that shifts property taxes from local governments to local education agencies.

**"HCD"** means the Housing and Community Development Department of the State of California. HCD monitors the Agency's Housing Compliance Plan and LMI fund expenditures for compliance with the CCRL.

**"Implementation Plan"** means this document, the 2010-2014 Implementation Plan for the Amended and Merged Redevelopment Project covering the time period of July 1, 2009 through June 30, 2014.

**"LMI Housing Fund"** means the Low and Moderate Income Fund of the Agency established pursuant to CCRL Section 33334.3 as it presently exists and as it may be increased or decreased by future Agency actions.

**"Magnolia Project Area"** means the 483 acres of residential, industrial and commercial properties adopted on November 24, 2003 by Ordinance Number 1760. The ordinance established November 10, 2033 as the plan effectiveness time limit and November 10, 2048 as the last date to receive tax increment. On July 10, 2006, the Magnolia Project Area was amended by Ordinance 1801 to add 363 acres of a primarily residential area known as College Heights for an amended acreage of 846. The plan effectiveness time limit for the Added Territory is July 10, 2036 and the last day to collect tax increment is July 10, 2051.

**"Merged Project"** means the 894-acre area consisting of six (6) separate subareas, extending in irregular patterns throughout the City. It is comprised of a mixture of commercial, industrial and residential properties, primarily lining the Foothill Boulevard and Mountain Avenue corridors. The Merged Project Area was created through the consolidation of the Canyon Ridge Redevelopment Project, the Arrow-Benson Redevelopment Project, the Seventh - Mountain Redevelopment Project, the Airport Area Redevelopment Project and the Foothill Corridor Redevelopment Project, as authorized by Ordinance No. 1431 on July 12, 1988, plus the Added Territory added by Amendment No. 1 on May 28, 1996 by Ordinance 1630.

**"Preceding Implementation Plan"** means the 2005-2009 Implementation Plan covering the period July 1, 2004 through June 30, 2009.

**"Project Area"** means the Amended and Merged Project Area, which consists of the Merged Project Area, the Town Center Project Area, and the Magnolia Project Area, that were merged by Ordinance 1801 on July 10, 2006.

**"SERAF"** means the 2009-2010 and 2010-2011 Supplemental Educational Revenue Augmentation Fund, which is the state property tax allocation system that shifts property taxes from local governments to local educational agencies.

**"Tax Increment"** means the funds allocated to the Agency from the Project Area pursuant to CCRL Section 33670.

**"Town Center Project"** means the project originally adopted on June 22, 1992, that was amended on June 23, 2003, for the sole purpose of deleting certain parcels (6.79 acres). The approximately 133-acre project area, as amended, contains a mix of commercial, industrial, residential and public uses and incorporates the original downtown Upland area. In response to SB 211, on January 12, 2004, by Ordinance 1764, the Agency amended the Redevelopment Plan for the Town Center Project to extend the time limit on the effectiveness of the Town Center Plan to June 22, 2033, and the time limit on paying indebtedness and receiving tax increment to June 22, 2043.

### **1.3 PUBLIC PARTICIPATION IN THE IMPLEMENTATION PLAN PROCESS**

Pursuant to CCRL Section 33490, the adoption of an Implementation Plan must be preceded by a duly noticed public hearing. Notice of the public hearing was published in the local paper with a minimum three week notice and posted in four places in the Project Area not less than ten days prior to the public hearing.

In addition, CCRL Section 33490 (c) states that between two and three years after adoption of an implementation plan, an Agency must conduct a public hearing to review the redevelopment plan and implementation plan. The purpose of the mid-term review is to assess the extent to which an Agency's actual activities conform to the activities described in the preceding implementation plan. Therefore, the Agency will need to conduct a mid-term review of this Implementation Plan during 2011 or 2012.

### **1.4 PROJECT AREA LOCATIONS AND BOUNDARIES**

The 2006 Amended and Merged Project Area is comprised of approximately 1,874 acres in three project areas: Merged Project, Town Center Project, and Magnolia Project. Appendix C is a map of the 2006 Amended and Merged Project Area. Appendix D is a map of the component areas within the 2006 Amended and Merged Project Area.



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## **2.0 REDEVELOPMENT AND ECONOMIC DEVELOPMENT IMPLEMENTATION PLAN**

The Agency's non-housing program has two components: Redevelopment and Economic Development. The primary purpose of both components is to eliminate blight. The Redevelopment component focuses on physical blight; the Economic Development component on economic blight. This chapter will describe the goals, objectives, and programs to be implemented for each component for the 2010 – 2014 Implementation Plan Period. The Housing Program is described in Chapter 3.

### **2.1 REDEVELOPMENT**

Redevelopment is an effective tool to initiate public capital improvement projects, property rehabilitation, and private development and investment that could not be accomplished by other public or private means.

#### **2.1.1 Redevelopment Goal**

Goal A: Eliminate, Ameliorate, Prevent, and Reverse the Spread of Physical Blight in the Project Area through Business Attraction, Development, and Retention

#### **2.1.2 Redevelopment Objectives**

- A1: Continue to efficiently manage City/Agency-owned real estate assets including leasing of City/Agency-owned parcels.
- A2: Continue to explore and assist in the facilitation of building and site reuse opportunities to accommodate evolving retail trends and the reuse and/or expansion of existing retail spaces.
- A3: Continue to support and implement the City's adopted capital improvement program to stimulate investment and reuse.
- A4: Continue to encourage the development of sustainable revenue-generating commercial, office, residential, and light industrial uses citywide to diversify the community's industrial base.
- A5: Continue to support Downtown Specific Plan guidelines, General Plan policies, and zoning code regulations that work to promote and encourage a mixture of pedestrian friendly retail, service, and mixed-use lifestyle land uses.
- A6: Evaluate opportunities to assist new and existing businesses related to permitting, land entitlement, and long-term business retention and development.
- A7: Continue to support the City's efforts to develop a green and sustainable program intended to increase the conservation of

resources and reduce environmental impacts with an emphasis on energy, water, air quality, solid waste, land use, and transportation.

A8: Monitor and pursue viable, alternative funding sources.

A9: Carry-out any other redevelopment activity, project, or program consistent with the goals and objectives of the Redevelopment Plans and the CCRL.

### **2.1.3 Redevelopment Programs and Projects**

#### Historic Home Rehabilitation Program

The Historic Home Rehabilitation Program provides deferred loans to rehabilitate historical significant residential property. Preservation of historic homes revitalizes neighborhoods, safeguards Upland's history, and grants opportunities for residents to live in the unique and increasing rare surroundings that only older buildings can offer.

#### Downtown Anti-Graffiti Program

The Downtown Anti-Graffiti Program provides financial assistance to property owners and tenants of commercial buildings located in the Town Center component of the Project Area to install anti-graffiti film on the ground-level front glass windows or doors.

#### Downtown Surveillance Camera Program

The Downtown Surveillance Camera Program provides financial assistance to property owners and tenants of commercial buildings located in the Town Center component of the Project Area with the purchase and installation of surveillance equipment to deter vandalism and other suspicious behavior.

#### Capital Improvement Projects

The Agency will be focusing its efforts on completing the capital improvement projects identified in the Historic Downtown Specific Plan. The Historic Downtown Specific Plan addresses land use, public facilities and services, urban design, transportation and housing to provide specific guidance on future growth and economic development in the downtown area.

## **2.2 ECONOMIC DEVELOPMENT**

The Economic Development component focuses on the elimination of economic blight and stagnation through promotional and marketing activities.

### **2.2.1 Economic Development Goal**

Goal B: Actively support the development and expansion of existing businesses and the attraction of new high quality sustainable uses that diversify and expand the City's economic base to increase employment opportunities and maintain the Upland historical charm.

## **2.2.2 Economic Development Objectives**

- B1: Design and install entry monuments city-wide.
- B2: Actively implement economic development initiatives by committing resources to market development opportunities through meeting directly with property owners, commercial and retail enterprises, developers, and the business community.
- B3: Continue to work with the Upland Chamber of Commerce on business retention efforts and business support services.
- B4: Continue to support and implement the Discover Upland campaign that works to leverage marketing budgets for local businesses and that emphasize the importance of shopping locally.
- B5: Complete upgrades to the Agency's webpage to enhance the website's features to provide effective site selection and analysis assistance to prospective developers and residents.
- B6: Continue to fund programs such as the Commercial Rehabilitation Program and the Restaurant Attraction and Incentive Program to assist qualifying businesses in the Project Area.
- B7: Evaluate opportunities to assist new and existing businesses to fast track the land entitlement process, permitting, fee programs, and long-term business retention and attraction.
- B8: Continue to market development opportunities along major corridors throughout the City, including Foothill Boulevard, Mountain Avenue, and the downtown area, to retail and restaurant/entertainment operators and developers.
- B9: Continue to promote and market vacant City-owned facilities to restaurant operators and/or other retail/entertainment uses.
- B10: Undertake a market study to identify emerging land use trends and future markets.
- B11: Continue to co-sponsor Main Street Upland's annual Lemon Festival.
- B12: Carry-out any other economic development activity, project, or program consistent with the goals and objectives of the Redevelopment Plans and the CCRL.

## **2.2.3 Economic Development Programs**

### Commercial Rehabilitation Program

The Commercial Rehabilitation Program assists in stabilizing the City's economy by providing financial resources to improve and enhance the appearance and

functionality of commercial buildings located within the Project Area. Emphasis is on the correction of code violations and exterior beautification enhancements.

#### Restaurant Attraction Incentive Program

The Restaurant Attraction Incentive Program provides financial assistance to encourage entrepreneurs to rehabilitate existing commercial structures in which to establish new sit-down, full-service restaurants in the Project Area. The goal of the Program is to upgrade the appearance of the properties, retain and create jobs, expand existing businesses, increase retail sales and property values, improve the business climate in the City, and increase the fine dining options in the City

### **2.3 GOALS AND OBJECTIVES NEXUS TO BLIGHT ELIMINATION**

CCRL Section 33490(a)(1)(A) requires that each implementation plan contain an "...explanation of how the goals and objectives...will eliminate blight within the project area...". Although the current definition of blight has changed since the preparation of the Preceding Implementation Plan, the physical and economic conditions addressed by the previous plan remain accurate.

#### Blight Conditions:

Physical: CCRL Section 33031(a)

1. Unsafe buildings
2. Substandard, defective or obsolete design or construction
3. Incompatible land uses
4. Irregular and inadequate lots under multiple ownership

Economic: CCRL Section 33031(b)

5. Depreciated or stagnant property values
6. Abnormally high business vacancies, low lease rates, or high number of abandoned buildings
7. Serious lack of commercial facilities
8. Serious residential overcrowding
9. High crime rate

Public Infrastructure: CCRL 33030(C)

10. Inadequate public improvements
11. Inadequate water or sewer facilities

Table 1 shows the relationship of the Agency's specific five-year objectives to the eradication of remaining blight in the Project Area, as defined in CCRL Sections 33030 and 33031.

