

Isla Vista Redevelopment Project

Five-Year Implementation Plan

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County of Santa Barbara Redevelopment Agency
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Five-Year Implementation Plan

Isla Vista Redevelopment Project

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Five-Year Implementation Plan

Isla Vista Redevelopment Project

Introduction

This document is the second Five-Year Implementation Plan (“Plan”) for the Isla Vista Redevelopment Project (“Project”) of the County of Santa Barbara Redevelopment Agency (“Agency”). This Plan presents the Agency’s goals and objectives, anticipated projects and programs, and estimated expenditures for the five year planning period beginning in fiscal year 2001-02 and terminating at the end of fiscal year 2005-06.

Contents of the Implementation Plan

Section 33490 of the California Community Redevelopment Law, Health and Safety Code Section 33000 et. seq. (“Law”), requires this Plan to include the following:

- Specific Agency goals and objectives for the Isla Vista Redevelopment Project Area (“Project Area”);
- Specific programs, potential projects, and estimated expenditures proposed by the Agency over the next five years, and;
- An explanation of how Agency goals, objectives, programs, and expenditures will eliminate blight within the Project Area and improve and increase the supply of housing affordable to very low, low, and moderate income households.

The Law also requires that this Plan address the Agency’s affordable housing production and replacement housing needs and achievements. These items are specifically addressed in the amended Ten-Year Affordable Housing Compliance Plan, attached hereto as Appendix “A”.

Five-Year Implementation Plan

Isla Vista Redevelopment Project

Background

On November 27, 1990, the Santa Barbara County Board of Supervisors (“Board”) adopted the Redevelopment Plan for the Isla Vista Redevelopment Project (“Redevelopment Plan”), which enabled the Agency to undertake redevelopment initiatives in the Project Area.

The Project Area encompasses 423 acres of unincorporated County territory generally west of the University of California, Santa Barbara campus. The Project Area is generally bounded by Camino Majorca and Storke Road to the west, El Colegio Road and Santa Barbara Airport to the north, the University of California campus to the east, and the Pacific Ocean to the south. As of 1990, approximately 76% of the Project Area consisted of residential uses, while commercial and public uses comprised 24% of the Project Area.

Blighting Conditions

Redevelopment projects are established to remedy conditions of blight as defined by the Law that is in effect at the time a redevelopment project is adopted. The Law’s definition of what constitutes blight has changed substantially since the Project Area was adopted in 1990. The current definition of blight, as stated in Section 33031 of the Law, is set forth below:

- **Unsafe/Dilapidated/Deteriorated Buildings.** Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- **Physical Conditions that Limit the Economic Viability and Use of Lots/Buildings.** Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- **Incompatible Uses.** Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.

- Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownership. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- Depreciated/Stagnant Property Values; Impaired Investments. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
- High Business Turnovers and Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots. Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- Lack of Neighborhood Commercial Facilities. A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Overcrowding/Excess of Adult Businesses. Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.
- High Crime Rates. A high crime rate that constitutes a serious threat to the public safety and welfare.

The Law also characterizes inadequate public improvements as blight when the aforementioned conditions are present.

Over the past ten years, the Agency has successfully mitigated some blighting conditions through implementation of various redevelopment initiatives such as acquisition of parcels for open space along Del Playa Drive. However, due to the downturn in the local real estate economy experienced in the 1990's, the Project Area did not generate the anticipated amount of tax increment revenue necessary to implement many redevelopment projects during the past ten years. Examples of these projects include completing a network of sidewalks throughout Isla Vista, improvements in the commercial core such as acquisition and construction of public parking lots, and construction of a community center.

Blighting conditions in the Project Area were originally documented in 1990, in the Agency's Report to the Board, and again further documented

in September 2000, in the Agency's Report to the Board on the abandoned 2000 Amendment regarding eminent domain powers. These two documents identified the following blighting conditions in the Project Area:

- Defective design and character of physical construction;
- Faulty interior arrangement and exterior spacing;
- Inadequate provisions for light, ventilation and open space;
- Age, obsolescence, deterioration and dilapidation; and
- Inadequate public improvements.

