



SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Five-Year Implementation Plan Update

For the Period 2012 – 2016

Isla Vista Redevelopment Project Area



April 15, 2011

Santa Barbara County Redevelopment Agency
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I. Introduction

This document is the fourth Five-Year Implementation Plan ("Plan") for the Isla Vista Redevelopment Project Area ("Project Area") of the Santa Barbara County Redevelopment Agency ("Agency"). This Plan was prepared by the Agency in compliance with Article 16.5 of the California Community Redevelopment Law Part 1 of Division 24 of the California Health and Safety Code ("CRL") and presents the Agency's goals and objectives, anticipated projects and programs, and estimated expenditures for the five year planning period beginning in fiscal year 2011-12 and terminating at the end of fiscal year 2015-16.

This Implementation Plan is comprised of two separate components: a Redevelopment Component and a Housing Component. The Redevelopment Component revisits the goals and objectives identified in the Redevelopment Plan, and defines the Agency's strategies to achieve those goals and objectives. As described herein, the goals and objectives of the Redevelopment Plan will be accomplished through the implementation of the projects, programs and related expenditures that have been previously identified as a means to eliminate blight within the Project Area.

In addition, Article 16.5 requires that an Implementation Plan explain how the components of the Plan will satisfy various CRL requirements regarding the provision of low and moderate-income housing within the Project Area. Agency activities that are intended to implement these requirements are contained in the Housing Component which describes how the Agency will meet the statutory requirements for the set-aside and expenditure of tax increment for affordable housing purposes.

This Implementation Plan will provide a clear and reasonable direction for the Agency's current intent regarding activities in the Project Area and to establish a nexus between Agency goals and objectives, program activities, and the purpose of redevelopment, which is to eliminate blight and to increase, improve and preserve affordable housing. In general, the Plan is intended to establish a policy framework rather than act as an unalterable course of action and has been prepared to set priorities for redevelopment activities within the Project Area for the five-year period from 2012-2016. Further, the Plan incorporates currently known financial constraints affecting the Agency and develops a program of activities intended to accomplish revitalization efforts within the Project Area. However, new issues and opportunities may be encountered during the course of administering this Plan over the next five years. Therefore, this Implementation Plan may be amended, if necessary, to effectuate the purposes of the Redevelopment Plan.

II. Redevelopment Component

A. Project Area

On November 27, 1990, the County of Santa Barbara Board of Supervisors adopted the Redevelopment Plan for the Isla Vista Redevelopment Project Area (“Redevelopment Plan”). The Isla Vista Redevelopment Project Area (Project Area) encompasses 423 acres of unincorporated County territory generally west of the University of California, Santa Barbara (UCSB) Main Campus. As shown on Map 1, Camino Majorca and Camino Corto Vernal Pool Preserve generally bound the Project Area to the west, El Colegio Road to the north, the UCSB campus to the east, and the Pacific Ocean to the south.

Map 1: Redevelopment Project Area Boundaries



The Project Area contains a range of residential neighborhoods, recreational areas, and a small commercial core. Nearly all housing units within the Project Area are located on residentially designated land and the majority of those units are located in multi-residential housing developments, except for eight blocks of low-density, single family housing in the Project Area's southwest's corner. Table 1 presents the Project Area's profile.

Table 1: Project Area Profile

Density	> 39 Units Per Acre in northern Isla Vista 6.2 Units Per Acre in southwestern Isla Vista
Land Use	76% Residential 24% Commercial and Open Space
2010 Census	
Population	23,096 >13,000 Students from UCSB and Santa Barbara City College 55.7% Caucasian, 22.8% Latino, 14.4% Asian, and 2.3% Black
Housing Units	4,792 94% Renter Occupied
Median Age	21
Median Income	\$16,151 – Isla Vista \$45,677 – County of Santa Barbara

Most of the original housing stock within the Project Area was developed in the 1960's and 1970's and is often of lower-quality construction. Overcrowding within individual units is prevalent, and it is common for two or more people to share a single bedroom. In some units, common living areas such as dining rooms, dens, closets and garages have been converted to bedrooms, resulting in further overcrowding. Individual parcels within the Project Area are typically small and often very narrow, sometimes resulting in awkward building, parking, setback and landscaping patterns. Parking constraints in the downtown and residential areas have been exacerbated by UCSB faculty, staff and students utilizing on-street parking in Isla Vista rather than on campus where they are charged a fee, and by an approximately 85 percent automobile ownership rate among Isla Vista residents.

Isla Vista Master Plan

Private redevelopment of the Project Area has been slow until relatively recently. Current zoning and land use designations in Isla Vista will not ensure that new development on vacant and underutilized sites meet redevelopment goals. Existing density limitations and standard setback provisions contained in the County's Coastal Zoning Ordinance do not incentivize property owners to redevelop. In response, the Agency worked with the community, the Isla Vista Project Area Committee/General Plan Advisory Committee (PAC/GPAC), the University of California Santa Barbara (UCSB), and Isla Vista Recreation and Parks District (IVRPD) to prepare the Isla Vista Master Plan. The Master Plan is a planning document for the Project Area which identifies strategies to catalyze and guide redevelopment efforts, encourage the development of a diversity of housing types, relieve ongoing parking issues, and provide employment opportunities through commercial redevelopment while preserving the character of area neighborhoods. The County Board of Supervisors adopted the Isla Vista Master Plan in August, 2007. As a land use planning document with associated zoning changes, the Master Plan requires an amendment to the County's Local Coastal Plan. Therefore, the Master Plan has been submitted to the California Coastal Commission for certification.

This Implementation Plan was completed to maintain the Agency's compliance with state law, and will not predetermine new redevelopment initiatives by the Agency as set forth in California Health and Safety Code § 33490(B):

Adoption of an implementation plan shall not constitute an approval of any specific program, project, or expenditure and shall not change the need to obtain any required approval or a specific program, project or expenditure from the agency or community.

The Master Plan updates the General Plan policies for the Isla Vista area, establishes new zoning regulations, and calls out specific projects intended to improve the community. This Implementation Plan has been amended to reflect the projects and programs described and prioritized in the Master Plan.

B. Goals And Objectives

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

- 1) To remedy, remove, and prevent physical blight and economic obsolescence in the Project Area through implementation of the Plan.
- 2) To enhance the livability of the residential areas throughout the Project Area and the community as a whole.
- 3) To provide for the enhancement and renovation of businesses within the Project Area to promote their economic viability.
- 4) To address inadequate street improvements.