Table 1 Goals' Nexus to Blight Elimination		
Program/Project/Activities	Satisfies Objective Number <sup>1</sup>	Addresses Blight Condition Number <sup>2</sup>
Commercial Rehabilitation Program	A5, B6, B7	2, 5
Restaurant Attraction Incentive Program	A5, B2, B6, B7, B8, B9	5, 7
Historic Home Rehabilitation Program	A5, A7	1
Downtown Anti-Graffiti Program	A5, B2	9
Downtown Surveillance Camera Program	A5, B2	9
Blight Removal through Economic Development	A5, B2, B8, B11	5, 6, 7
Blight Removal through Business Attraction, Development and Retention	A2, A4, A6, B3, B4, B5, B7, B11	5, 6, 7
Capital Improvement Projects	A3, A5, A7, B11	10, 11
<sup>1</sup> Refer to Section 2.1 <sup>2</sup> Refer to Section 2.3		

## 2.4 PROGRAM AMENDMENTS

The Agency has identified the projects and programs shown herein as the most probable implementation activities for the term of this Implementation Plan. Since other public and private projects, not foreseen today, may be deemed feasible and preferential in eliminating blight, it may be necessary from time to time for the Agency to make changes to programs and activities.

Whether or not listed herein, specific projects and programs may be constructed or funded by the Agency during the period covered by this Implementation Plan, if the Agency finds that:

1. The goals and objectives of the Redevelopment Plan are furthered;
2. Specific conditions of physical or economic blight within the Project Area will be mitigated in whole or in part through implementation of the project; and
3. Specific conditions relative to a development project, including the financial feasibility thereof, require that the public improvement project be constructed at the time in question.

## 2.5 PROJECTED AGENCY GENERAL REDEVELOPMENT FUND INCOME AND EXPENDITURES

Although the Agency is continuing to implement its redevelopment and economic development goals, the success of its programs and projects is largely dependent on the strength of the national, state, and regional economies. Assessed property values in the City have dropped and are expected to recover slowly. Additionally, the State's

proposed take of over \$1 million in redevelopment funds would significantly limit the Agency's ability to implement its planned projects and programs.

### **2.5.1 State of California Proposed SERAF Take**

In 2008, the state attempted to force local redevelopment agencies to make a unilateral Educational Revenue Augmentation Fund (ERAF) payment to the state of California for fiscal year 2008-2009 in the amount of \$350 million statewide. The California Redevelopment Association (CRA) filed a lawsuit to stop the ERAF payments. On April 30, 2009, the courts ruled in CRA's favor, and found unconstitutional a provision in the current state budget that would have required redevelopment agencies statewide to transfer monies to fund state obligations.

In July 2009, the State legislature voted to balance the State budget with the taking of redevelopment funds. The State budget added a Supplemental Educational Revenue Augmentation Fund (SERAF) payment of \$1.7 billion statewide in 2009-2010 and re-instated the \$350 million for payment in 2010-2011. The Agency's SERAF take for 2009-10 is \$2,955,805 and \$608,548 in 2010-11.

At the time this Implementation Plan was prepared, the final determination of the legality of the SERAF takings had not yet been finalized. Nonetheless, the Agency has identified potential programs and projects that it will be forced to de-obligate if the State prevails. The Agency will fund the SERAF payment from existing fund balances and adjust the expenditures accordingly.

### **2.5.2 Summary of Projected Income and Expenditures**

A summary of the anticipated revenues and expenditures for the 2010 – 2014 General Redevelopment Fund is shown in Appendix E. The Agency begins the term with a large fund balance that it plans to spend down in 2009-10; thereafter, tax increment is the primary source of revenue and is expected to increase from approximately \$9.9 million annually to \$12.0 million by 2014. Interest income on the fund's cash balance is an ancillary source of revenue. The Agency will receive income from the sale of property and a reimbursement of expenses from San Bernardino County in 2009-10, but no other significant sources of revenue are anticipated.

There are two types of expenditures shown: fixed and discretionary. Fixed expenditures include the twenty percent set-aside to the low- and moderate-income housing fund, debt service payments, tax administration fees, and pass-through payments. Discretionary expenditures fund the Agency's commercial activities, economic development programs, infrastructure projects, administrative expenses, and community facility projects. After the Agency spends down its 2009-10 fund balance, projects and programs will be revised to meet budget revenue projections.

These numbers are not to be used for bonding purposes; they are solely intended to reflect general trends and assumptions. The findings indicate that the Agency has sufficient resources to continue its community and economic

development program; although revisions to the program may be necessary to correspond to available revenue.



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### **3.0 HOUSING COMPLIANCE PLAN**

CCRL Section 33413(b)(4) requires each redevelopment agency to adopt a compliance plan as part of the implementation plan required by CCRL Section 33490 indicating how the agency will comply with the requirements set forth in CCRL Section 33413(b). This section of the Implementation Plan complies with this requirement and is the Agency's Housing Compliance Plan. It describes how the Agency intends to expend monies in the LMI Housing Fund consistent with the provisions of CCRL Section 33334.4 as amended by Assembly Bill 637 and made effective on January 1, 2002 and Senate Bill 701 (Torlakson) effective January 1, 2003. These bills clarified and added housing compliance plan requirements. Since a redevelopment agency may expend funds from its LMI Housing Fund anywhere in the community, it is not necessary to segregate LMI Housing Fund monies generated from within each Project Area.

This Compliance Plan update takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Compliance Plan, in order to determine whether the Agency is still meeting its affordable housing production needs. New construction and substantial rehabilitation statistics was obtained via a review of the City's building permits, previously prepared documents, and discussions with City staff.

The CCRL defines and limits assisted income categories as follows (the CCRL does not separate the extremely low- and very low-income categories; the federal housing programs do make a distinction):

**Very Low Income** – generally, persons or households whose gross income does not exceed 50% of the area's median income or as determined by HCD and amended from time to time;

**Low Income** – generally, persons or households whose gross income is greater than 50%, but does not exceed 80% of the area's income or as determined by HCD and amended from time to time; and

**Moderate-Income** – generally, persons or households whose gross income is greater than 80%, but does not exceed 120% of the area's median income or as determined by HCD and amended from time to time.

*Affordable housing cost is defined as:*

**Very Low Income** – Not more than 30% of 50% of the County median household income;

**Low Income** – Not more than 30% of 70% (or 60% for rental projects) of the County median household income; and

**Moderate-Income** – Not more than 35% of 110% (or 30% of 110% for rental projects) of the County median household income.

#### **3.1 HOUSING PRODUCTION REQUIREMENTS**

One of the fundamental goals of redevelopment in California is the production, improvement and preservation of the supply of housing affordable to very low-, low-, and moderate-income households. This goal is accomplished, in part, through the execution

of four different, but interrelated requirements imposed on redevelopment agencies by the CCRL. These requirements are:

- An agency must use at least 20 percent of its tax increment revenue to increase, improve and preserve the supply of low- and moderate-income housing in the community (CCRL Section 33334.2);
- An agency must replace, in equal or greater number, very low-, low-, and moderate-income housing units and bedrooms which are destroyed or removed as a result of a redevelopment project (the "replacement rule," CCRL Section 33413(a));
- An agency must ensure that a fixed percentage of all new or substantially rehabilitated dwelling units are affordable to very low-, low-, and moderate-income persons and families (the "inclusionary rule," CCRL Section 33413(b)(1))
- At least 30 percent of all new or substantially rehabilitated dwelling units developed by the Agency must be available to persons or families of low- or moderate-income. Of these, 50 percent must be available to very low-income households. This requirement would apply to housing developed directly by the Agency, but not to housing projects developed by a private party under an agreement with the Agency.
- At least 15 percent of all new dwelling units developed by parties other than the Agency or substantially rehabilitated dwelling units developed with Agency assistance shall be available at affordable costs to persons or families of low- or moderate-income. Of these, 40 percent must be available at affordable costs to very low-income households. This requirement applies in the aggregate, and not to each individual housing development project. These low- and moderate-income dwelling units may be provided outside the Project Area, but will only be counted on a two-for-one basis. In other words, if the Agency has an inclusionary housing need of 10 units inside the Project Area, then 20 units outside the Project Area would satisfy the overall requirement on a two-for-one basis.
- Only low- and moderate-income housing units whose affordability is guaranteed on an on-going basis over the long term may be counted in meeting these requirements. For the purposes of this plan, long-term affordability is defined as not less than 55 years for rental units and 45 years for home ownership, or as otherwise defined in CRL Section 33413(c).

### **3.2 PAST HOUSING PRODUCTION**

This section presents an analysis of the Agency's compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4 regarding the Agency's housing production program for Preceding Implementation Plan time period. The information provided through Fiscal Year 2008/09 is factual, based upon the annual Agency reports to HCD of housing activity, the preceding implementation plan, the Housing Element, and other empirical data. Subsequent data is estimated by Agency and UFI staff.

Inclusionary units are those units in which the Agency holds the affordability covenants. Affordable units located within the Project Area, but with covenants held by another party, are not credited towards the Agency's inclusionary requirement.

As outlined above, housing production requirements are based upon replacement housing and inclusionary housing requirements. To determine whether an Agency has met those requirements, each category must be reviewed.

Replacement Housing

Between July 1, 2004 and June 30, 2009, the Agency did not destroy or remove any affordable housing units from within the Project Area.

Inclusionary Housing in the Project Area: Agency Developed

Between July 1, 2004 and June 30, 2009, the Agency did not develop any affordable housing projects inside the Project Area.

Inclusionary Housing Outside the Project Area: Agency Developed

Between July 1, 2004 and June 30, 2009, the Agency did not develop any affordable housing projects outside the Project Area.

Inclusionary Housing Outside the Project Area: Non-Agency Developed

Between July 1, 2004 and June 30, 2009, the Agency did not participate in the development of any affordable housing projects outside the Project Area by non-Agency entities.

Inclusionary Housing Inside the Project Area: Non-Agency Developed

According to Agency staff, there were 524 non-agency new units built in the Project Area between July 1, 2004, and June 30, 2009. The inclusionary requirement for non-agency built housing is 15 percent of the units produced with forty percent of those units made available to Very Low-Income households. Therefore, the inclusionary obligation accrued for the Preceding Implementation Plan term was 79 units with 31 of these units reserved for Very Low-Income households and 48 units for Low- and Moderate-Income households.

Since 2002, the Agency has been purchasing buildings in the Diamond Court apartment complex, rehabilitating them, and securing affordability covenants to keep them affordable to households of Very Low-, Low- and Moderate-Income pursuant to the CCRL. During the 2005-2009 Implementation Plan period, the Agency acquired 18 four-plex buildings and secured covenants on 72 units. It also rehabilitated 52 units within the neighborhood.

Summary of Inclusionary Obligation

Based upon data provided in the Preceding Implementation Plan, the Agency began the term with an inclusionary obligation surplus of 124 affordable units, of which 26 were Very Low-Income units and 98 were Low- and Moderate-Income units. During the

course of the Implementation Plan term, as revised, an additional 524 units were produced incurring an inclusionary obligation of 79 units. Table 2 demonstrates the inclusionary housing obligation and production that results in a cumulative surplus of 13 Very Low-Income units and 104 Low- and Moderate-income units through June 30, 2009. This surplus will be carried over to determine the Agency inclusionary housing obligation for the next five and ten years as required by State redevelopment law.