As outlined in this Plan, the Agency's proposed projects and expenditures will be evaluated in terms of how such activities address the aforementioned blighting conditions. The following are excerpts from the Agency's 2000 Housing and Strategy Report to the Board that described some of the conditions persisting the Project Area;

Overcrowding is one of the most severe issues facing residents. The Housing and Strategy Report indicated that more than 60% of the Project Area contains overcrowded units. Some areas contain households that are 75% larger than the South Coast average (4.73 persons per unit versus 2.68 persons per unit). This situation has only worsened. According to the 1990 Census, approximately 14,116 people resided in the Project Area. Planning and Development Department staff estimates that today's population has increased to approximately 20,000 residents. Although the number of residents has increased dramatically, the number of available units has not. Consequently, the Housing and Strategy Report found that the Project Area is one of the most densely populated areas in the western United States.

The affects of these overcrowded conditions have become increasingly apparent. Most of the properties in the Project Area were developed 25 to 35 years ago, utilizing now outdated planning methods. Perhaps the most visible impact of this development is the lack of parking. Lack of sufficient parking continues to regularly impact the basic quality of life issues such as community aesthetics and pedestrian safety throughout the area. Many people have resorted to using any improved area available as parking space.

In addition to parking, overcrowding has also resulted in an increased demand for open space areas. While the County's minimum standard

for open space in proportion to the current population calls for at least 100 acres, Planning and Development staff estimate there to be approximately 70 acres of existing open space.

Goals of the Redevelopment Plan

Section IV of the Redevelopment Plan delineates the Agency's redevelopment goals for the Project Area. These goals formulate the overall strategy for this Implementation Plan and will serve as a guide for the Agency's activities over the next five years.

- 1) To remedy, remove, and prevent physical blight and economic obsolescence in the Project Area through implementation of the Plan.
- 2) To increase open space and protect environmentally sensitive areas.
- 3) To improve the supply of housing affordable to very low, low and moderate income households through the provision of assistance to rehabilitate the existing housing stock.
- 4) To establish a program which promotes the rehabilitation of the existing housing stock where appropriate.
- 5) To make provisions for housing to satisfy the needs and desires of the various age, income, and ethnic groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of state law.
- 6) To enhance the livability of the residential areas throughout the Project Area and the community as a whole.
- 7) To provide for the enhancement and renovation of businesses within the Project Area to promote their economic viability.
- 8) To address inadequate street improvements.
- 9) To ensure that public input is solicited in all phases of development.
- 10) To establish a redevelopment program that is both flexible and encourages creativity.
- 11) To encourage the cooperation and participation of residents, businesses, business persons, public agencies and community organizations in the redevelopment/revitalization of the Project Area.

- 12) To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure.

Five-Year Implementation Plan

Isla Vista Redevelopment Project

Anticipated Planning Period Projects and Programs

The following narrative describes the non-housing and housing programs proposed for the next five years. Anticipated expenditures are based upon projected tax increment revenue over fiscal years 2001-02 to 2005-06. Greater or lesser funding may be available, depending upon changes of assessed valuation in the Project Area.

Non-Housing Programs

[RE] Vision Isla Vista – Isla Vista Master Plan

A Master Plan for Isla Vista is currently underway based on the urban design submitted by Envision Design of Berkley, California. The Master Plan seeks to provide a vision for future revitalization activities for Isla Vista. The Master Plan will identify and set forth methods to address the concerns presented by the community thus far. Subsequently, all non-housing programs will be identified based on the guidelines provided in the Master Plan.

It is anticipated that the Master Plan will be adopted by the County in 2004, after which the Agency will likely modify this Implementation Plan to correlate with Master Plan policies and initiatives.

Expenditures

The Agency estimates the overall cost for the Master Plan to be \$750,000. The Agency will contribute the largest amount towards this total in the amount of \$440,000. The University of California, Santa Barbara has agreed to provide \$225,000, while the Isla Vista Recreation and Parks District will supply \$50,000. \$35,000 in grant money has been acquired to provide for the remaining cost of the plan.