- 5) To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure.
- 6) To increase open space and protect environmentally sensitive areas.
- 7) 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.
- 8) To establish a program which promotes the rehabilitation of the existing housing stock where appropriate.
- 9) 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.
- 10) To ensure that public input is solicited in all phases of development.
- 11) To establish a redevelopment program that is both flexible and encourages creativity.
- 12) To encourage the cooperation and participation of residents, businesses, businesspersons, public agencies and community organizations in the redevelopment/revitalization of the Project Area.
- 13) To develop a balanced, robust and economically viable commercial core, complete with a variety of uses, services and public open spaces that allow people to gather and socialize in the center of the community.

C. Current Redevelopment Plan Amendments and Limits

The Redevelopment Plan was originally adopted on November 27, 1990. Since then, the Redevelopment Plan has been amended four times.

First Amendment to the Isla Vista Redevelopment Plan

The Agency adopted the First Amendment to the Isla Vista Redevelopment Plan in 1999. This amendment, pursuant to Assembly Bill 1342, extended the time limit on incurring indebtedness, the time limit on redevelopment plan effectiveness, and the time limit to repay indebtedness with the proceeds of property taxes to the maximum time limits previously authorized by Assembly Bill 1290 (AB 1290). Assembly Bill 1290 established maximum time limits for redevelopment plans adopted prior to 1994. First, a redevelopment agency was permitted to incur indebtedness 20 years from the date of adoption or January 1, 2004, whichever is later. Second, an agency was permitted to perform redevelopment activities 40 years from the date of adoption or January 1, 2009, whichever is later. Finally, a redevelopment agency was permitted to collect tax increment 10 years after the limit on redevelopment activities. As a result of adopting the First Amendment, the Agency's time limit on incurring indebtedness became 2010; the time limit on plan effectiveness became 2030; and the time limit to repay indebtedness with the

proceeds of property taxes became 2040.

Second Amendment to the Isla Vista Redevelopment Plan

The Agency adopted the Second Amendment to the Isla Vista Redevelopment Plan in 2007. Under the original Redevelopment Plan, the Agency had the authority to exercise the power of eminent domain within the Project Area from the time of adoption until the year 2000. The Second Amendment reiterates the expiration of this authority and further clarifies that the Agency no longer possesses the power of eminent domain. However, the Second Amendment provides the Agency with the flexibility to acquire land from voluntary sale for mixed-use, affordable housing and commercial projects and to assist in the development or redevelopment of private commercial and mixed use projects. These changes ensure the Agency maintains the ability to implement specific elements described in the Master Plan.

Third Amendment to the Isla Vista Redevelopment Plan

The Agency adopted the Third Amendment to the Isla Vista Redevelopment Plan in 2008. The Third Amendment enacted Senate Bills (SB) 1045 and 211. Senate Bill 1045 required all California redevelopment agencies in the fiscal year 2003-04 to allocate additional property tax increment to the Educational Revenue Augmentation Fund (ERAF). To comply, the Agency paid the ERAF \$130,847 in 2004. To offset the loss of tax increment revenue diverted to ERAF, a provision in SB 1045 allowed agencies to adopt, by ordinance, one year extensions of the time limit on plan effectiveness and the time limit to repay indebtedness with the proceeds of property taxes. The Agency in adopting this amendment extended the time limit on redevelopment plan effectiveness from 2030 to 2031 and the time limit to repay indebtedness with the proceeds of property taxes from 2040 to 2041. In general, a redevelopment plan adopted prior to January 1, 1994 must incur indebtedness within 20 years from the adoption of the plan. In the case of the Agency, established in 1990, the time limit on incurring indebtedness was set to expire in 2010. SB 211 permitted an agency to remove its time limit on incurring indebtedness. Once removed, an agency has the ability to incur new debt until the end of the active life of the project area. However, deleting the time limit on incurring indebtedness also compels an agency to initiate tax sharing pass-through payments to taxing entities that did not enter into tax sharing agreements at the time of the project area adoption. As such, the Agency began making AB 1290 statutory pass-through payments in the fiscal year 2006-07.

Fourth Amendment to the Isla Vista Redevelopment Plan

The Agency adopted the Fourth Amendment to the Isla Vista Redevelopment Plan in 2010. During fiscal year 2009-10, the Redevelopment Agency was required to pay \$1,537,441 to the State of California's Supplemental Education Revenue Augmentation Fund (SERAF) to help balance the State budget. Assembly Bill X4-26, which required the SERAF contribution, also allowed redevelopment agencies

to amend certain redevelopment plan time limits to off-set the impact of the SERAF contributions. Specifically, it allows agencies to extend by one year the time limit for the effectiveness of the Redevelopment Plan and the time limit for the repayment of debt from property tax proceeds. The Agency in adopting this amendment extended the time limit on redevelopment plan effectiveness from 2031 to 2032 and the time limit to repay indebtedness with the proceeds of property taxes from 2041 to 2042.

Table 2 identifies the time limits for the Redevelopment Plan.

Table 2: Redevelopment Plan Limits

	Current Limits
Time Limit on the Commencement of Eminent Domain Actions	2000
Time Limit on Redevelopment Plan Effectiveness	2032
Time Limit for Establishment of Loans, Advances, and Indebtedness to Finance Redevelopment Projects	2032
Time Limit on Repayment of Debt and Receipt of Tax Increment	2042

D. Blighting Conditions

The Agency’s objective is to eliminate the Project Area’s remaining blight conditions through the implementation of specific projects and programs. The following are definitions of blight, as stated in Section 33031 of CRL.

Physical Blighting Characteristics

Unsafe/Dilapidated/Deteriorated Buildings. Buildings in which it is unsafe or unhealthy for persons to live or work. Serious building code violations, dilapidation and deterioration, caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

Physical Conditions that Limit the Economic Viability and Use of Lots/Buildings. Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.

Incompatible Uses. Adjacent or nearby land uses that prevent the 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 that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Economic Blighting Characteristics

Depreciated/Stagnant Property Values; Impaired Investments. Depreciated or stagnant property values or impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

High Business Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots. Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

Lack of Neighborhood Commercial Facilities. A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

Overcrowding. Serious residential overcrowding that has resulted in significant public health or safety problems.

Excess of Adult Businesses. An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.

High Crime Rates. A high crime rate that constitutes a serious threat to the public safety and welfare.

California Redevelopment Law also characterizes inadequate public services and facilities as blight when the aforementioned conditions are present.

Over the past twenty years, the Agency has successfully mitigated some blighting conditions through the implementation of various redevelopment initiatives such as the acquisition of parcels for open space along Del Playa Drive, adoption of the Isla Vista Master Plan, the construction and refurbishment of affordable housing units, private-public partnerships, and the development of several downtown infrastructure projects.

Blighting conditions in the Project Area, which persist to date, were originally documented in 1990 as part of the Agency's Report to the County's Board of Supervisors and again as part of the Agency's 2000 Report to the Board which detailed the Agency's reasons for abandoning its previous powers of eminent domain. The following blighting conditions have been identified 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;
- Inadequate public improvements;
- Overcrowding; and
- Lack of commercial facilities.