	Dwelling Units Produced	Units Made Affordable at Affordable Housing Cost					Project Area Status	
		TOTAL	VeryLow <sup>6</sup>		Low-Moderate <sup>7</sup>		Cumulative Deficit or Surplus	
		Inclusionary Obligation	Inclusionary Obligation	Actual Number of Units Restricted	Inclusionary Obligation	Actual Number of Units Restricted	Very Low	Low - Moderate
Balance Forward through June 30, 2004 <sup>2</sup>	1,983	298	119	145	179	277	26	98
Agency Developed <sup>3</sup>	0	0	0	0	0	0	0	0
Non-Agency Developed <sup>4</sup>	524	79	31	0	48	0	-31	-48
Acquisition of Covenants <sup>5</sup>	0	0	0	18	0	54	18	54
<b>New Balance Forward</b>	<b>2,507</b>	<b>377</b>	<b>150</b>	<b>163</b>	<b>227</b>	<b>331</b>	<b>13</b>	<b>104</b>

*Notes:*

<sup>1</sup> Compliance with Sections 33413(b)(1),(c),(d)(1), and 33490(a)92)(A)(ii).

<sup>2</sup> Per Preceding Implementation Plan (July 1, 2004 - June 30, 2009) and Agency staff. Total includes 345 covenanted units (39 VL and 306 L/M) located Outside of the Project Area for which the Agency is credited fifty percent.

<sup>3</sup> Inclusionary obligation is 30 percent of units produced with 50 percent allocated to Very Low-Income households.

<sup>4</sup> Inclusionary obligation is 15 percent of units produced with 40 percent allocated to Very Low-Income households.

<sup>5</sup> Diamond Court Apartments: rehabilitation of units and acquisition of covenants.

<sup>6</sup> As defined by Health and Safety Code 50105

<sup>7</sup> As defined by Health and Safety Code 50093

### 3.3 PROJECTED HOUSING PRODUCTION

The same analysis applies to projected housing production for the current Implementation Plan to anticipate the Agency's continued compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4. The data is estimated based upon Staff discussions, the Housing Element, and other empirical data.

#### Replacement Housing

The Agency is not anticipating destroying or removing any occupied low- and moderate-income housing units from within the Project Area.

Inclusionary Housing in the Project Area: Agency Developed

The Agency does not anticipate directly producing units within the Project Area. The Agency expects to contract with private entities for the rehabilitation and production of affordable units.

Inclusionary Housing Outside the Project Area: Agency Developed

The Agency does not anticipate directly producing units or contracting with private entities to produce covenanted affordable units outside of the Project Area.

Inclusionary Housing Inside the Project Area: Non-Agency Developed

The number of units anticipated to be constructed in the Project Area between 2010 and 2014 were taken from the 2008-2014 Housing Element with staff updates, as shown in Table 3. Four approved specific plans are located within the Project Area: Upland Crossing, College Park, Foothill Benson Terrace, and Parkview. College Park is almost completed; only 89 more units are anticipated for construction according to City staff.

The Housing Element also analyzed the potential for residential development on underutilized land in the downtown area. The analysis identified 34 acres of developable land in the downtown with the potential to accommodate 1,048 high-density multiple family units. All but 0.83 acre, 23 units, are located within the Project Area. Appendix F shows the detailed sites inventory list and corresponding map that was included as an appendix in the 2008-2014 Housing Element. The 1,025 units anticipated for production in the Project Area is a 30-year build-out estimate. Extrapolating evenly for five-year periods produces 171 units for the 2010-2014 five-year term. According to the Housing Element, all the units constructed in the downtown will be restricted to households of Very Low- and Low Income.

Table 3  
Anticipated Inclusionary Housing Obligation  
July 1, 2009 Through June 30, 2014

Project	Type	Total Units	Restricted Units	
			Very Low	Low/Mod
Upland Crossing Specific Plan	Attached and Detached Single Family	375	0	0
College Park Specific Plan	Multiple Family (remaining capacity)	89	0	0
Foothill Benson Terrace Specific Plan	Attached Single Family	46	0	0
Parkview Specific Plan: Planning Areas 1 and 2 <sup>1</sup>	Single Family	188	0	0
Downtown Development Potential <sup>2</sup>	Mixed Use and Multiple Family	171	68	103
Upland Community Housing	Senior Apartments	72	29	43
MRC Development	Single Family	9	4	5
TOTAL		950	101	151

Notes:

<sup>1</sup> Planning Area 3 is outside of the Project Area.

<sup>2</sup> Per Appendix B of the Housing Element: Residential Development Potential in the Downtown Area. Two sites, Parcels 55 and 56, are excluded because they are outside of the Project Area. The build-out total is extrapolated for the 2010-2014 five-year term.

### Summary of Inclusionary Obligation

The Agency will begin the current Implementation Plan period with an inclusionary obligation surplus of 117 affordable units, of which 13 are Very Low-Income units and 104 are Low- and Moderate-Income units. During the course of the 2010-2014 Implementation Plan term, an additional 950 units are expected to be constructed in the Project Area. This would add an inclusionary obligation of 143 units.

Of the 950 new units, 252 are anticipated to be restricted to households of Very Low-, Low-, and Moderate-Income. Additionally, the Agency is expecting to acquire more covenants through the Diamond Court Acquisitions Project. The Agency's intention is to acquire and covenant 10 four-plex buildings for a total of 40 units in the 2010-2014 Implementation Plan period.

Table 4 projects the inclusionary obligation and status for the Agency over the next five years. With the assumptions made in this report, the Agency will have exceeded its obligations by 266 units for inclusionary housing by the end of the Implementation Plan period.

**Table 4  
Projected Inclusionary Housing Obligation  
July 1, 2009 through June 30, 2014**

	Dwelling Units Produced	Units Made Affordable at Affordable Housing Cost					Project Area Status	
		TOTAL	VeryLow <sup>6</sup>		Low-Moderate <sup>7</sup>		Cumulative Deficit or Surplus	
		Inclusionary Obligation	Inclusionary Obligation	Actual Number of Units Restricted	Inclusionary Obligation	Actual Number of Units Restricted	Very Low	Low - Moderate
Balance Forward through June 30, 2009 <sup>2</sup>	2,507	377	150	163	227	331	13	104
Agency Developed <sup>3</sup>	0	0	0	0	0	0	0	0
Non-Agency Developed <sup>4</sup>	950	143	57	101	86	151	44	65
Acquisition of Covenants	0	0	0	16	0	24	16	24
<b>New Balance Forward</b>	<b>3,457</b>	<b>520</b>	<b>207</b>	<b>280</b>	<b>313</b>	<b>506</b>	<b>73</b>	<b>193</b>

**Notes:**

<sup>1</sup> Compliance with Sections 33413(b)(1),(c),(d)(1), and 33490(a)92)(A)(ii).

<sup>2</sup> Per Section 3.2 of this Implementation Plan.

<sup>3</sup> Inclusionary obligation is 30 percent of units produced with 50 percent allocated to Very-Low Income households.

<sup>4</sup> Inclusionary obligation is 15 percent of units produced with 40 percent allocated to Very-Low Income households.

<sup>5</sup> Diamond Court Apartments: rehabilitation of units and acquisition of covenants

<sup>6</sup> As defined by Health and Safety Code 50105

<sup>7</sup> As defined by Health and Safety Code 50093

### **3.4 LOW AND MODERATE INCOME HOUSING GOALS**

The Agency has one affordable housing goal with six objectives. It is the third goal of the 2010-2014 Implementation Plan. Goals A and B are non-housing goals discussed in Section 2.

**GOAL C: CONSISTENT WITH AVAILABLE RESOURCES, PROVIDE FOR THE DEVELOPMENT AND IMPLEMENTATION OF HOUSING PROGRAMS TO INCREASE, IMPROVE, OR PRESERVE AFFORDABLE HOUSING WITHIN THE CITY'S CORPORATE LIMITS FOR PERSONS OR FAMILIES OF LOW TO MODERATE INCOMES**

**OBJECTIVES**

- C1: Identify, participate, and monitor housing production projects that meet the Agency's inclusionary housing requirements and the City's housing element.
- C2: Identify and assist housing projects that leverage additional private investment and which may leverage additional public funds leading to an increase in the community's affordable housing stock.
- C3: Pursue the acquisition and recordation of covenants to ensure long term affordability of residential units.

- C4: Provide for the development and implementation of appropriate and feasible housing programs to increase, improve or preserve affordable housing.
- C5: Compile, maintain and annually update a database of existing, new and substantially rehabilitated housing units developed or otherwise assisted with monies from the LMI Housing Fund or otherwise counted towards the Agency's inclusionary requirements and make such database available to the public on the City's/Agency's web site.
- C6: Carry-out any other affordable housing oriented project or program consistent with the CCRL and the Redevelopment Plan.

### **3.5 HOUSING PROGRAMS AND PROJECTS**

The Agency intends to implement an ambitious housing program to achieve its goals and objectives. As noted previously, the national financial crisis has significantly impacted both the private and the public sector's ability to construct decent and affordable housing. Nonetheless, the Agency intends to pursue implementation of the several programs and projects during the term of this Implementation Plan, subject to funding availability.

The Agency, in concert with the City and the Upland Housing Authority, assists in increasing, improving and preserving the supply of affordable housing in Upland through a variety of rental and homeownership programs. Programs are implemented with a variety of sources, including Low to Moderate Income Housing (LMI) funds, Community Development Block Grant (CDBG), CalHome, and HOME funding. The Agency contributes approximately \$600,000 annually for the State CalHome program fund leverage. The housing programs and projects that the Agency intends to continue, subject to funding availability, are shown below:

#### Housing Improvement Program (HIP)

The purpose of the HIP program is to provide potential low-income homeowners access to decent, safe, and sanitary housing. HIP provides deferred or amortized loans up to \$75,000 to income-eligible homeowners to make necessary repairs to their homes. Total assistance will not exceed 25 percent of the "after-value" of the property (including land value) to avoid being considered a "substantial rehabilitation" under state law and therefore subject to affordability covenants. Assistance is typically provided in the form of a no-interest or three percent simple interest loan. The loan is due and payable when the property is sold, ownership is transferred, or after thirty (30) years, whichever comes first. As security, the Agency holds a lien against the property until the loan is repaid.

#### First Time Homebuyer Program

This program is available to income-eligible families and individuals who want to purchase a home in the City, but who are unable to qualify and/or come up with the necessary down payment without financial assistance. The City provides down payment assistance, up to 30% of the maximum purchase price established by the Agency, in the form of a zero or three percent simple interest loan. The loan is deferred until sale of the home, transfer of title, or thirty years, whichever occurs first. The City holds a second

deed of trust on the property until the loan is repaid upon sale or ownership transfer. Households eligible for the program can earn up to 80% of the County median income.