Plan Objectives the Project Will Address

- To remedy, remove, and prevent physical blight and economic obsolescence in the Project Area through implementation of the Plan.
- To increase open space and protect environmentally sensitive areas.
- To improve the supply of housing affordable to very low, low and moderate income households through the provision of assistance to

rehabilitate the existing housing stock.

- To establish a program which promotes the rehabilitation of the existing housing stock where appropriate.
- To make provisions for housing to satisfy the needs and desires of the various age, income, and ethnic groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of state law.
- To enhance the livability of the residential areas throughout the Project Area and the community as a whole.
- To provide for the enhancement and renovation of businesses within the Project Area to promote their economic viability.
- To address inadequate street improvements.
- To ensure that public input is solicited in all phases of development.
- To establish a redevelopment program that is both flexible and encourages creativity.
- To encourage the cooperation and participation of residents, businesses, business persons, public agencies and community organizations in the redevelopment/revitalization of the Project Area.
- To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure.

Conditions of Blight the Project Will Address

- Defective design and character of physical construction;
- Faulty interior arrangement and exterior spacing;
- Inadequate provisions for light, ventilation and open space;
- Age, obsolescence, deterioration and dilapidation;
- Inadequate public improvements; and
- Overcrowding.

Housing Programs

El Encanto Apartments

The Agency is assisting in the construction of the 16-unit El Encanto Apartments affordable housing apartment project which is located outside of the Project Area at 7388 Calle Real. The 16 units will feature 55-year affordability covenants, restricting affordability to low-income households. Two of the 16 units constructed in this project will meet the Agency's replacement housing requirement due to the removal of two one-bedroom units at 6650 and 6660 Abrego Street and 6651 Picasso Street.

The El Encanto project is currently in the County's zoning process. Agency staff anticipates the construction and completion of these units to occur in 2002.

Expenditures

Although the El Encanto Apartments are not expected to be complete until 2002, Agency financial obligations to the project have been fulfilled. Thus far, the Agency has contributed \$366,500, thereby depleting the available fund balance. Therefore, no Agency expenditures are anticipated for El Encanto Apartments during the planning period.

Plan Objectives the Project Will Address

- To make provisions for housing to satisfy the needs and desires of the various age, income, and ethnic groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of state law; and
- To enhance the livability of the residential areas throughout the Project Area and the community as a whole.

Conditions of Blight the Project Will Address

- Provides affordable housing pursuant to Redevelopment Law; and
- Overcrowding.

Isla Vista Revitalization Project

The Agency is assisting with the rehabilitation of a 58-unit affordable housing apartment complex located at 6650 and 6660 Abrego Street and 6651 Picasso Street. The project requires that two one-bedroom units of low-income be removed in order to create a community room, thus removing two units from the Isla Vista affordable housing stock (The removal of these units occurred in February, 2001). As stated in the El Encanto Apartments project narrative, the two removed units shall be replaced with two newly constructed units from that project.

Expenditures

The Agency estimated total cost for this project is \$5,623,783. The Agency has agreed to contribute \$1,005,179 towards this total. From this amount, a relocation cost of \$100,000 is being reserved to insure that any relocation required by the project is adequately funded. Thus far, the Agency has provided \$558,800. A final payment by the Agency of \$298,379 is expected to occur in fiscal year 2001-02.

Plan Objectives the Project Will Address

- To improve the supply of housing affordable to very low, low and moderate-income households through the provision of assistance to rehabilitate the existing housing stock;
- To make provisions for housing to satisfy the needs and desires of the various age, income, and ethnic groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of state law; and
- To enhance the livability of the residential areas throughout the Project Area and the community as a whole.

Conditions of Blight the Project Will Address

- Defective design and character of physical construction;
- Inadequate provisions for light, ventilation and open space;
- Age, obsolescence, deterioration and dilapidation; and
- Overcrowding.