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 of Supervisors that described the conditions existing in 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. Although the number of residents has increased, the number of available units has not.

The [effects] of these overcrowded conditions have become increasingly apparent. Most of the properties in the Project Area were developed 40 to 50 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.

Since the Agency's 2000 Housing and Strategy Report to the Board of Supervisors, overcrowding and lack of parking continue to be issues that impact quality of life for Isla Vista resident and contribute to ongoing blighting conditions. However, the Agency continues to make drastic improvements towards alleviating such blight. The Agency encourages reducing automobile dependency in Isla Vista through efforts to manage the quantity and location of parking in both residential and commercial areas. Examples of Agency efforts to address parking issues include the development of a downtown parking lot containing 45 spaces for public use, implementation of an In-Lieu Parking Fee Program for projects in the commercial core, establishment of a car-share program, ongoing collaboration with the Metropolitan Transit District to improve and expand bus routes, and completion of an underground parking facility feasibility analysis. In addition to these efforts, the Agency is also currently working to develop a comprehensive parking program intended to address parking issues throughout the Isla Vista community.

Beyond the parking issues discussed above, overcrowding of residential units has resulted in an increased demand for open space. The purchase of open space was an early objective of the Agency in the 1990's. Over the last twenty years, fourteen bluff top parcels on Del Playa have been purchased by the Agency for use as public open space. The Agency continues to work with the Isla Vista Recreation and Park District and the County Parks Department to provide both active and passive recreational amenities in these areas. In order to further these

efforts, entitlements for specific improvement plans have recently been granted for Walter Capps Park on Del Playa and for Estero Park on Camino Corto.

The Agency continues to focus on efforts to improve deficient public infrastructure and facilities throughout the Project Area. The Agency has introduced several projects intended to improve the quality of life for area residents including utility undergrounding, streetscape and drainage improvements along El Colegio, Pardall Road, the Embarcadero Loop, and El Embarcadero, streetlight and solar light demonstration projects in the western portion of the Project Area, and the installation of street trees and infill of incomplete sidewalks in the eastern portion of the Project Area.

Another Agency focus is revitalization of the downtown commercial core. Commercial revitalization efforts are intended to promote private sector reinvestment in the heart of the community. To catalyze private reinvestment, the Agency undertook the Pardall Road Streetscape Project. Improvements to Pardall Road strengthened the identity of downtown Isla Vista as the center for community social activities while updating public spaces to encourage residents to patronize local businesses. The Agency also introduced an Outdoor Dining Program and implemented a new business Facade Improvement Program to further encourage commercial revitalization of downtown Isla Vista. The matching grant program is eligible to properties within Isla Vista's commercial district and provides funding to assist with exterior building enhancements and small-scale site improvements.

E. Proposed Projects, Programs And Expenditures And Relationship To Goals And Blight Elimination

The following section describes non-housing programs and projects proposed for the next five-year planning period. Anticipated expenditures are based upon projected tax increment revenue over fiscal years 2011-12 to 2015-16. Greater or lesser funding may be available, depending upon changes in assessed property valuation in the Project Area.

Improvements To Public Infrastructure And Facilities

Streetscape Improvements - Since Isla Vista is a pedestrian and bicycle-oriented community, the public street and sidewalk network plays a critical role in defining the overall quality of life in Isla Vista. The projects listed below describe a strategy to implement a long-term vision for Isla Vista's streets. That vision includes a street network that moves people safely and effectively, is visually appealing, and that is not dominated by the automobile.

EI Embarcadero Sidewalk & Utility Undergrounding Project – The EI Embarcadero Improvement Project involves the redesign and improvement of EI Embarcadero Road with the intent of creating a strong visual corridor between Anisq'Oyo Park and the Pacific Ocean. The EI Embarcadero Project will help the loop area develop as a community focal point while connecting Downtown to the Ocean. The project includes the development of a new streetscape with wider sidewalks and new intersection treatments, undergrounding of overhead utility lines and removal of numerous utility poles, installation of new lighting, street trees and landscaping, and street resurfacing.

Embarcadero Loop Improvement Project – This project involves the redesign and improvement of the Embarcadero Loop (Loop) and will further develop the Loop

as a community focal point. The project includes the development of a new streetscape with new intersection treatments, installation of new lighting, street trees and landscaping, and street resurfacing. This project is intended to promote private sector investment in new mixed-use development projects in the downtown area.

Sidewalk Program – The ongoing Sidewalk Program includes the installation of new sidewalks and streetscape amenities in the eastern portion of the Project Area. These improvements are intended to improve quality of life as well as support and encourage the pedestrian experience in Isla Vista. The Agency is working with the County of Santa Barbara Public Works Department (Public Works) to fund a long-term sidewalk improvement program to complete sidewalk infill on higher priority streets. Installation of new sidewalks is prioritized for north/south streets, transit routes and streets that support higher traffic volumes. The construction of new sidewalks will be completed concurrent with installation of new street trees and landscaping.

Storm Water Improvements - Isla Vista's existing stormwater management system is currently inadequate to handle the volume of water delivered by a significant storm event and poses a threat to property. Infrastructure projects intended to improve the stormwater management system are listed below.

Downtown Stormwater Improvement Project – This Project will correct drainage issues currently impacting the downtown area by installing a new storm drain system, including resurfacing of area roadways and the installation of new drop inlets and drain lines with expanded capacity. The new system will connect the recent stormwater drainage improvements made on Pardall Road to a new system to be installed during the construction of the El Embarcadero Sidewalk & Utility Undergrounding Project. The Downtown Storm Water Project will significantly reduce flooding problems in the downtown commercial area of Isla Vista.

Mid-Block Passage Improvement – Existing storm drain infrastructure located in the mid-block passage which runs from Pasado Road to Del Playa Drive between Camino Corto and Camino del Sur is undersized and unable to adequately handle larger storm events. This project would replace existing drainage facilities with an adequately sized system and reestablish safe mid-block pedestrian access to the ocean by clearing encroachments and creating a clear, lighted pathway.

Street Light Infill – Street light infill is a priority for the Agency because the existing lighting in the western portion of the Project Area is perceived to be insufficient. This area receives high volumes of pedestrian traffic because it is a main connection between the UCSB campus and several University housing facilities. A significant amount of this travel occurs at nighttime. The Agency is working with Public Works to install Street Lights on Fortuna & Estero Road where there is a considerable amount of pedestrian activity. Additionally, the Agency and Public Works are partnering on a Solar Street Light Demonstration Project on Camino Corto.