Rental Acquisition and Rehabilitation Program (RARP)

The primary goal of the RARP is to provide assistance to lower-income tenants (i.e., tenants whose combined family income does not exceed 80 percent of the County median, adjusted by family size). The program provides City apartment units owners, who covenant to Agency affordable housing rental restrictions, with low- and no-interest amortizing loan opportunities, to acquire and/or rehabilitate multi-family units in the City. Funding for the program is provided by HOME Program income and LMI funds.

Housing Rehabilitation Emergency Repairs Program (ERP)

This is a grant program available to very low-income households. Up to \$5,000 (a dollar per dollar match for amounts over \$4,000) is available for emergency repairs of single-family homes and mobile homes to income eligible homeowners who live within the City's limits. Eligible emergency repairs include structural, mechanical, plumbing, electrical, or code violation improvements. Program funding is provided through the Agency's LMI Fund.

Historic Home Rehabilitation Program

The Historic Home Rehabilitation Program is intended to provide deferred loans to rehabilitate historically significant residential properties located within a redevelopment project area. Program loans may not exceed \$50,000 and are secured by a deed of trust on the real property. Eligible improvements include structural repairs, roofs, insulation, rodent and pest extermination, cabinets, counters, plumbing, electrical, windows, doors, painting, heating, or disabled access. Every effort must be made to preserve the historic character of the structures through the selection of materials and the design of the improvements.

Reviving and Enhancing Neighborhoods in Upland Program (RENU)

The RENU Program provides grants and loans for exterior improvements to single family homes and multiple family structures within a specified target area. The Phase I Target Area was 13th Street. The Phase II Target Area is the neighborhood of 10th, 11th, and 12th Avenues between 9th and "A" Streets. A ten-year maintenance covenant and agreement is recorded against the property. Along with exterior improvements to the units, the Agency funds street reconstruction that includes street overlay reconstruction, repair or replacement of sidewalks, curbs, and gutters, as well as a "green" approach to the parkways.

Upland Pride Paint Program (UP)

This is a grant program added to Agency housing assistance efforts in February 2000. Up to \$5,000 (a dollar per dollar match for amounts over \$4,000) is available to owner-occupied, single-family and mobile homes for exterior paint repair. The program is income and code enforcement/housing division qualified. Funding is provided by the Agency's LMI Fund.

### Foothill Family Shelter

The Agency entered into a multi-year agreement with Foothill Family Shelter, the operator of a transitional shelter facility located in the City. This facility serves homeless families with children. The shelter also receives assistance from two surrounding communities.

### Mortgage Revenue Bonds and Variance/Density Bonuses

Redevelopment agencies are authorized to issue mortgage revenue bonds (MRB's) under State law. MRB's take advantage of the Agency's ability to obtain low interest, tax-exempt financing. Proceeds of the bonds are used to make loans which are secured by mortgages. In exchange for favorable financing terms, units assisted with MRB's are required to set aside 20 percent of their units as affordable to very low- and low-income households. There are currently six bond projects in the City. In addition, the City, as a condition for granting variances of two multi-family projects, required developers to set aside 20 percent of their units as affordable to very low- and low-income households.

### Diamond Court Acquisitions Project

Approved in the FY 2002-03 budget, the Agency set a goal of acquiring all the buildings located within the Diamond Court neighborhood (with the exception of those owned by the Foothill Family Shelter). The ultimate goal is to acquire 28 buildings over the next several years and renovate and upgrade them in a fashion similar to the success achieved at the Village Apartments. When the Foothill Family Shelter obtains the necessary funding, they will then purchase the buildings from the Agency in order to expand their 120-day transitional housing program and their one-year affordable housing program.

### UCHI Project

On June 28, 2004, the City Council and the Agency held a joint hearing to approve a Disposition and Development Agreement ("DDA") between the Agency and UCHI (Upland Community Housing Inc.). The Agency has been subsequently working with UCHI to develop a seventy-two (72) unit affordable senior residential apartment complex with amenities. The project is expected to be completed during the 2010-2014 Implementation Plan period.

## **3.6 LOW AND MODERATE INCOME HOUSING FUND**

Funding for the Agency's housing program comes from several sources including regional, state, and federal funds and tax increment financing. The purpose of the Implementation Plan is document compliance with state redevelopment law; therefore, this report only analyzes tax increment financing and its relationship to housing plan compliance.

### **3.6.1 Housing Program Financing**

As required by redevelopment law, the Agency will set aside twenty percent of its gross tax increment toward increasing, improving, and preserving affordable housing in the City of Upland. Anticipated revenues and expenditures in the Low- and Moderate-Income (LMI) Housing Fund are shown in Appendix F.

These numbers are based on the Agency's fiscal reports, the budget, and discussions with City and Agency staff. The numbers should not to be used for bonding purposes; they are solely intended to reflect general trends and assumptions.

The LMI Housing Fund balances indicate that the Agency has the resources to implement the housing programs and projects that are discussed in this Implementation Plan with the revenue and expenditure assumptions made in the analysis. There are two primary sources of revenue: tax increment and rental income. Tax increment is expected to increase slowly from \$1.9 million annually in 2009-10 to \$2.4 million in 2013-14. Rental income is anticipated average approximately \$1.9 million annually for the term of the Implementation Plan.

Expenditures focus on three areas: debt service, administration, and projects and programs. Debt service is fixed expenditure. Any reduction in revenue would be reflected in the programs and projects budgets. The Agency, at this time, appears financially able to implement the ambitious housing program that is discussed in Section 3.5 of this report. The budget allocates \$2.7 million for programs and projects in 2009-10 and approximately \$1.8 to \$2.0 million for the remaining years of the Implementation Plan period.

### **3.6.2 Excess Surplus**

Excess Surplus is defined and calculated based on provisions in Health & Safety Code Section 33334.12. Excess Surplus is determined on the first day of each fiscal year. The calculation requires comparing the sum of property tax increment deposited over the previous four fiscal years against the agency's adjusted beginning balance (prior year's ending adjusted unencumbered balance) to determine which amount is greater. Agencies are allowed to adjust their unencumbered balance to exclude the amount of unspent proceeds from the sale of bonds and the difference between the price of land sold during the reporting period compared to the land's fair market value. By statutory definition, Excess Surplus exists when the adjusted unencumbered balance exceeds the greater of: (1) \$1 million or (2) the combined amount of property tax increment revenue deposited over the preceding four fiscal years.

The Agency does not have excess surplus in its LMI Housing Fund. The Agency has an active and successful affordable housing program that eliminates any risk of excess surplus.

## **3.7 PROJECTED HOUSING NEEDS**

CCRL Section 33334.4(a) requires that an agency must expend its LMI Housing Fund monies towards assisting housing for persons of very low-, low- and moderate-income in at least the same proportion as the total number of housing units needed for each of these income groups bears to the total number of units needed for very low-, low-, and moderate-income households within the community, as those needs have been determined by the most recent Regional Housing Needs Assessment (RHNA). This requirement must be met over the same 10-year implementation plan period as the requirements of CCRL Section 33413(b).

CCRL Section 33334.4(b), requires an Agency to expend LMI Housing Fund monies in at least the same proportion the number of low income senior households to the total number of low income households as identified by the most recent census.

### 3.7.1 Regional Housing Needs Assessment

The state legislature adopted Assembly Bill 2853 in 1980 requiring all councils of government to develop regional allocations of housing needs (new and existing) for all income categories (fair share of housing) based on regional housing needs. The Regional Housing Needs Assessment (RHNA) as approved by the Southern California Association of Governments (SCAG) Regional Council on July 12, 2007, states that the fair share for the City of Upland for period July 1, 2006, through June 30, 2014, is 1,995 units. The income distribution is shown in Table 5.

Per CCRL Section 33334.4(a), these percentages are to be applied to Agency LMI Housing Fund spending. Based on the housing needs determined through the Fair Share Allocation process, at least 40.1 percent of all LMI Housing Fund expenditures must be made towards assisting very low-income headed households and at least 27.7 percent must be made towards assisting low-income headed households. Approximately 32.2 percent of all LMI Housing Fund expenditures may be used to assist moderate income households.

Income Distribution	Fair Share Unit Allocation	Percent of Affordable Units
Very Low-Income	476	40.1
Low-Income	328	27.7
Moderate-Income	382	32.2
<b>Affordable Units</b>	<b>1,186</b>	<b>100.0</b>
Above Moderate	809	
<b>TOTAL</b>	<b>1,995</b>	
Source: Southern California Association of Governments		

### 3.7.2 Senior Housing Need Assessment

CCRL Section 33334.4(b) limits the amount of money an agency can utilize from its LMI Housing Fund per the term of the Implementation Plan to assist senior, affordable housing. An agency must spend LMI Funds in the same proportion as senior low-income households bear to the total low-income households in the community, as determined in the most recent U.S. Census<sup>1</sup>. Prior to 2005, the agency limitation was based on the proportion that the senior population represented in the entire community. In 2005, SB 527 shifted the emphasis to low income households due to the fact that in many communities, the senior

<sup>1</sup> It should be noted that the Census data considers age 62 and over to be "senior" whereas the CCRL utilizes age 65 and over. Also, the income levels in the Census are based on "Median Family Income" rather than the "Area Median Income" specified in the CCRL. These discrepancies are not addressed in 33334.4 and no case law currently exists to provide clarity. The approach used to compute the ratio of senior households reflects best industry practices.

population has a greater proportion of low-income earners and, therefore, a greater need for housing assistance than the general population. For example, seniors could represent only ten 10 percent of the overall population of a community, but constitute 25 percent of the low-income population of the community. In such a circumstance, SB 527 allows an agency to provide assistance to a greater proportion of senior housing than the previous law allowed.

In order to compute the ratio of low income senior households, 2000 Census data is used. Table 6 summarizes the calculation for Upland’s LMI Housing Fund.

<b>Table 6</b>	
<b>Distribution of Low Income Senior Households <sup>(1)(2)</sup></b>	
Total Number of Low-Income Households	8,323
Number of Low-Income Senior Households	2,000
Ratio of Senior Households to Total	24.0%
<sup>1</sup> Source: U.S. Census Bureau - 2000 Census	
<sup>2</sup> Includes both renters and owners	

According to the 2000 Census, 24.0 percent of the City’s low income households (1,108) were occupied by low-income seniors. Therefore, in carrying out the requirements of CCRL Section 33334.4(a), no more than 24.0 percent of LMI Housing Fund expenditures may be allocated towards exclusively assisting senior restricted housing for the 2010-2014 Implementation Plan term.

### **3.7.3 Other Funding Programs**

Appendix G includes a list other funding programs and resources that may be available to the City and the Agency to further implement its Housing Production Plan.