Five-Year Implementation Plan

Isla Vista Redevelopment Project

Five-Year Budget

Tables 1 and 2 present a preliminary five-year budget for non-housing and housing programs, respectively. Tax increment revenues were estimated based on a conservative increase in secured assessed property values. Expenditures were based on the fiscal year 2001-02 budget and include bond debt service and administrative costs. The assumptions used in these projections are delineated below:

- Tax increment revenue amounts were calculated by applying an annual 2% growth rate on the secured assessed property values in the Project Area.
- In addition to tax increment revenue, RSG estimated interest earnings at 3% of the beginning fund.
- Taxing agency payments from the nonhousing fund have been calculated pursuant to existing fiscal mitigation agreements, Section 33676 of the Law disbursements, and statutory payments permitted by Section 33607.7 of the Law.
- Data regarding annual payments for the 1998 Certificates of Participation debt service was supplied by the County Treasurer's office.
- To avoid interest penalties, the County loan of \$385,000 should be repaid by 2001-02.
- Administrative costs for nonhousing are based on a 3% annual increase in the 2001-02 amount of \$393,856, which was provided by County Planning and Development staff. County Housing Program staff has indicated that there are currently no anticipated administrative costs for housing.
- County Planning and Development staff provided the cost for the Isla Vista Master Plan project. The Master Plan is expected to be complete in 2004. Therefore, RSG has projected an even dispersal of funds in each fiscal year from 2001-02 to 2004-05.
- The funds for the Isla Vista Revitalization Project were derived from County Housing Program staff.

Over the five-year planning period, the Agency anticipates investing \$440,000 in the development and preparation of the Master Plan, with the remaining nonhousing funds being utilized for various interim projects to address such issues as available parking, the lack of open space, pedestrian improvements and other needs as they arise. The Master Plan will identify projects on which the tax increment will be spent after 2004. The actual project costs will be determined as they are better defined during the Master Plan process.

NONHOUSING FUND REVENUE PROJECTIONS						TABLE 1
ISLA VISTA REDEVELOPMENT PROJECT						
	2001-02*	2002-03**	2003-04	2004-05	2005-06	TOTAL
Beginning Available Balance	\$ 683,276	\$ 454,000	\$ 606,000	\$ 760,000	\$ 918,000	
Revenues	1,804,503	1,863,000	1,936,000	2,014,000	2,096,000	9,714,000
Tax Increment Revenue (80%)	1,782,503	1,849,000	1,918,000	1,991,000	2,068,000	9,609,000
Interest Earnings	22,000	14,000	18,000	23,000	28,000	105,000
Expenditures	2,033,686	1,711,000	1,782,000	1,856,000	1,827,000	9,210,000
Debt Service/Overhead	1,923,686	1,601,000	1,672,000	1,746,000	1,827,000	8,770,000
Taxing Agency Payments	774,000	820,000	869,000	921,000	976,000	4,360,000
1998 COP Debt Service	370,830	375,000	385,000	394,000	407,000	1,932,000
Coastal Resource Enhancement						
Fund (CREF) Loan	250,000	-	-	-	-	250,000
Service Area 31 Loan	135,000	-	-	-	-	135,000
Administration	393,856	406,000	418,000	431,000	444,000	2,093,000
Project Costs	110,000	110,000	110,000	110,000	-	440,000
Master Plan	110,000	110,000	110,000	110,000	-	440,000
Ending Available Balance	\$ 454,093	\$ 606,000	\$ 760,000	\$ 918,000	\$ 1,187,000	

*Amounts in this column were derived from the County Planning & Development 2001-02 Budget as well as staff input.
**Consecutive annual projections were derived from RSG calculations rounded to the nearest 1,000th.

The Agency's housing fund revenue projections are outlined in Table 2. As mentioned previously, the Agency will spend \$298,379 on housing projects in 2001-2002. The Master Plan will identify housing projects and programs on which the tax increment will be spent after 2004. Again, the actual project costs will be determined as they are better defined during the Master Plan process.