Alternative Transportation – Isla Vista is a dense, urban community with considerable transportation and parking challenges. Projects focused on improving the provision of convenient and affordable transit services, car-sharing opportunities, and improvement of the pedestrian and cyclist environments are priorities for the Agency. The Metropolitan Transit

District (MTD) Shelter Improvement Project has proven to be the most cost-effective solution for reducing traffic both within Isla Vista and throughout the surrounding street network. The Agency worked with Public Works and MTD to identify and fund the installation of benches and bus shelter facilities that will best serve MTD ridership. The ongoing MTD Bus Shelter Improvement Project will continue to enhance existing MTD services and provide additional bus stop locations in order to increase and expand public transportation opportunities for area residents thus decreasing their dependence on autonomous vehicles. Finally, the recently instituted car-sharing program will help further reduce area residents' dependence on vehicle ownership.

Traffic Calming Program – In Isla Vista, some streets are currently wider than may be necessary, thereby encouraging higher traffic speeds. The agency will work with the Public Works Department to identify east-west streets where it is appropriate to implement traffic calming measures. These measures may include speed tables and small rotaries to slow automobile traffic and improve safety. Many east-west streets in the Project Area lack sidewalks, and there is limited room to add them without losing on-street parking, removing landscaping or acquiring additional right-of-way. Narrow lane widths and the presence of pedestrians already help to slow traffic, and the proposed traffic calming will be pursued to further slow cars to speeds that are compatible with pedestrian and bicycle flows.

RDA/IVRPD Partnerships - Isla Vista currently enjoys a cohesive system of parks, open spaces, informal trails, and recreational opportunities. However, a few parks are underutilized and others have areas of dense planting that, while creating places of respite in the urban landscape, can also become uninviting at night. The Agency is partnering with Isla Vista Recreation and Park District (Park District) to install pedestrian scale street lights in Little Acorn Park. The Agency also assisted the Park District with funding for a concept design for the redevelopment of Anisq'Oyo Park. Anisq'Oyo Park is located adjacent to the community's commercial core and provides tremendous opportunity to become a destination amenity for the South Coast region. The Agency will continue its cooperation with the Park District on this project to improve the park and create an attractive, centralized gathering place for community social activities in the downtown area with increased commercial opportunities for surrounding business.

Facilitating Private Redevelopment and Economic Development

Owner Participation/Development Agreements – During the previous five-year planning period, the Agency formed partnerships with private developers to entitle three private mixed use projects. As these projects move into the construction phase, the Agency will continue to work with property owners to assist in related infrastructure and public space improvements. The Agency will also continue to collaborate with private developers to facilitate the implementation of additional mixed-use developments. It is anticipated that over the next five-year planning period, the Agency will form partnerships to develop various sites in the downtown commercial core.

Facade Improvement Program – The Agency will continue to implement a façade improvement program whereby private business owners would have access to matching grants for eligible properties within Isla Vista's commercial district for exterior building enhancements and site improvements.

Land Acquisitions & Rehabilitation – The Agency will seek to acquire downtown commercial properties. These sites could be rehabilitated and used as temporary space to locate displaced businesses and/or be redeveloped for other uses.

Isla Vista Master Plan: The County Board of Supervisors adopted the Isla Vista Master Plan on August 21, 2007. The Master Plan, together with affiliated zoning changes, is currently under review by the California Coastal Commission which must certify the plan prior to its inclusion in the County's Local Coastal Program. The Master Plan identifies both development policies and specific projects intended to improve the local community. Redevelopment is one tool that may be used to implement these projects. Table 3 describes the relationship between goals and objectives and the Agency's anticipated programs and projects.

The Agency's anticipated programs and projects will continue to address the goals and objectives identified in the Redevelopment Plan. In many cases, the Agency will build on its current activities and include new projects and programs based on planning recommendations, market demand, community needs, and the availability of funding.

Table 3: Relationship Between Goals And Objectives and Programs and Projects

- 1) To remedy, remove, and prevent physical blight and economic obsolescence in the Project Area through implementation of the Plan.
- 2) To enhance the livability of the residential areas throughout the Project Area and the community as a whole.
- 3) To provide for the enhancement and renovation of businesses within the Project Area to promote their economic viability.
- 4) To address inadequate street improvements.
- 5) To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure.
- 6) To increase open space and protect environmentally sensitive areas.
- 7) 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.

- 8) To establish a program which promotes the rehabilitation of the existing housing stock where appropriate.
- 9) 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.
- 10) To ensure that public input is solicited in all phases of development.
- 11) To establish a redevelopment program that is both flexible and encourages creativity.
- 12) To encourage the cooperation and participation of residents, businesses, businesspersons, public agencies and community organizations in the redevelopment/revitalization of the Project Area.
- 13) To develop a balanced, robust and economically viable commercial core, complete with a variety of uses, services and public open spaces that allow people to gather and socialize in the center of the community

Projects	Redevelopment Plan Goals												
	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6	Goal 7	Goal 8	Goal 9	Goal 10	Goal 11	Goal 12	Goal 13
El Embarcadero Enhancements	✓	✓		✓	✓					✓	✓	✓	✓
In-Lieu Parking Fee Program	✓				✓					✓	✓	✓	✓
Façade Program	✓		✓							✓	✓	✓	✓
Owner Participation/Development Agreements	✓	✓	✓				✓	✓	✓	✓		✓	✓
Market Analyses	✓		✓							✓		✓	✓
Anisq'Oyo' Park Improvements	✓	✓			✓	✓				✓	✓	✓	✓
Mid-Block Passage Improvements	✓	✓			✓	✓				✓		✓	
Land Acquisitions & Rehabilitation	✓	✓					✓	✓	✓	✓		✓	
Sidewalk Infill	✓	✓		✓	✓					✓		✓	✓
Street Tree Program	✓	✓		✓	✓					✓	✓	✓	✓
MTD Shelter Improvement Project	✓	✓		✓	✓					✓		✓	
Residential Improvement Program	✓	✓						✓	✓	✓	✓	✓	
Outdoor Dining Program	✓		✓							✓	✓	✓	✓
Car-Sharing Project	✓	✓								✓		✓	✓
Isla Vista Master Plan Certification	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Street Light Infill	✓	✓		✓	✓					✓		✓	✓
Affordable Housing Program	✓	✓					✓	✓	✓	✓	✓	✓	
Utility Undergrounding	✓	✓		✓	✓					✓		✓	✓
Parking Program	✓	✓			✓					✓	✓	✓	✓
Bike Route Improvements	✓	✓		✓	✓					✓		✓	
Downtown Organization (BID)	✓		✓	✓	✓					✓		✓	✓
Paseo to the Park	✓					✓				✓		✓	✓
Loop Improvements	✓		✓	✓	✓					✓	✓	✓	✓
Solar Light Demonstration Project	✓	✓		✓	✓					✓		✓	

F. Project Financing

The goals and objectives, projects, programs, and expenditures included in this Implementation Plan reflect the financial constraints affecting the Agency in its implementation of the Redevelopment Plan. The constraints identified herein are primarily the result of obligations that the Agency is contractually required to pay as a result of prior redevelopment activities.