## **3.8 TEN YEAR INCLUSIONARY HOUSING REQUIREMENTS**

CCRL Section 33490(a) (2) (b) requires that the implementation plan provide certain "Ten-Year" and "Life-of-the-Plan" housing production and inclusionary information. According to the Available Sites Inventory of the 2008-2014 Housing Element discussed in Section 3, the build-out potential of the Project Area allows for 1,780 new units. The inclusionary requirement for non-agency built housing is fifteen percent or 296 affordable units by 2029 (twenty years from Housing Element adoption). Extrapolating evenly over the term of the General Plan, the ten year (2019) inclusionary housing requirement is 148 units. The Agency anticipates executing over 200 affordable housing covenants by June 30, 2014. The Agency will thus exceed its ten year inclusionary housing requirement.

## **3.9 CONSISTENCY WITH GENERAL PLAN**

CCRL Section 33413(b) (4) requires that each agency, ". . .as part of the implementation plan required by Section 33490, shall adopt a [Housing Production] plan. . . ." Section 33413 (b)(4) requires that "[t]he plan shall be consistent with. . .the community’s housing

element." Additionally, "[t]he plan shall be reviewed and, if necessary, [be] amended at least every five years in conjunction with either the housing element cycle or the plan implementation cycle."

Chapter 9 of the State's General Plan Guidelines of 2003 (the "Guidelines") states the California Attorney General has opined that "the term 'consistent with' is used interchangeably with 'conformity with.'" The general rule of consistency outlined in the Guidelines is that "[a]n action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment."

The following Goals are contained within the City's 2008-2014 Housing Element Housing Plan:

1. Conserve and improve the condition of the existing housing stock, especially affordable housing.
2. Assist in the provision of housing that meets the needs of all economic segments of the community.
3. Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.
4. Mitigate any potential governmental constraints to housing production and affordability.
5. Continue to promote equal housing opportunity in the City's housing market regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors.

In compliance with CCRL Section 33490, the Agency has developed, and included in Section 4 of this Implementation Plan, a goal statement and related objectives specific to the development and implementation of Agency sponsored affordable housing programs in the City. These goals are consistent with the goals contained in the City's 2008-2014 Housing Element. It has established the projects and programs that it intends to implement to meet its housing goals and its housing production plan for consistency with the City's Housing Element.

The Agency, therefore, determines that the housing goal included in this Implementation Plan and related objectives, ongoing activities, and housing production plan, as outlined in this Implementation Plan, are consistent with the housing element of the City's General Plan.

## **4.0 PLAN ADMINISTRATION**

The Agency shall be responsible for administering the Implementation Plan and for monitoring redevelopment activities or programs undertaken pursuant to it.

### **4.1 PLAN REVIEW**

At least once within the five year Implementation Plan term, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the adopted Redevelopment Plan, the Implementation Plan, and evaluating the progress of the Project. The public hearing shall be held no earlier than two years and no later than three years after the date of adoption of this Plan.

### **4.2 PLAN AMENDMENT**

Pursuant to CCRL 33490, the Implementation Plan may be amended from time to time after holding a public hearing.

### **4.3 FINANCIAL COMMITMENTS SUBJECT TO AVAILABLE FUNDS**

The Agency is authorized to utilize a wide variety of funding sources for implementing the Redevelopment Plan. Such funding sources include, but are not limited to, financial assistance from the City, State of California, federal government, property tax increment, interest income, Agency bonds secured by tax increment or other revenues or other legally available revenue source. Although the sources of revenue used by the Agency are generally deemed to be reliable from year to year, such funds are subject to legislative, program, or policy changes that could reduce the amount or the availability of the funding sources upon which the Agency relies.

In addition, with regard to the Agency's primary revenue source, tax increment revenues, it must be noted that revenue flows are subject to diminution caused by events not controlled by the Agency, which reduce the taxable value of land or improvements in the Project Area. Moreover, the formulas governing the amount or percentage of tax increment revenues payable to the Agency may be subject to legislative changes that directly or indirectly reduce the tax increment revenues available to the Agency.

Due to the above-described uncertainties in Agency funding, the projects described herein and the funding amounts estimated to be available are subject to modification, changes in priority, replacement with another project, or cancellation by the Agency.

### **4.4 REDEVELOPMENT PLAN CONTROLS**

If there is a conflict between the Implementation Plan and the Redevelopment Plan or any other City or Agency plan or policy, the Redevelopment Plan shall control.



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## **APPENDICES**

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**APPENDIX A**  
**Redevelopment Plan Chronology**

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## Redevelopment Plans Chronology

Amended and Merged Project Area <sup>1,4</sup>									
	Merged Project						Town Center Project	Magnolia Project	
	Canyon Ridge	Arrow-Benson	Seventh - Mountain	Airport Area	Foothill Corridor	Added Territory of Amd. No. 2		Original Area	Added Territory
<b>Plan Adoption</b>									
Date of Adoption	July 5, 1983	July 16, 1984	July 15, 1985	July 15, 1985	July 12, 1988	May 28, 1994	June 22, 1992	November 10, 2003	July 10, 2006
Ordinance Number	1318	1344	1357	1358	1430	1630	1544	1760	1801
Base Year	1982-83	1983-84	1984-85	1984-85	1987-88	1995-96	1991-92	2003-04	2005-06
Project Area Size in Acres	350	30	25	193	296		133	485	361
<b>Time Limits</b>									
For Establishment of Indebtedness	July 1, 2017						June 22, 2033	November 10, 2023	July 10, 2026
For Effectiveness of Plan <sup>2,3</sup>	July 1, 2017						June 22, 2033	November 10, 2033	July 10, 2036
For Repayment of Indebtedness	July 1, 2027						June 22, 2043	November 10, 2048	July 10, 2051
Bonded Indebtedness Limit	\$114,500,000						\$60,000,000	\$100,000,000	\$210,000,000
Tax Increment Limit Pre-1994 Plan	\$324,500,000						\$250,000,000	No Limit	No Limit
For Commencement of Eminent Domain <sup>1</sup>	The Agency is not authorized to acquire any property by eminent domain.								

<sup>1</sup> Pursuant to Ordinance No. 1801 adopted on July 10, 2006 that merged the Merged Project with the Town Center Project and the Magnolia Project.

<sup>2</sup> The time limit to incur indebtedness were eliminated and the time limit on plan effectiveness was standardized in the Merged Project and extended one-year in the Town Center Project on January 12, 2004 by Ordinances 1763 and 1764, respectively, pursuant to SB 211 and SB 1045.

<sup>3</sup> The time limit for plan effectiveness in the Merged Project was extended by two (2) years by Ordinance 1808 adopted on September 25, 2006 pursuant to SB 1096.



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**APPENDIX B**  
**Inventory of Accomplishments**  
**July 1, 2004 through June 30, 2009**

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**UPLAND DEVELOPMENT AGENCY**  
**Inventory of Accomplishments**  
**July 1, 2004 through June 30, 2009**

<b>AGENCY PARTICIPATION KEY</b> <b>a – funding</b> <b>b – planning or professional assistance</b> <b>c – business retention or business attraction services</b>	<b>GOAL KEY</b> <b>A – Economic Development</b> <b>B – Revitalization</b> <b>C – Capital Improvements</b> <b>D – Affordable Housing</b>		
<b>Accomplishment</b>	<b>Status</b>	<b>Type of Participation</b>	<b>Goal</b>
Completed a two-year, four-phase process of annexing the unincorporated College Heights area into the City and amended the Magnolia Project to add the acreage as Added Territory for the purpose of upgrading public facilities, promoting economic and job growth, providing affordable housing opportunities, and generally improving the quality of life for area residents, businesses and property owners.	Completed in FY 2005/06	a, b	B
Merged the Amended Merged Project, the Town Center Project, and the Amended Magnolia Project to expand programs, projects, and expenditures and expedite administrative processing.	Completed in FY 2006/07	a, b	B
Facilitated a General Plan Amendment and Zone Change to enable a 17-acre transit oriented development project located adjacent to the Metro link station.	Completed in FY 2007/08	b	A
Initiated development plan review of the KPT/Schwartz development of approximately 17 acres for a transit oriented project located adjacent to the Metro link station.	In progress.	b	A
Finalized plans and specifications, bid out, selected a contractor, and completed rehabilitation of the Santa Fe Depot building on "A" Street.	Completed in FY 2006/07	a, c	B
Entered into Santa Fe Depot lease negotiations with Boomer's Café and Pacific Wine Merchants.	Completed in FY 2006/07	c	A
Initiated development plans for a 4.05 acre parcel on Arrow Route to facilitate water storage and industrial development by specification (spec).	Ongoing since FY 2005-06	a, b	A
Facilitated sale and development of a five acre single family residential development on 15 <sup>th</sup> Street and Benson Avenue.	Completed in FY 2007/08	a, b	A, B
Finalized plans and specifications, bid out, and selected a contractor for the rehabilitation of the Lemon Growers Building.	Completed in FY 2006/07	b	B, C
Assisted the Community Development Department in selecting consultants to prepare the EIR for a General Plan Update Citywide.	Contract signed in FY 2007/08	a, b, c	A, B
Developed a Citywide Economic Development Strategy.	On-going since FY 2007/08	a, c	A, B, C
Assisted the Departments of Public Works and Community Development in facilitating the forty acre residential and community development College Park project.	Completed in FY 2008-09	a, b, c	A, B, C
Selected consultants to prepare the specific plan and environmental impact report for the revitalization of Historic Downtown Upland.	Contract signed FY 2007/08	a, b	A
Continued to market and administer the Retail Expansion Program, the Business Expansion Program, the Commercial Expansion Program, and the Commercial Rehabilitation Program.	On-going since FY 2005/06	c	A
Completed commercial façade renovations on the historic telegraph	Completed in FY 2005/06	a, c	B

**UPLAND DEVELOPMENT AGENCY**  
Inventory of Accomplishments  
July 1, 2004 through June 30, 2009

<b>AGENCY PARTICIPATION KEY</b> a – funding b – planning or professional assistance c – business retention or business attraction services	<b>GOAL KEY</b> A – Economic Development B – Revitalization C – Capital Improvements D – Affordable Housing		
<b>Accomplishment</b>	<b>Status</b>	<b>Type of Participation</b>	<b>Goal</b>
building on Third Avenue.			
Executed agreement amendments with Lord Constructors and ANP Lighting to facilitate industrial development projects on Agency land on the south side of Eleventh Street, west of Benson Avenue.	Agreement signed in FY 2007/08	c	B
Provided staff support and financial assistance to the Chamber of Commerce in its "Discover Upland" campaign.	On-going since FY 2005/06	a	A
Designed and installed a sign identity program in the Town Center Project Area.	Completed in FY 2006/07	a, b	B, C
Executed an agreement with Geographic's for the development of an entry signage program for the City.	Agreement signed in FY 2007/08	a, b	B, C
Created the Downtown Anti-Graffiti Film Program in an effort to eliminate graffiti in the Town Center Project area.	Program approved in FY 2006/07	a, b	B, C
Completed four (4) rebates for the Downtown Anti-Graffiti Film Program.	Completed in FY 2008-09		
Created the Downtown Surveillance Camera Program to help deter vandalism and other similar activities in the Town Center Project area.	Program approved in FY 2008/09	a, b	B
Finalized land leases with Verizon and T-Mobile for cellular towers on City/or Agency owned land.	Leases finalized in FY 2006/07	c	A
Developed a Centennial-themed folder to be used for correspondence by staff.	Completed in FY 2006/07	b	A
Completed plans and specifications for reconstruction of the kiosk roof in Downtown Upland.	Plans approved in FY 2006/07	c	C
Continued to manage and improve the Asset Management Database to accurately track City lease performance.	On-going since FY 2005/06	c	A
Continued to co-sponsor the annual Upland Lemon Festival.	On-going since FY 2004/05	a, c	A
Sponsored the rehabilitation of the Old Fire Station.	Plans approved in FY 2007/08	a, b	B, C
Sponsored improvements to Memorial Park.	On-going since FY 2005/06	a	C
Sponsored the reconstruction of parking lots in the Town Center Project.	On-going since FY 2005/06	a, b	B, C
Sponsored infrastructure improvements such as Benson Avenue Overlay, Canyon Ridge and San Antonio drains, and Arrow Route Soils Reconstruction.	On-going since FY 2004/05	A	C
Provided assistance to Administration for design of regional animal shelter in Merged Redevelopment Project Area	Plans approved in FY 2007/08	a	B
Acquired 0.72 acres of vacant land on First Avenue to facilitate future mixed use development	On-going since FY 2006/07	a, b	A, B, C