HOUSING FUND REVENUE PROJECTIONS						TABLE 2
ISLA VISTA REDEVELOPMENT PROJECT						
	2001-02*	2002-03**	2003-04	2004-05	2005-06	TOTAL
Beginning Available Balance	\$ 571,180	\$ 684,000	\$ 1,119,000	\$ 1,607,000	\$ 2,152,000	
Revenues	411,490	435,000	488,000	545,000	606,000	940,789
Tax Increment Revenue (20%)	368,490	380,000	398,000	416,000	434,000	452,789
Interest Earnings	43,000	54,700	89,500	128,600	172,200	488,000
Expenditures	298,379	-	-	-	-	298,000
Senior Lien Costs	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Project Costs	298,379	-	-	-	-	298,000
People's Self Help Housing Corp.	298,379	-	-	-	-	298,000
Ending Available Balance	\$ 684,291	\$ 1,119,000	\$ 1,607,000	\$ 2,152,000	\$ 2,758,000	

*Amounts for 2001-02 were derived from County Housing staff.
**Consecutive annual projections were derived from RSG calculations rounded to the nearest 1,000th.

Housing Unit Estimates

Section 33490(2)(A) of the Law requires that this Plan address housing revenues and expenditures, as well as any applicable housing production activities over the next five years. These elements are included in the Agency's Ten-Year Affordable Housing Compliance Plan, incorporated herein by reference.

Additionally, Section 33490(2)(B) requires various estimates of housing unit production over the time frame of the next five years, next ten years, and over the duration of the Redevelopment Plan. These estimates are included in Table 3.

Because this Section of the Law pertains only to housing units that are produced by either the Agency or within the Project Area, the inclusionary units from the El Encanto Apartment project are not included in Table 3.

HOUSING UNIT ESTIMATES ISLA VISTA REDEVELOPMENT PROJECT				TABLE 3
<i>Time Frame</i>	<i>Current</i>	<i>5 Years</i>	<i>10 Years</i>	<i>Plan Duration</i>
	As of July 2001	2001-02 to 2005-06	2001-02 to 2010-11	1990-91 to 2030-31
Total Number of Market Rate and Affordable Units to be Developed or Purchased, Both Over the Life of the Plan and the Next 10 Years (H&S Sec. 33490(a)(2)(B)(i))				
New Construction	n/a	n/a	-	356
Substantial Rehabilitation	n/a	n/a	-	62
Price Restricted	n/a	n/a	-	-
Total	n/a	n/a	-	418
Inclusionary Requirement of Units to be Developed, Both Over the Life of the Plan and the Next 10 Years (H&S Sec. 33490(a)(2)(B)(ii))				
Low and Moderate	n/a	n/a	-	63
Very Low Income	n/a	n/a	-	25
Total	n/a	n/a	-	88
Number of Units Which Have Been Developed to Meet the Inclusionary Requirement (H&S Sec. 33490(a)(2)(B)(iii))				
Low and Moderate Income	69	n/a	n/a	n/a
Very Low Income	27	n/a	n/a	n/a
Total	96	n/a	n/a	n/a
Number of Units Which Will be Developed by the Agency During the Next 5 Years (H&S Sec. 33490(a)(2)(B)(iv))	n/a	-	n/a	n/a
Number of Affordable Income Units Which Will be Developed by the Agency During the Next 5 Years (H&S Sec. 33490(a)(2)(B)(v))				
Low and Moderate Income	n/a	-	n/a	n/a
Very Low Income	n/a	-	n/a	n/a
Total	n/a	-	n/a	n/a
1/ "n/a" means not applicable by Redevelopment Law				

Five-Year Implementation Plan

Isla Vista Redevelopment Project

Appendix – Ten-Year Affordable Housing Compliance Plan

Isla Vista Redevelopment Project

Ten-Year Affordable Housing Compliance Plan

August 30, 2001

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Ten-Year Affordable Housing Compliance Plan

Isla Vista Redevelopment Project

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Ten-Year Affordable Housing Compliance Plan

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Introduction

This document is the Ten-Year Affordable Housing Compliance Plan ("Compliance Plan") for the Isla Vista Redevelopment Project ("Project"). This Compliance Plan incorporates a summary of the County of Santa Barbara Redevelopment Agency's ("Agency") affordable housing production activities since fiscal year 1994-95 and presents an affordable housing production plan for the balance of the ten-year planning period (to fiscal year 2003-04).