Tax Increment Revenues

At the time a redevelopment plan is adopted for a project area, the taxes generated from the taxable value of property in the area, often referred to as the base year value, continue to be distributed to each of the entities which levy a property tax in the project area; i.e. Isla Vista Recreation and Park District and Goleta Union School District, etc. The majority of property taxes attributable to growth in taxable value above the base year value are allocated to the Redevelopment Agency. These funds are commonly referred to as tax increment revenue.

The current total assessed value of the Project Area as of June 2010 is 822.44 million. The Project Area's assessed valuation has increased since the base year by \$568.45 million as of fiscal year 2009-10. The rate of annual growth in taxable value has been increasing over the past five years at an annual average rate of approximately 6.5 percent. This increase can be attributed to new development, transfer of ownership activities, and increased market value of real estate. For purposes of this analysis, taxable value of existing development is estimated to increase at two percent in fiscal year 2010-11 and thereafter. The Project Area anticipates gross tax increment revenues of approximately 825.26 million for fiscal year 2010-11. Over the five-year term of the Implementation Plan, the Agency anticipates receiving \$14.08 million in tax increment revenues (See Tables 4 and 5). As described in these tables, a substantial portion of these monies is pledged to other obligations.

Existing Obligations

The Agency has incurred a number of significant financial obligations within the Project Area, including: the housing set-aside, pass-through agreements with other agencies, pass-through payments per CRL Section 33676, State ERAF payments, owner participation and development agreements, debt obligation on advance from the County, and Agency operating costs. These obligations commit a substantial portion of the Agency's primary funding source-tax increment revenue.

In fiscal year 2010-11, these obligations equated to approximately \$3.57 million, or about sixty two percent of the revenue received. Additionally in June 2008, the County of Santa Barbara issued certificates of participation on behalf of the Agency in the amount of \$17 million to be paid over a twenty year period. Repayment of this obligation began in 2008.

The Agency's existing obligations are discussed below:

Housing Set-Aside – The CRL requires that all redevelopment agencies set-aside 20 percent of their gross tax increment revenues to facilitate the development of housing for persons with low and moderate incomes. Particulars regarding the anticipated use of the Housing Set-Aside funds are discussed in the Housing Component of this Implementation Plan (It should be noted that for pre-1994 redevelopment plans, such as the Isla Vista

Redevelopment Plan, the set-aside is calculated after reducing gross tax increment by the amount required due to Section 33676 pass-throughs that are paid to the taxing entities).

Pass-through Agreements with Other Entities – The Agency is also obligated to make payments pursuant to pass-through agreements. Pursuant to previously approved pass-through agreements, Goleta Union School District and the Isla Vista Recreation and Park District receive 100 percent of their tax revenues. The pass-through amount is reduced to 80percent for Goleta Cemetery District, Goleta Valley Mosquito Abatement District and Santa Barbara Metropolitan Transit District. These pass-through agreements consist of 38 percent of property tax increment received. Over the five-year period of the Implementation Plan, the Agency anticipates making pass-through payments of \$13.19 million.

Section 33676 Payments – For redevelopment plans adopted prior to January 1, 1994, the CRL required that every school district and community college district be allocated, that portion of tax increment that would otherwise be allocated pursuant Section 110.1(f) of the Revenue and Taxation Code (referred to as the two percent inflation allocation), and any increase in the rate of tax imposed for the benefit of the taxing agency whose levy occurs after the year in which the ordinance adopting the redevelopment plan becomes effective. Those entities with pass-through agreements do not have the ability to receive 33676 payments. This two percent inflation allocation continues to be paid to the respective taxing entities making such elections, over the term of the Redevelopment Plan, and is anticipated to total \$1.6 million over the five years of the Implementation Plan.

Existing Advances from the County – On June 26, 2008, the County of Santa Barbara issued certificates of participation on behalf of the Agency in the amount of \$17 million to be paid over a twenty year period.

Administration – The CRL provides that the Agency has general authority to hire staff, execute contracts, purchase and/or rent space, and purchase equipment and supplies. In order to implement the Redevelopment Plan and the projects and programs of this Implementation Plan, the Agency has and will continue to incur administrative expenses and obligations. Such administrative expenses reflect the costs for staff salaries and benefits, technical assistance, operating services, purchase of equipment or supplies and other ancillary expenses associated with the administration of the Project Area. Costs for non-housing Agency administration are estimated at \$4.77 million for the five-year Implementation Plan cycle. The administrative costs include transfers to other accounts, including Department of Public Works, County Counsel, and Auditor – Controller’s Office to fund staff time on redevelopment projects. Housing administrative costs are identified in the housing section of this report.

Table 4: Summary of Five-Year Non-Housing Cash Flow 2012-2016 County of Santa Barbara Redevelopment Agency

**SUMMARY OF FIVE-YEAR NON-HOUSING CASH FLOW 2012-2016
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

All figures in 1,000's of dollars

	TOTAL
Revenue	
Gross Tax Increment	\$34,602
Interest	172
Carry Forward	3,799
Future Bond Proceeds	-
Total	\$38,573
Less: Obligated Expenditures	
Housing Set-Aside @20%	\$ 6,921
Agencies Receiving 33676 Pass Throughs	13,190
AB 1290 Pass-Through's Triggered	-
Existing Non-Housing Debt Obligations	6,895
ERAF (Proposed)	-
County Administration Fee	585
Non-Housing Administration Expenses	4,775
Total	\$32,366
Available for Projects and Programs	\$ 6,207
Projects and Programs Under Consideration	
Pardall Enhancement	\$ -
Owner Participation/Development Agrmts	(750)
Downtown Parking Lot	(30)
AO Park/Community Center	(50)
El Colegio II	-
El Embarcadero/Loop	(700)
Land Acquisition & Rehab	(2,290)
Alternative Transportation	(70)
Drain Improvements	(150)
General Projects	(492)
Master Plan	(189)
Facade Improvements	(210)
Business Assistance Program	(50)
Traffic Calming	-
Sidewalks/Trees	(1,050)
	\$ (6,031)

Potential Bonding Capacity

California Redevelopment Law provides the Agency with the authority to create indebtedness, issue bonds, borrow funds or obtain advances in order to implement specific intents of the Redevelopment Plan. The Agency is also authorized to fund principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the Agency. To the extent that it is able to do so, the County may also supply additional assistance through County loans or grants for various public facilities or project costs.