**UPLAND DEVELOPMENT AGENCY**  
Inventory of Accomplishments  
July 1, 2004 through June 30, 2009

<b>AGENCY PARTICIPATION KEY</b> <b>a – funding</b> <b>b – planning or professional assistance</b> <b>c – business retention or business attraction services</b>	<b>GOAL KEY</b> <b>A – Economic Development</b> <b>B – Revitalization</b> <b>C – Capital Improvements</b> <b>D – Affordable Housing</b>		
<b>Accomplishment</b>	<b>Status</b>	<b>Type of Participation</b>	<b>Goal</b>
Completed the Midterm Implementation Plan Update	Completed in FY 2008-09	b	A
Completed the Retail Shopping Center Guide	Completed in FY 2008-09	c	A, B
Facilitated a lease amendment with the West End YMCA to extend the term on their original lease and alter the rent to allow the issuance of scholarship in lieu of paying rent.	Completed in FY 2008-09	c	A, B
Entered into a lease with AT&T for a cell tower located at the City's water tank site at 15 <sup>th</sup> Street and Campus Avenue, which will generate approximately \$30,000 annually to the General Fund.	Completed in FY 2008-09	b	A
Entered into lease agreements with Verizon and T-Mobile for cell towers at Magnolia Park.	Completed in 2005 and 2003, respectively	b	A
Entered into rental agreements with Boomer's Who's and Pacific Wine Merchants.	Completed in 2006	b, c	A
Amended the MOU with SANBAG pertaining to the rehabilitation and cost sharing for the Upland Lemon Growers building rehabilitation.	Completed in FY 2008-09	b	A, B
Developed a Restaurant Attraction/Incentive Program to facilitate the rehabilitation of commercial buildings to attract new, upscale, full-service restaurants to the Project Area.	Completed in FY 2008-09	c	A, B
Entered into an Owner Participation Agreement with Christophe's Restaurant and Lounge for the rehabilitation of downtown building and establishment of an upscale restaurant.	Completed in FY 2008-09	c	A, B
Entered into a purchase and sale agreement with Mountain View Chevrolet for the acquisition of an electronic sign message board and operating covenant.	Completed in FY 2008-09	c	A, B
Facilitated the formation of Community Facilities Districts (CFDs) for Lewis Investment Company for two projects: Wyeth Cove and Upland Crossings.	Completed in FY 2008-09	b	C, D
Disposed of two Agency owned parcels fro the development of a light industrial park on 11 <sup>th</sup> Street, west of Central Avenue.	Completed in FY 2008-09	a	A
Initiated engineering and plan amendments necessary for the disposition of City-owned property at Bodenhamer and 9 <sup>th</sup> Streets.	Completed in FY 2008-09	b	A
Initiated a storm drain easement on Agency-owned property located along Arrow Route.	Completed in FY 2008-09	b	C
Initiated a lot line adjustment and lot merger to increase the YMCA's existing leased area to accommodate their future aquatic center.	Completed in FY 2008-09	b	A
Rehabilitated the pavement of the downtown City parking lot located at Third Avenue and Ninth Street.	Completed	a	C
Completed street reconstruction, tree replacement, and tree grate	Completed	a	C

**UPLAND DEVELOPMENT AGENCY**  
 Inventory of Accomplishments  
 July 1, 2004 through June 30, 2009

<b>AGENCY PARTICIPATION KEY</b> a – funding b – planning or professional assistance c – business retention or business attraction services		<b>GOAL KEY</b> A – Economic Development B – Revitalization C – Capital Improvements D – Affordable Housing	
Accomplishment	Status	Type of Participation	Goal
installation on "C" Street.			
As part of the RENU CIP – Phase 2, removed all existing parkway trees along 12 <sup>th</sup> Avenue and 10 <sup>th</sup> Street between 9 <sup>th</sup> Street and "A" Street, installed parkway appropriate trees, repaired or replaced curbs, gutters, sidewalks, and driveway aprons, and completed a street overlay.	Completed	a	C
Installed monument signs at the major entrances of the City.	Completed	a	C
Paved the dirt lot that serves as the police impound lot, striped, and numbered the spaces.	Completed	a	C
Designed the street reconstruction of Arrow Route from the west City limit to Benson Avenue.	Completed	a	C
Reconstructed portions of Benson Avenue between 8 <sup>th</sup> Street and Foothill Boulevard.	Completed	a	C
Paved and rehabilitated various alleys within the Project Area.	Completed	a	C
Accepted reimbursement of infrastructure improvements completed by the developer of the Upland Crossings subdivision located near the southeast corner of Foothill Boulevard and Monte Vista Avenue. Improvements include the 11 <sup>th</sup> Street water line with pressure reducing station, and improvements to Foothill Boulevard.	Completed	b	C
Spearheaded a parkway improvement project at San Antonio Avenue and 9 <sup>th</sup> Street in collaboration with the Department of Public Works, Foothill Family Shelter, and Southern California Edison that included the removal of 19 street trees and the installation of drought-tolerant landscape and hardscape.	Completed in FY 2008-09	a	C
Completed improvements to the Memorial Park picnic area. Improvements include shade structure, tables, floor, and grill.	Completed	a	C
Reconstructed the parking lot at Memorial Park.	Completed	a	C
<b>AFFORDABLE HOUSING ACCOMPLISHMENTS: July 1, 2004 – June 30, 2009</b>			
Managed the Sunset Ridge, Village, and Magnolia Colony Apartments. Earned \$2,725,218.	On-going Program	a	D
Housing Improvement Program (HIP): assisted 33units.	On-going Program	a	D
First Time Homebuyer Program: assisted 19 homebuyers.	On-going Program	a	D
Rental Acquisition and Rehabilitation Program: acquired and rehabilitated 56 units	On-going Program	a	D
Housing Rehabilitation Emergency Repair Program: 86 grants completed.	On-going Program	a	D

**UPLAND DEVELOPMENT AGENCY**  
 Inventory of Accomplishments  
 July 1, 2004 through June 30, 2009

<b>AGENCY PARTICIPATION KEY</b> a – funding b – planning or professional assistance c – business retention or business attraction services		<b>GOAL KEY</b> A – Economic Development B – Revitalization C – Capital Improvements D – Affordable Housing	
<b>Accomplishment</b>	<b>Status</b>	<b>Type of Participation</b>	<b>Goal</b>
Historic Home Rehabilitation Program: 6 projects completed.	Created in FY 2006-07 On-going Program	a	D
Reviving and Enhancing Neighborhoods: 62 grants approved, and two CIP projects completed related to the neighborhoods.	On-going Program	a	B, D
Upland Pride Paint Program: 65 projects funded.	On-going Program	a	B, D
Foothill Family Shelter: Contributed approx. \$250,000 in HOME funds	On-going support	a	B
Diamond Court Acquisitions Project: Acquired 14 four-plex buildings; substantially rehabilitated 56 units within the neighborhood	Completed in FY 2007-08	a	B, D
Upland Community Housing Inc. (UCHI) Project: Entered into DDA and prepared loan agreement with UCHI for a 72 unit affordable senior housing project	Completed in FY 2008-09	a	D
Infill Housing Project: entered into an agreement with MRC Development to construct 7 to 9 single family residential units to be located at the corner of Washington Boulevard and Sixth Street. Subsequently, prepared an amendment to agreement.	Agreement completed in June 2006; Amendment completed in FY 2008-09.	a	D

## Old Fire Station Rehabilitation

The Old Fire Station located at 151 D. Street is currently under construction. The rehabilitation is being done by Alma Construction Company, Inc. and includes hazardous material abatement seismic retrofitting and the demolition and reconstruction of the addition attached to the west side of the fire station. Estimated completion of the rehabilitation is spring 2010.

## Downtown Gazebo

The rehabilitation of the Downtown Gazebo located at 2nd Avenue and 9th Street was completed in the Spring of 2009. Rehabilitation included replacing the existing roof with a new copper roof, adding decorative ironwork to the railings and eaves, repainting the railing and base and installing a handicap ramp.

## Historic District Sign Program

A Historic District Signage program was created to identify Upland's nine historic districts.

## Santa Fe Depot

The rehabilitation of the historic Santa Fe Depot building was completed in the fall of 2006. The total cost of the rehabilitation was approximately \$1 million. The building is jointly owned by the City of Upland and SANBAG. The building is occupied by Pacific Wine Merchants (retail cigar and wine shop & wine bar) and Boomer's Coffee Shop.

## Downtown Wayfinding

The Wayfinding Signage Program has provided a comprehensive system of signage to direct people to Historic Downtown Upland as well as the major destinations and businesses located in the area. Seasonal banners and mini kiosks that contain advertisements from local businesses have also been placed around the downtown area, as well as an archway sign over 9th Street at Euclid Avenue and a monument sign in the Euclid median.