In sum, this Compliance Plan delineates a ten-year affordable housing production requirement of 62 units, of which no less than 25 must be available to households of very low income. (At least 2 of these 62 units must meet the Agency's replacement housing needs for the Project Area.) To date, the Agency has caused the creation of all of the units required for the planning period, including the 2 low-income replacement housing needs.

On November 27, 1990, the County of Santa Barbara adopted the Redevelopment Plan for the Project ("Redevelopment Plan"); it governs redevelopment and housing activities within the 423-acre Isla Vista Redevelopment Project Area ("Project Area").

Legal Requirements for Compliance Plans

Pursuant to the requirements of Section 33413(b)(4) and 33490(a)(2) and (3) of the California Community Redevelopment Law, Health and Safety Code Section 33000 *et. seq.* ("Law"), this Compliance Plan sets forth the Agency's program for ensuring that the appropriate number of very low, low, and moderate-income housing units will be produced as a result of new construction or substantial rehabilitation.

Contents of the Compliance Plan

This Compliance Plan has been developed to accomplish the following goals:

- To account for the number of affordable dwelling units, either constructed or substantially rehabilitated, in the Project Area since its adoption;
- To forecast the estimated number of dwelling units to be privately developed or substantially rehabilitated between fiscal years 1994-95 and 2003-04 and over the duration of the Redevelopment Plan;
- To forecast the estimated number of dwelling units to be developed or substantially rehabilitated by the Agency between fiscal years 1994-95 and 2003-04;
- To project the availability of County/Agency and other revenue sources for funding affordable housing production;
- To identify implementation policies/programs and potential sites for affordable housing development;
- To establish a timeline for implementing this Compliance Plan to ensure that the requirements of Section 33413 are met during the ten-year period between fiscal years 1994-95 and 2003-04; and
- To review the consistency of Agency affordable housing goals, objectives, and programs pursuant to the County's Housing Element.

Purpose

Since 1976, redevelopment agencies have been required to assure that at least 30% of all new or substantially rehabilitated units developed by an agency are available at affordable costs to households of very low, low, or moderate income. Of this 30%, not less than 50% are required to be available at affordable costs to very low-income households. Further, for all units developed in the project area by entities other than an agency, the Law requires that at least 15% of all new or substantially rehabilitated dwelling units within the Project Area be made available at affordable costs to low or moderate-income households. Of these, not less than 40% of the dwelling units are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated unless so required by an agency.

In 1994, the Law was amended to require redevelopment agencies to prepare a plan that demonstrated how the agency would achieve the aforementioned affordable housing mandates. Known as housing compliance plans, the Law also requires agencies to update said plans every five years.

Methodology and Data Compilation

This Compliance Plan takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since its adoption in order to determine affordable housing production needs; it accounts for existing residential construction and substantial rehabilitation, and includes projections of new dwelling units that may be constructed or substantially rehabilitated during the ten-year planning period.

Historical construction and substantial rehabilitation statistics were provided by the Agency. It should be noted that neither the existing housing stock nor projections for future dwelling units include any units to be developed by the Agency. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers in order to meet affordable housing production needs.

Ten-Year Affordable Housing Compliance Plan

Isla Vista Redevelopment Project

Affordable Housing Production Needs

This section describes the Agency's production needs for the planning period (1994-95 through 2003-04) and over the greater duration of the Redevelopment Plan (1990 through 2030).

Planning Period Production Needs

According to data supplied by the County Planning Department, a total of 410 dwelling units have been either constructed or substantially rehabilitated in the Project Area during the current planning period.¹ All 410 of these units have been developed by persons or entities other than the Agency.