The Agency may elect to pledge future tax increment revenues to secure the principal and interest payments of a tax allocation bond issued to finance blight elimination programs and project costs. The issuance of tax-exempt bonds and the use of said proceeds are subject to federal tax restrictions. Based upon the anticipated tax increment revenues forecast over the next five years, it is projected that up to \$6.00 million in net, non-housing bond proceeds could be leveraged from tax increment revenue anticipated for the Project Area during the five-year cycle of the Implementation Plan.

Potential sources of revenues to fund project costs include, but are not limited to, tax increment revenues, bond proceeds, interest earnings, and the issuance of tax allocation bonds. The cash flow shown on Table 5 incorporates the Agency's use of \$14.08 million to be provided by expected future property tax increment revenues, net of the non-housing bonding capacity over the next five years in order to fund planned projects and programs. Of that 14.08 million, \$6.90 million is needed for existing debt service.

Tax Increment Available for Discretionary Projects and Programs

The Agency is projected to have approximately \$14.08 million available to fund non-housing discretionary projects and programs over the next five years after funding of all the Agency obligations and pass-through payments described above. In the end, the Agency will have adequate tax increment revenues to meet existing obligations and fund the proposed projects and programs identified for the five-year Implementation Plan period. If economic factors reduce the amount of funds available to the Agency for the implementation of specific projects and programs, some projects and/or programs will be delayed until the next five year period.

Table 5: Five-Year Non-Housing Cash Flow Projection

**FIVE-YEAR NON-HOUSING CASH FLOW PROJECTION
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

All figures in 1,000's of dollars

	0	1	2	3	4	5	TOTAL
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Project Revenue							
Gross Tax Increment Revenue							
Gross Tax Increment	\$ 6,141	\$ 6,391	\$ 6,648	\$ 6,913	\$ 7,185	\$ 7,465	\$34,602
SERAF	\$ 316						
County Administration Fee	(107)	(110)	(114)	(117)	(120)	(124)	(585)
Gross Tax Increment Revenue	\$6,350	\$6,281	\$6,534	\$6,796	\$7,065	\$7,341	\$34,017
Less Pass Through's							
Housing Set-Aside @20%	\$ 1,228	\$ 1,278	\$ 1,330	\$ 1,383	\$ 1,437	\$ 1,493	\$ 6,921
Agencies Receiving Pass Throughs	2,341	2,436	2,534	2,635	2,739	2,846	13,190
Subtotal Pass-Throughs	\$3,569	\$3,714	\$3,864	\$4,018	\$4,176	\$4,339	\$20,111
Net Tax Increment							
Interest Income @ 2%	\$ 2,781	2,567	2,670	2,778	2,889	3,002	13,906
	30	32	35	35	35	35	172
Total Annual Revenues	\$ 2,811	\$ 2,599	\$ 2,705	\$ 2,813	\$ 2,924	\$ 3,037	\$ 14,078
Less Requirements							
Existing Non-Housing Debt Obligations	\$ 738	\$ 1,381	\$ 1,379	\$ 1,381	\$ 1,377	\$ 1,377	\$ 6,895
Future Non-Housing Debt Obligations							-
Non-Housing Administration Expenses	967	955	955	955	955	955	4,775
Total Requirements	\$ 1,705	\$ 2,336	\$ 2,334	\$ 2,336	\$ 2,332	\$ 2,332	\$ 11,670
Net Annual Revenue (Deficit)	\$ 1,106	\$ 263	\$ 371	\$ 477	\$ 592	\$ 705	\$ 2,408
Available for Projects & Programs							
Carry Forward	\$ 6,761	\$ 3,799	\$ 2,256	\$ 1,452	\$ 79	\$ 21	\$ 3,799
Net Future Bond Proceeds							-
Adjusted Available for Projects & Programs	\$ 7,867	\$ 4,062	\$ 2,627	\$ 1,929	\$ 671	\$ 726	\$ 6,207
Redevelopment Projects							
Pardall Enhancement	\$ 15						\$ -
Downtown Parking Lot	2	30					30
Owner Participation/Development Agrmts	116	400	350				750
AO Park/Community Center		50					50
El Colegio II	988						-
El Embarcadero/Loop	2,702	700					700
Land Acquisition & Rehab		40	250	1,500	300	200	2,290
Alternative Transportation	8	70					70
Drain Improvements			150				150
General Projects		92	100	100	100	100	492
Redevelopment Programs							
Master Plan	12	14	100	25	25	25	189
Facade Improvements	90	110	25	25	25	25	210
Business Assistance Program		50					50
Traffic Calming							-
Sidewalks/Trees	135	250	200	200	200	200	1,050
Subtotal	\$ 4,068	\$ 1,806	\$ 1,175	\$ 1,850	\$ 650	\$ 550	\$ 6,031
Ending Balance	\$ 3,799	\$ 2,256	\$ 1,452	\$ 79	\$ 21	\$ 176	

III. Affordable Housing Component

A. Introduction

The Affordable Housing Component of the Implementation Plan has been prepared to meet the requirements of California Community Redevelopment Law (CRL) and to guide the Redevelopment Agency in its housing related activities over the next 10 years. Specifically, this report addresses the following sections of the California Health and Safety Code:

- Low and moderate-income housing production requirements (Section 33413.b.4)
- Replacement housing requirements (Section 33413)
- Twenty percent (20%) housing fund requirements (Section 33334.2)
- Housing fund expenditure targeting requirements (Section 33334.4)

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

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

In 2002, two new pieces of legislation, Assembly Bill 637 and Senate Bill 211 were added to CRL. Assembly Bill 637 changes redevelopment agencies' affordable housing production, replacement housing, and LM Housing Fund requirements. Senate Bill 211 established a simplified procedure to eliminate debt incurrence time limits for pre-1994 plans, allowed amendments to redevelopment plans to extend plan effectiveness and tax increment receipt deadlines for pre-1994 plans, and required that certain affordable housing obligations be met by the end of the redevelopment plan's life span. Due to several inconsistencies created by these two pieces of new legislation in the CRL, a third piece, Senate Bill 701, was adopted in 2003 to "clean up" and clarify confusion created by AB 637 and SB 211, and to make additional changes to CRL.

This section constitutes the Isla Vista Redevelopment Agency's AB 315 Plan as well as the housing portion of the Agency's Implementation Plan, updated with changes required by the three pieces of adopted legislation, AB 637, SB 211 and SB 701. Per AB 315 and as amended by SB 637, the Agency is required to meet its' affordable housing production requirements during each specific ten-year period (from January 1, 2005 to December 31, 2014). Per SB 701, the Agency actually has an initial 13-year compliance period (from January 1, 2002 to December 31, 2014) to meet its first round of LM Housing Fund targeting

requirements. Under the provision, 2014 becomes the end date for compliance with both sets of requirements.