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## **APPENDIX C**

**Map of 2006 Amended and Merged Project Area**

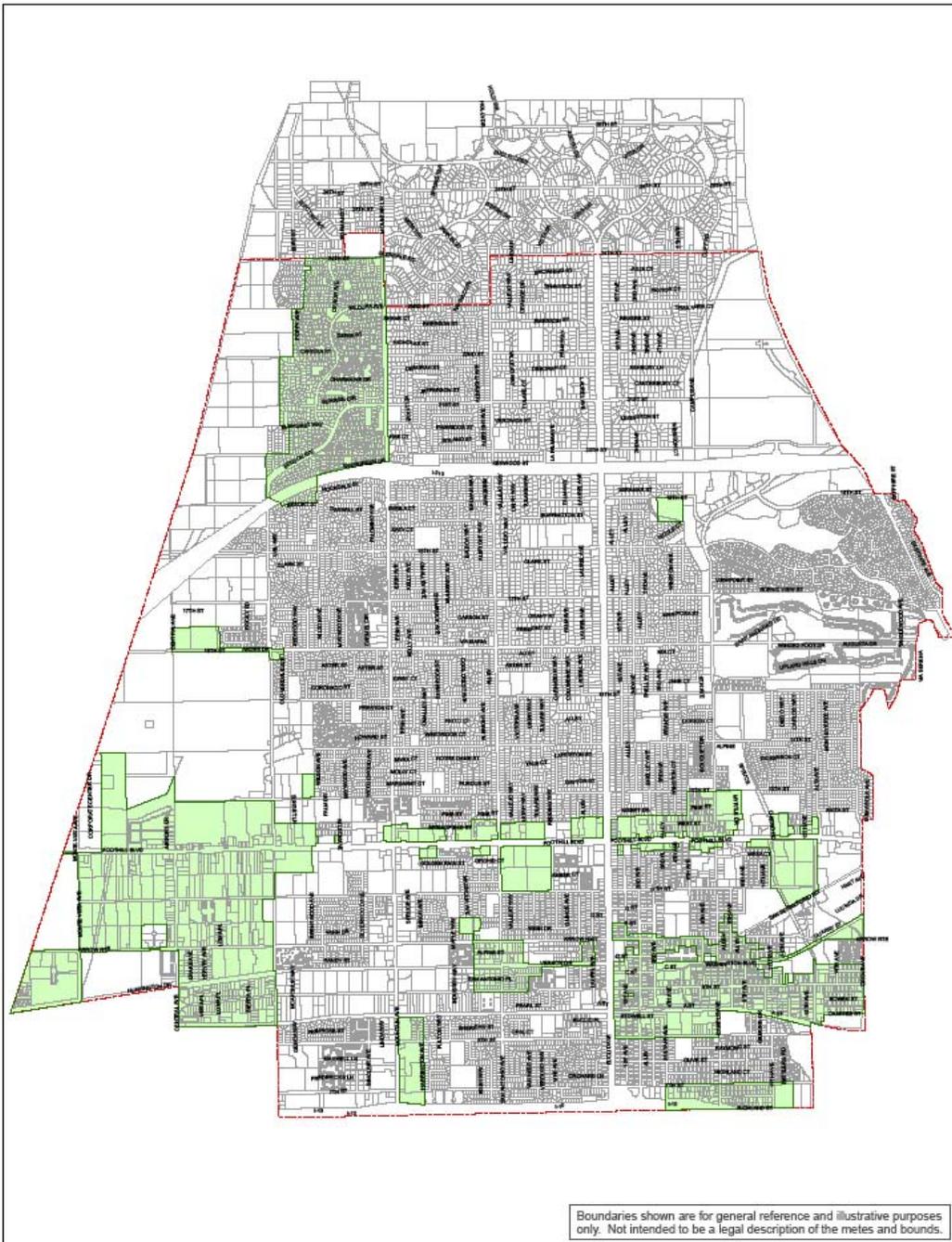
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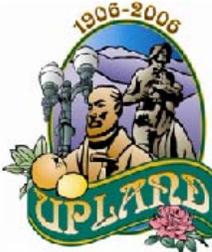


Upland Community Redevelopment Agency

**2006 AMENDED AND MERGED PROJECT AREA MAP**



Prepared By: Urban Futures, Inc.  
 Base Map Source: City of Upland  
 Date: 1/12/2008  
 File: UF\_Insights\_MergedProject.mxd



**LEGEND**

- Upland City Limits
- Amended and Merged Project Area\*  
(1,874 Acres\*\*)

\* As created by the 2006 Amendment to the Redevelopment Plans for the Upland Community Redevelopment Project (A Merged Project), and the Town Center and Magnolia Redevelopment Projects.  
 \*\* Acreage is approximate.





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**APPENDIX D**  
**Map of Component Areas within the**  
**2006 Amended and Merged Project Area**

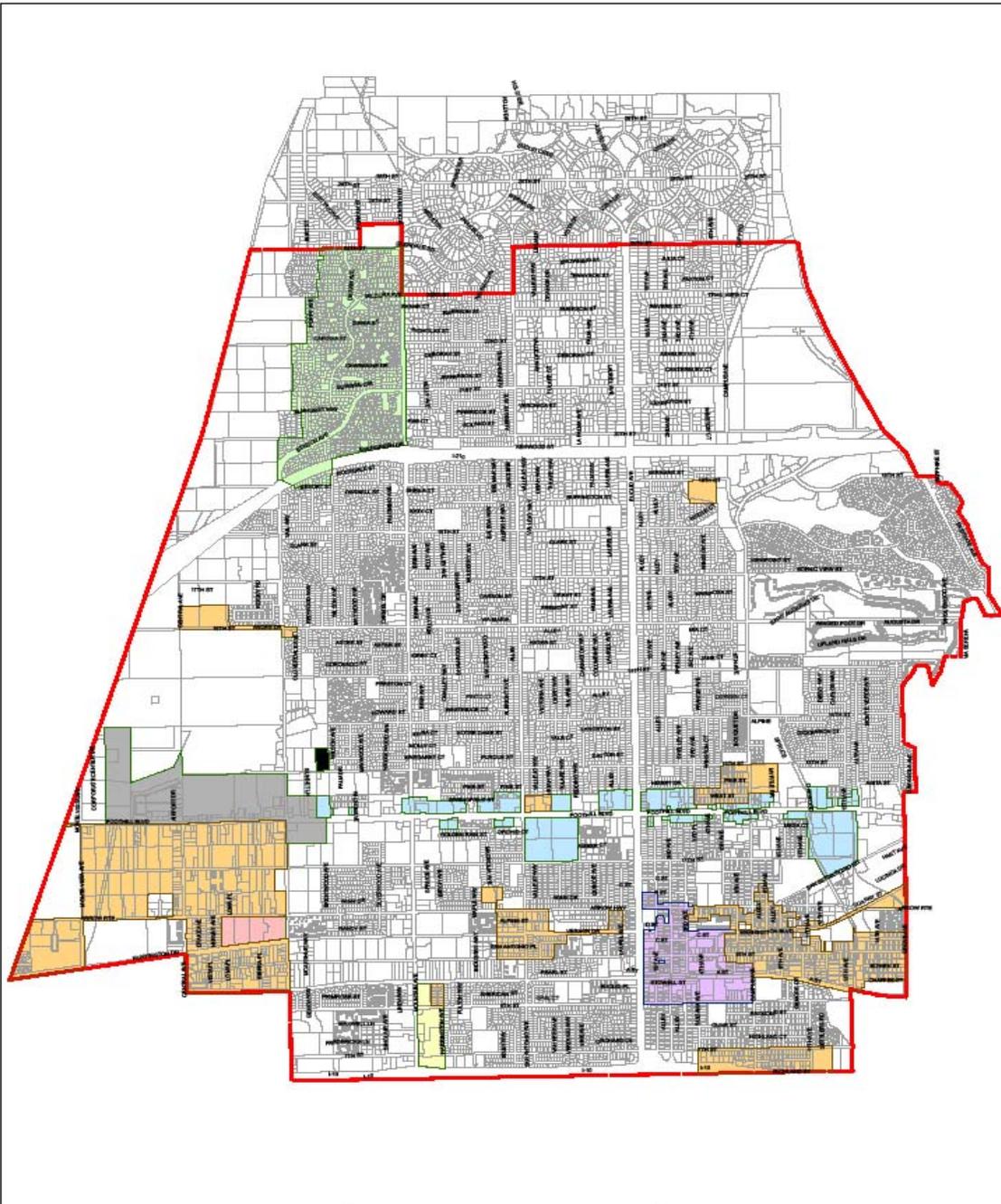
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Upland Community Redevelopment Agency

2006 AMENDMENT TO THE REDEVELOPMENT PLANS FOR THE UPLAND COMMUNITY REDEVELOPMENT PROJECT (A MERGED PROJECT), AND THE TOWN CENTER AND MAGNOLIA REDEVELOPMENT PROJECTS

**ATTACHMENT A  
MERGED PROJECT AREA MAP**

**URBAN  
FUTURES  
INCORPORATED**

Prepared By: Urban Futures, Inc.  
Source: Urban Futures, Inc.  
Base Map Source:  
City of Upland  
Date: 5/1/06  
File: UP\_MERGED\_PA\_2006.v2.mxd



**LEGEND**

- City Boundary
- Amended Magnolia Project
- Town Center Project

Merged Upland Project Component Project Areas

- Canyon Ridge
- Arrow-Benson
- Seventh-Mountain
- Airport Area
- Foothill Corridor
- Amendment No. 2

Note: The colored areas shown on this Attachment A are included within the Merged Project Area created by the adoption of the 2006 Amendment.

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**APPENDIX E**  
**General Redevelopment Fund**

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**2006 Amended and Merged Project Area  
Projected General Redevelopment Fund Receipts and Expenditures  
July 1, 2009 through June 30, 2014**

<b>PROGRAM CATEGORY</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>CASH BALANCE FORWARD</b>	<b>\$9,081,573</b>	<b>\$1,346,683</b>	<b>\$919,597</b>	<b>\$585,273</b>	<b>\$591,207</b>
<b>Receipts</b>					
A. Tax Increment <sup>1</sup>	\$9,943,062	\$10,242,662	\$10,549,110	\$11,286,442	\$12,044,144
B. Interest Income <sup>2</sup>	\$412,270	\$26,934	\$18,392	\$11,705	\$11,824
C. Rental Income	16,924	16,924	16,924	16,924	16,924
D. Sale of Property <sup>3</sup>	518,292	0	0	0	0
E. Other Income <sup>4</sup>	1,077,235	0	0	0	0
<b>Annual Receipts</b>	<b>\$11,967,783</b>	<b>\$10,286,520</b>	<b>\$10,584,426</b>	<b>\$11,315,071</b>	<b>\$12,072,892</b>
<b>TOTAL AVAILABLE</b>	<b>\$21,049,356</b>	<b>\$11,633,203</b>	<b>\$11,504,023</b>	<b>\$11,900,345</b>	<b>\$12,664,099</b>
<b>Expenditures/Uses</b>					
A. LMI Set-Aside Funds <sup>5</sup>	\$1,998,613	\$2,048,532	\$2,109,822	\$2,257,288	\$2,408,829
B. Community Development <sup>6</sup>	9,672,098	1,000,000	1,000,000	1,000,000	1,000,000
C. Pass Through Payments <sup>7</sup>	1,999,117	2,079,592	2,161,929	2,331,836	2,506,362
D. Tax Admin. Fees <sup>8</sup>	149,146	153,640	158,237	169,297	180,662
E. Bond Debt Service <sup>9</sup>	3,003,546	2,995,284	2,994,108	2,996,223	2,994,524
F. Capital Outlay & Projects <sup>10</sup>	1,000,000	500,000	500,000	500,000	500,000
G. Administration <sup>11</sup>	1,880,153	1,936,558	1,994,654	2,054,494	2,116,129
F.	0	0	0	0	0
<b>Annual Expenditures</b>	<b>\$19,702,673</b>	<b>\$10,713,606</b>	<b>\$10,918,750</b>	<b>\$11,309,138</b>	<b>\$11,706,506</b>
<b>YEARLY ENDING BALANCE</b>	<b>\$1,346,683</b>	<b>\$919,597</b>	<b>\$585,273</b>	<b>\$591,207</b>	<b>\$957,593</b>
<b>With SERAF Payments</b>					
G. SERAF payments <sup>13</sup>	\$0	\$0	\$0	\$0	\$0
<b>Annual Expenditures</b>	<b>\$19,702,673</b>	<b>\$10,713,606</b>	<b>\$10,918,750</b>	<b>\$11,309,138</b>	<b>\$11,706,506</b>
<b>YEARLY ENDING BALANCE</b>	<b>\$1,346,683</b>	<b>\$919,597</b>	<b>\$585,273</b>	<b>\$591,207</b>	<b>\$957,593</b>

Note: Fiscal Year 2009-10 beginning balance is from City Finance Dept.