Of the 410 units projected, 15%, or 62 units, are required to be affordable to low and moderate-income households, and at least 40% of these 62 units, or 25 units, must be affordable to very low-income households. These affordable housing production requirements must be met during the planning period, which ends after fiscal year 2003-04.

To satisfy the Agency's production needs, units that are either developed or substantially rehabilitated must be feature covenants that extend through the year 2030. The Agency may also purchase 30-year affordability covenants on multifamily units, although this authority is scheduled to expire on December 31, 2001.

With the completion of the Storke Ranch Apartments and Isla Vista Revitalization Project, the Agency has caused the production of 92 affordable units, including 27 very low-income units in the Project Area. Thus, the Agency has achieved the overall need to produce 62 affordable units for the planning period, and 25 very low-income units.

Table 1 summarizes the Agency production obligations and progress for the planning period.

¹ Based on building permits issued between January 1, 1994 and June 30, 2001.

PLANNING PERIOD PRODUCTION TO DATE **TABLE 1**
ISLA VISTA REDEVELOPMENT PROJECT

TOTAL HOUSING PRODUCTION	New Construction	Substantial Rehab	Total
Storke Ranch Project (1999)	275		275
Infill Construction (1994 - 2000)	73		73
6719 Sabado Tarde (1998)		1	1
6815 Sabado Tarde (1998)		1	1
6680 Sueno (1997)		4	4
Subtotal	348	6	354
Isla Vista Revitalization Project (2001)		56	56
Total Planning Period	348	62	410
AFFORDABLE HOUSING REQUIRED			
Total Units Produced	348	62	410
Total Affordable Units Required (15%)	52	9	62
Very Low Income Units Required (40%)	21	4	25
AFFORDABLE HOUSING PRODUCED TO DATE			
Storke Ranch Apartments			
Affordable Units	36	-	36
Very Low Income Units	11	-	11
Isla Vista Revitalization Project			
Affordable Units	-	56	56
Very Low Income Units	-	12	12
6680 Sueno			
Affordable Units	-	-	-
Very Low Income Units	-	4	4
TOTAL			
Affordable Units	36	56	92
Very Low Income Units	11	16	27

Production Needs over Duration of Redevelopment Plan

Over the 40-year duration of the Redevelopment Plan (1990 to 2030), the Agency is projected to need a total of 62 affordable units, including 25 very low-income units, assuming construction or substantial rehabilitation of 410 units over this timeframe. These projections are based on: 1) building permit records indicating that 8 infill units were constructed prior to the planning period (between 1990 and 1993), and 2) Planning Department forecasts of additional development and rehabilitation activity after the current planning period.

It should be noted that the housing forecasts will most likely change, as the County is currently undergoing the completion of a Master Plan for Isla Vista, which could result in changes regarding the buildout of Isla Vista and the number of housing units in the area. Upon its completion in 2004, the Master Plan policies will be incorporated into an updated Compliance Plan.

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Replacement Housing Production Needs

The Law requires that whenever dwelling units housing low and moderate income households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and at least 75% of the replacement units must be affordable to the same income categories (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Area.

The only replacement housing obligations anticipated for the planning period occurred as a result of the destruction of 2 affordable units during the rehabilitation of the Isla Vista Revitalization's 58-unit rental housing development, which is located at 6650 and 6660 Abrego Street and 6651 Picasso Street. The two low-income units were converted into a community room in February 2001.

The Agency's Replacement Housing Plan for the Revitalization project proposes that the two, 1-bedroom low-income units would be replaced by the development of the El Encanto Apartment project. The affordability covenants for these units are anticipated to be 55 years, extending beyond the life of the Redevelopment Plan. The County Planning Department estimates that the El Encanto Apartment project will be complete by the end of calendar year 2002.

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Estimated Housing Program Resources

One of the Agency's primary sources of revenue for housing program implementation is the annual 20% housing set-aside deposits. The Law requires that not less than 20% of all tax increment revenue allocated to the Agency must be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low, and moderate incomes.