Per AB 1290, the Agency is adopting this Implementation Plan, with the required housing component, for the 2012-2016 planning period. The law requires that the Plan be reviewed in a public hearing, and by reference amended if desirable, between two and three years after adoption. A new Implementation Plan is required to be prepared and adopted every five years.

B. Affordable Housing Production Compliance Status

Housing Production Requirement

State law requires that defined percentages of newly constructed and significantly rehabilitated housing within the Project Area be restricted for low and moderate-income households. At least 15 percent of all new or substantially rehabilitated units in a Project Area, which is not developed/substantially rehabilitated by the Agency, must be affordable to and occupied by low and moderate-income households. Of the 15 percent reserved, at least 40 percent must be restricted to very low-income households.

For units that are either directly developed or substantially rehabilitated by the Agency, at least 30 percent must be restricted to low and moderate-income households. Not less than 50 percent of the required affordable units shall be available at an affordable cost to, and occupied by, very low-income households.

“Substantially rehabilitated” means rehabilitation in which the value of the rehabilitation constitutes at least 25 percent of the after-rehabilitation value of the dwelling unit(s), inclusive of the land value. Under AB 1290, substantial rehabilitation was specified to apply to all agency and non-agency developed multi-family rentals (consisting of three or more units) but only agency assisted single-family units. However, after January 1, 2002, AB 637 revised the law to further lessen the inclusionary requirement on non-agency developed units by specifying that all substantial rehabilitation (multi-family and single-family units) had to be agency assisted to trigger the inclusionary requirement for agencies to ensure additional units are affordable to low and moderate income persons.

The U.S. Department of Housing and Urban Development defines very low-income, low-income, and moderate-income generally as:

- Very Low-Income: Incomes at or below 50 percent of area median income, adjusted for family size.
- Low-Income: Incomes between 51 percent and 80 percent of area median income, adjusted for family size.
- Moderate-Income: Incomes between 81 percent and 120 percent of area median income, adjusted for family size.

“Affordable housing cost” is defined in Sections 50052.5 and 50053 of the Health and Safety Code and can vary depending on whether the housing is renter or owner-occupied.

In order for units to count toward meeting the Agency's affordable housing production requirements, prices or rent for units must be restricted by Agency-imposed covenants or restrictions recorded against the real property in which the units are located. These covenants and restrictions must remain in effect for the "longest feasible time," but not less than the specified minimum time periods. Assembly Bill 637 imposes new minimum duration periods of 55 years for rental units and 45 years for owner-occupied units. These minimum periods are required for affordable covenants recorded after January 1, 2002. For units constructed prior to January 1, 2002, the minimum period for affordability covenants is the remaining life of the redevelopment plan.

Housing Counted Toward Meeting the Housing Production Requirement

Per CRL, units to be counted towards meeting the Agency's housing production requirement include the following:

- New construction and substantially rehabilitated units located within the Project Area, with requisite recorded affordability covenants;
- Existing multi-family units on which covenants have been purchased with Agency assistance so that the units will remain affordable for the requisite period. At least 50 percent or more of these purchased covenants must be for very low-income households. Units acquired through covenant purchase cannot constitute more than 50 percent of the units included in the housing production requirement; and
- Units under covenant which are located outside the Project Area, but within the County of Santa Barbara, (provided that only one unit for every two produced outside of the Project Area) may count towards the Agency's housing production requirement.

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

Plan for Achieving Housing Production

California Redevelopment Law, as clarified in AB 315 and amended by SB 637, requires that Agencies meet their affordable production requirements within a ten-year period. This period ends December 31, 2014 for the Isla Vista Redevelopment Pan. Assembly Bill 1290 requires Agencies to identify how they will meet such requirements in their Implementation Plan.

This Housing Component describes general policies and procedures that the County of Santa Barbara (County) and Agency may pursue to increase and encourage the production of affordable housing in the Project Area for the next five years and generally over the ten-year period.

The following actions are being taken to assist and facilitate housing development:

- The Agency has instituted an "Over the Counter" policy for accepting project proposals. This new policy allows the Agency to accept and review project applications and requests for LM Housing Funds outside of the annual Notice of

Funds Available process for Community Development Block Grant funds. This procedural change is intended to eliminate any funding delays for an applicant who previously may have been forced to wait to apply for set-aside funds.

- The Agency will continue to seek to acquire property from willing sellers in the Project Area in order to facilitate development of additional affordable housing units. While the Agency does not intend to act as a project developer, controlling the land ensures that projects are implemented in a timely manner while meeting community design standards.
- The Agency will prioritize rehabilitation, or acquisition with rehabilitation, of existing properties in the Project Area. By focusing on properties with significant rehabilitation needs, the Agency can eliminate blight, provide income restricted housing, and improve the overall quality of development.
- The Agency will implement and participate in other projects and programs as opportunities arise to improve the supply and quality of affordable housing within the Project Area.

The Housing Component also includes documentation of specific projects and actions that will be undertaken in order to generate the required number of affordable units over the ten-year period.

Summary of Housing Activity - 1990 to 2010

According to data supplied by the County of Santa Barbara Planning & Development Department, a total of 440 dwelling units have been either constructed or substantially rehabilitated in the Project Area during the previous planning periods. None of the units produced within the Project Area during this period were built by the Agency. Consequently, only “non-Agency-built” production requirements are applicable.

Of the 440 units constructed or substantially rehabilitated, 15 percent or 66 units, are required to be affordable to low and moderate-income households, and at least 40 percent of these 66 units, or 26 units, must be affordable to very low-income households. These affordable housing production requirements must be met during the ten-year period, which ends on December 31, 2014.

With the completion of numerous projects including the Storke Ranch Apartments, Isla Vista Revitalization Project, and Parkview Apartments, 117 affordable units have been produced in the Project Area, including 38 very low-income units. Therefore, in order to meet CRL requirements, the Agency must produce 66 affordable units and 26 very low-income units for the above-mentioned ten-year period. Table 6 details the Agency’s housing production for the period 1990 to 2010.

During the period of 1990 through 2010, the number of deed restricted very low to moderate-income units in the Project Area available to be counted toward the Agency’s affordable housing obligation exceeded the 15 percent requirement by 50 units and the number of deed restricted very low-income units exceeded the 40 percent requirement by 12 units.