<sup>1</sup> Based on actual FY2009-10 AV as provided by the San Bernardino County Auditor Controller, with subsequent years based on UFI projections.

<sup>2</sup> FY 2009-10 from RDA Budget, with 2% interest earnings rate on Yearly Beginning Balances projected thereafter.

<sup>3</sup> From FY 2009-10 RDA Budget.

<sup>4</sup> Various sources including Loan Repayment, from FY 2009-10 RDA Budget.

<sup>5</sup> Pursuant to CCRL 33334.4, the Low and Moderate Income Housing Set Aside Funds are equal to twenty percent of tax increment

<sup>6</sup> Planning, grant programs, and professional/contractual services. Program expenditures are based on 2009-2010 adopted budget.

<sup>7</sup> Estimated pass throughs are calculated pursuant to the terms of negotiated agreements and statutory formula.

<sup>8</sup> County of San Bernardino Auditor Controller estimated administration fees.

<sup>9</sup> Bond Debt Service payments (non-housing) on Agency's 1998, 2003 and 2006 Bonds.

<sup>10</sup> Capital outlay for projects based on FY 2009-10 Agency budget.

<sup>11</sup> Operations, materials, salaries and wages. Expenditures for FY 09-10 per Budget, future expenditures are estimated to increase by 3% annually.

<sup>12</sup> None

<sup>13</sup> SERAF payments, if necessary, will be paid from existing fund balances.



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**APPENDIX F**  
**Low and Moderate Income Housing Fund**

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**Projected Agency LMI Housing Fund Program Expenditures  
July 1, 2009 Through June 30, 2014**

FUND ACTIVITY	2009-10	2010-11	2011-12	2012-13	2013-14
CASH BALANCE FORWARD	1,542,489	566,583	522,555	558,517	562,448
<b>Estimated Receipts<sup>2</sup></b>					
A. Tax Increment (20% of gross allocation)	1,998,613	2,048,532	2,109,822	2,257,288	2,408,829
B. Investment or Interest Income	131,250	11,332	10,451	11,170	11,249
C. Rental or Lease Income	1,886,908	1,924,646	1,963,139	2,002,402	2,042,450
D. Sale of Real Estate					
E. Grants					
F. Fees or Loan Repayments					
G. Other Revenue	46,800	46,800	46,800	46,800	46,800
<b>Total Receipts</b>	<b>4,063,571</b>	<b>4,031,310</b>	<b>4,130,212</b>	<b>4,317,660</b>	<b>4,509,328</b>
<b>TOTAL AVAILABLE</b>	<b>5,606,060</b>	<b>4,597,893</b>	<b>4,652,767</b>	<b>4,876,177</b>	<b>5,071,776</b>
<b>Expenditures/Uses<sup>2</sup></b>					
A. Debt Service	1,644,940	1,644,940	1,644,940	1,644,940	1,644,940
B. Other <sup>3</sup>			0	0	0
C. Construction, Rehabilitation, Infrastructure, and other Project Costs	2,782,500	1,800,000	1,800,000	2,000,000	2,000,000
D. Administration	612,037	630,398	649,310	668,789	688,853
<b>Total Expenditures</b>	<b>5,039,477</b>	<b>4,075,338</b>	<b>4,094,250</b>	<b>4,313,729</b>	<b>4,333,793</b>
<b>YEARLY ENDING BALANCE</b>	<b>566,583</b>	<b>522,555</b>	<b>558,517</b>	<b>562,448</b>	<b>737,983</b>
<b>Excess Surplus Analysis</b>					
A. Maximum Allowable Fund Balance <sup>4</sup>	5,477,265	6,290,535	7,085,493	7,675,814	8,052,818
B. Yearly Ending Fund Balance	566,583	522,555	558,517	562,448	737,983
C. Less: Bond Proceeds Held by Fiscal Agent	0	0	0	0	0
<b>D. Adjusted Ending Cash Balance</b>	<b>566,583</b>	<b>522,555</b>	<b>558,517</b>	<b>562,448</b>	<b>737,983</b>
<b>E. Excess surplus<sup>5</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note:

<sup>1</sup> 2009-10 beginning balance is from FY 2009-10 RDA Housing Budget.

<sup>2</sup> Projections are based on FY 2009-10 assessed valuation information, with subsequent years based on UFI projections.

<sup>3</sup> None

<sup>4</sup> Equal to the greater of the sum of tax increment deposits over the prior four fiscal years or \$1 million dollars.

<sup>5</sup> Excess Surplus exists if the adjusted unencumbered balance of the previous year exceeds the Maximum Allowable Fund Balance.



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**APPENDIX G**  
**Financial Resources**  
**Available for Housing Activities**

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## Financial Resources Available for Housing Activities

Program Type	Program Name	Description	Eligible Activities
<b>1. Federal Programs</b>	Community Development Block Grant (CDBG)	Annual grants awarded to the City on a formula basis for housing & community development activities. Administered by HUD.	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Rehabilitation</li> <li>• Homebuyer assistance</li> <li>• Homeless assistance</li> <li>• Public services</li> </ul>
	Home Investment Partnership Act (HOME)	Formula grants to States and localities that communities use-often in partnership with local nonprofit groups-to fund a wide range of activities to low-income people.	<ul style="list-style-type: none"> <li>• New construction</li> <li>• Acquisition</li> <li>• Rehabilitation</li> <li>• Tenant-based rental assistance</li> </ul>
	Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low-income tenants. Administered by HUD.	<ul style="list-style-type: none"> <li>• Rental assistance</li> </ul>
	Section 202	Grants to non-profit developers of supportive housing for the elderly. Administered by HUD.	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Rehabilitation</li> <li>• New construction</li> <li>• Rental assistance</li> <li>• Support services</li> </ul>
<b>2. State Programs</b>	California Housing Finance Agency (CHFA) Home Mortgage Purchase Program	CHFA sells tax exempt bonds for below market rate loans to first-time homebuyers. Program operates through participating lenders who originate loans for CHFA purchase.	<ul style="list-style-type: none"> <li>• Homebuyer Assistance</li> </ul>
	California Housing Finance Agency (CHFA) Multiple Rental Housing Programs	Below market rate financing offered to builders & developers of multi-family and elderly rental housing. Tax exempt bonds provide below-market mortgage money.	<ul style="list-style-type: none"> <li>• New Construction</li> <li>• Rehabilitation</li> <li>• Acquisition</li> </ul>
	Low-Income Housing Tax Credit (LIHTC)	Tax credits available to individuals & corporations that invest in low-income rental housing. Tax credits sold to people with high tax liability, & proceeds are used to create housing.	<ul style="list-style-type: none"> <li>• New Construction</li> <li>• Rehabilitation</li> <li>• Acquisition of properties from 20 to 150 units</li> </ul>
	Multi-Family Housing Program (MHP)	Deferred payment loans for new construction, rehabilitation & preservation of rental housing. Administered by HCD.	<ul style="list-style-type: none"> <li>• New Construction</li> <li>• Rehabilitation</li> <li>• Preservation</li> </ul>
	<b>3. Local/County</b>	Redevelopment	20 percent of Agency tax

## Financial Resources Available for Housing Activities

Program Type	Program Name	Description	Eligible Activities
<b>Program</b>	Housing Set-Aside Funds	increment funds are set-aside for affordable housing activities.	<ul style="list-style-type: none"> <li>• Rehabilitation</li> <li>• Acquisition</li> </ul>
	Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time home buyers for the purchase of new or existing single-family housing. Eligible participating city's or unincorporated areas.	<ul style="list-style-type: none"> <li>• Homebuyer Assistance</li> </ul>
	Mortgage Assistance Program (MAP)	Deferred payment down payment assistance loan. Subject to availability by county for participating cities and unincorporated areas of a county.	<ul style="list-style-type: none"> <li>• Homebuyer Assistance</li> </ul>
<b>4. Private Resources/ Financing Programs</b>	Federal National Mortgage Association (Fannie Mae)	Loan applicants apply to participating lenders for the following programs: fixed rate mortgages issued by private mortgage insurers; And related foreclosure prevention programs in underserved low-income & minority communities.	<ul style="list-style-type: none"> <li>• Homebuyer assistance</li> <li>• Refinancing</li> <li>• Loan Modification</li> <li>• Foreclosure Prevention</li> </ul>
	California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide tax-exempt private placement bond program financing for affordable multi-family & senior rental housing.	<ul style="list-style-type: none"> <li>• New Construction</li> <li>• Rehabilitation</li> <li>• Acquisition</li> <li>• Permanent Financing</li> </ul>
	Federal Home Loan Bank Affordable Housing Program	Provides grants and subsidized loans to support affordable rental housing and homeownership opportunities. Grants are awarded on a competitive basis.	<ul style="list-style-type: none"> <li>• New Construction</li> </ul>
	Low-Income Housing Fund (LIHF)	Non-profit lender offering below market interest, short term loans for affordable housing in both urban & rural areas. Eligible applicants include non-profits & government agencies. Grant opportunities are also available.	<ul style="list-style-type: none"> <li>• Redevelopment costs</li> <li>• Site acquisition</li> <li>• Construction</li> <li>• Rehabilitation</li> <li>• Planning grants</li> <li>• Energy Efficiency Grants</li> <li>• Child Care Centers</li> <li>• Quality Improvement Grants</li> <li>• Expansion Grants</li> <li>• Renovation &amp; Repair Grants</li> <li>• Technical Assistance Grants</li> </ul>

## Financial Resources Available for Housing Activities

Program Type	Program Name	Description	Eligible Activities
	Private Lenders	The Community Reinvestment Act (CRA) requires certain regulated financial institutions to achieve goals for lending in low- & moderate-income neighborhoods. As a result, most of the larger private lenders offer one or more affordable housing programs, including first-time homebuyer, housing rehabilitation, or new construction assistance.	<ul style="list-style-type: none"><li data-bbox="1040 317 1411 401">• Varies, depending on individual program offered by bank</li></ul>