As set forth by Section 33333.4 of the Law, it is stated policy of the California State Legislature that, "...it shall be the policy of each agency to expend, over the duration of the redevelopment plan, the moneys in the low and moderate income housing fund to assist housing for persons of low and very low income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low, and very low income within the community."

Table 2 presents projected housing fund revenues that may be available for housing production activities over the duration of the current planning period. The values for fiscal year 2001-02 were provided by County Housing staff. The forecast of consecutive revenues is based on a conservative 2% growth rate in Project Area secured assessed values. Available funds are net of current planning commitments and other housing fund expenditures.

In total, the Agency could accumulate approximately \$1,607,000 to fund housing programs by fiscal year 2003-04. As described in the following section, a portion of these funds will be used towards the Isla Vista Revitalization Project that is currently underway. Although the El Encanto Apartment complex is not expected to be complete until 2002, the Agency has already contributed its share of expenditures. Therefore, use of the remaining funds will be determined as potential sites for affordable housing become available.

HOUSING FUND REVENUE PROJECTIONS		TABLE 2		
ISLA VISTA REDEVELOPMENT PROJECT				
	2001-02*	2002-03**	2003-04	TOTAL
Beginning Available Balance	\$ 571,180	\$ 684,000	\$ 1,119,000	
Revenues	411,490	435,000	488,000	941,000
Tax Increment Revenue (20%)	368,490	380,000	398,000	453,000
Interest Earnings	43,000	54,700	89,500	488,000
Expenditures	298,379	-	-	298,000
Senior Lien Costs	-	-	-	-
Administration	-	-	-	-
Project Costs	298,379	-	-	298,000
Isla Vista Revitalization Project	298,379	-	-	298,000
Ending Available Balance	\$ 684,291	\$ 1,119,000	\$ 1,607,000	

*Amounts for 2001-02 were derived from County Housing staff.
**Consecutive annual projections were derived from RSG calculations rounded to the nearest 1,000th.

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Proposed Implementation Initiatives

For the planning period, the Agency is projected to need 2 additional very low-income units to meet its production goals. Below, the Agency has described its additional affordable housing programs intended to address its production and replacement needs for the current planning period.

Proposed Projects

Project to Meet Low-Income Replacement Need (2 Units)

El Encanto Apartments

- Construction of a 16-unit low-income apartment complex located at 7388 Calle Real (outside the Project Area in Goleta).
- The Agency plans to utilize 2 of these units to fulfill their obligation of replacement housing due to the removal of 2 units of very low-income from the housing stock in 2001.
- Because the site is outside of the Project Area, only 8 of the 16 low-income units may count towards affordable housing production.
- Affordability covenants should extend until 2057, assuming completion in calendar year 2002.

Potential Sites for Future Production Housing

According to the Agency's 2000 Housing and Strategy Report to the Board, the Project Area is one of the most densely populated areas in the western United States. As such, the existing amount of space for new housing production is very limited, if available at all. The Agency will, however, continue to work with private and nonprofit developers to find additional sites suitable for cost efficient development and rehabilitation of affordable housing. Furthermore, future sites for production housing can better be determined upon the completion of the revised Master Plan, which is scheduled in 2004.

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Housing Element Consistency

Because this Compliance Plan focuses on providing housing for lower income households who are generally the most difficult segment of the community for whom to provide housing, it is clearly consistent with the Housing Element's goal to provide housing for all economic groups within the Project Area. Both this Compliance Plan and the Housing Element state there is a definite need to assure an adequate supply of housing for the lower income segments of Isla Vista.

A major focal point of the goals, policies, and objectives of the Housing Element is to provide housing for all economic segments of the Project Area, especially lower income families. Because the major goal of this Compliance Plan is also to provide housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the Project Area presented in this Compliance Plan are similar to plans and policies of the Housing Element, there is clearly consistency between the Compliance Plan and the Housing Element.