Table 6: Isla Vista Housing Production 1991 - 2010

**ISLA VISTA HOUSING PRODUCTION THROUGH 2010
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

TOTAL HOUSING PRODUCTION	New Construction	Substantial Rehab	Total
Storke Ranch Project (1999)	275		275
Infill Construction (1994-2005)	83		83
6719 Sabado Tarde (1998)		1	1
6815 Sabado Tarde (1998)		1	1
6680 Sueno (2005)		4	4
Isla Vista Revitalization (2001)		56	56
Parkview Apartments (2008)		20	20
Total Planning Period	358	82	440

AFFORDABLE HOUSING PRODUCED TO DATE

Storke Ranch Apartments			
Affordable Units	36		36
Very Low Income Units	11		11
Infill Construction			
Affordable Units		1	1
Very Low Income Units		-	-
Isla Vista Revitalization Project			
Affordable Units		56	56
Very Low Income Units		12	12
6680 Sueno			
Affordable Units		4	4
Very Low Income Units		4	4
Parkview Apartments			
Affordable Units		20	20
Very Low Income Units		11	11
TOTAL			
Affordable Units			117
Very Low Income Units			38

Plan for Achieving Housing Production by December 31, 2014

Three mixed-use projects (Paradise Ivy, Loop, and Icon) and one residential project (St. George) have received entitlements and are expected to commence construction before the end of calendar year 2011. Paradise Ivy includes 24 dwelling units, six of which will be affordable to low-income families. The Loop will construct 25 new dwelling units, of which five would be affordable. Lastly, the Icon includes 22 dwelling units. Three will be deed restricted for low-income families. The St. George project contains 56 dwelling units, ten of which will be affordable.

In August 2010, the Agency purchased the building and property located at 761 Camino Pescadero, in Isla Vista. The Agency has begun community outreach efforts to design a 100 percent affordable development which meets the needs expressed by the community. Provision of wrap-around services to low and very-low income households may also be a component of future development at this site. Table 7 summarizes all approved residential and mixed-use projects in the Project Area.

Table 7: Approved Residential and Mixed-Use Projects

Income Level	Approved Projects				Total Units
	Paradise Ivy	Icon	Loop	St. George	
Total Units Produced	24	22	25	56	127
Affordable Housing Produced	6	3	5	10	24

Table 8 summarizes the Agency’s affordable housing production for the period 1990 to 2014 including units already constructed and those that are proposed.

Table 8: Isla Vista Built and Proposed Affordable Housing Production 1990-2014

	HOUSING PRODUCED TO DATE	HOUSING PROPOSED TO DATE	TOTAL AFFORDABLE HOUSING REQUIRED	SUPPLUS AFFORDABLE HOUSING
Total Units Produced	440	124	567	
Total Affordable Units Required (15%)	116	24	85	55
Very Low Income Units Required (40%)	38		34	4

During the period of 1990 through 2014, the number of deed restricted very low to moderate-income units in the Project Area available to be counted toward the Agency’s affordable housing obligation exceeded the 15 percent requirement by 55 units and the number of deed restricted very low-income units exceeded the 40 percent requirement by 4 units.

Future Ten-Year Affordable Housing Production Compliance and Compliance Over the Life of the Project

Senate Bill 732, the 1994 amendment to AB 1290, requires that the affordable housing production plan address affordable housing compliance over the life of the Redevelopment

Plan. The Agency expects to exceed its housing production requirement over the life of the Redevelopment Plan through assisting new developments and rehabilitation of existing properties.

The Agency has identified locations for potential affordable housing sites to help estimate the number of units that will likely be produced in the Project Area within the next ten-year housing production period and through the life of the Plan. Table 9 identifies these sites.

Table 9: Potential Housing Sites

Site	Informal Name	Address
1	El Colegio & Embarcadero del Mar	SE corner of El Colegio Road and Embarcadero del Mar
2	Friendship Manor vacant lot	SW corner of El Colegio Road and Camino Pescadero (Potential public parking also)
3	Bus Storage lot	SE corner of Camino Pescadero and Cervantes Road
4	El Colegio and Ocean Road	SW corner of El Colegio Road and Stadium Road (Potential public parking also)
5	Inner-block Picasso lot	Inner-block at Picasso Road and Camino Pescadero (Potential public parking also)
6	Pardall Gardens	IVRPD owned park, on N side of Pardall Road (6500 block)
7	Cervantes lot	South side of 6500 Cervantes Road eastern end
8	Gerrity property on Segovia	SE corner of Segovia and Embarcadero del Mar
9	Union 76 Site	NW corner of Pardall Rd and Embarcadero del Mar

Although none of the potential housing sites are anticipated for development in the near term, they do provide additional development capacity for affordable housing.

C. Replacement Unit Compliance Status

California Redevelopment Law requires that dwelling units which house persons and families of low or moderate-income, removed as a result of redevelopment action, be replaced by an equal number of units that have an equal or greater number of bedrooms as those removed. Prior to January 1, 2002, 75 percent of the replacement units were required to be affordable to households at the same or lower income levels as the household displaced. After January 1, 2002, 100 percent of the replacement units must be affordable to households at the same or lower income levels as those displaced. Demolished units must be replaced within four years of being removed.

In an effort to eliminate blighting conditions, Agency activities to date have resulted in the demolition of two low- and moderate-income units. The Agency has been active and compliant in replacing the demolished units with 20 low- and moderate-income units, eleven of which are provided at affordable rents to very low income households

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

D. Consistency With Housing Element

Assembly Bill 1290 and AB 315 require that the Agency's affordable housing activities be consistent with the County's Housing Element. The Housing Element addresses the housing issues for the entire County of Santa Barbara of which the Redevelopment Project Area is a part.

Table 10 states the five housing goals that will guide local housing policy and program development for the duration of the current 2009-2014 Housing Element planning period. These goals, policies, and programs will enhance both the County's and the Agency's ability to increase the supply of affordable housing in Isla Vista and ensure that the Agency is in compliance with the legally mandated production requirements at the completion of the ten-year period ending on December 31, 2014.

Table 10: Housing Goals, Policies, and Programs

Goal 1: Enhance the Diversity, Quantity, and Quality of the Housing Supply	
<p>Policy 1.1: <i>Promote new housing opportunities adjacent to employment centers, and the revitalization of existing housing to meet the needs of all economic segments of the community, including extremely low income households, while bolstering the County's rural heritage and supporting each unincorporated community's unique character.</i></p>	<p>Program 1.1: Promote housing opportunities adjacent to employment centers through regional and local planning efforts, including the development of a Sustainable Communities Strategy (SCS) and Regional Housing Needs Allocation (RHNA), as facilitated by the Santa Barbara County Association of Governments. This will help ensure that community values are preserved, commute pressures and vehicle trips are reduced, rural areas are protected, fiscal and economic interests are upheld, and adequate housing is provided for each jurisdiction's workforce.</p>
	<p>Program 1.2: Increase the effectiveness of the Inclusionary Housing Program by establishing an IHP ordinance and relocating all IHP programmatic details from the Housing Element to the Land Use and Development Code (LUDC). This modification will improve the pre-existing program by: 1) allowing greater flexibility for the Board of Supervisors to modify the IHP when warranted, 2) eliminating the need for a General Plan update when changes to the IHP are required, and 3) allowing for sufficient detail to support a greater understanding of the program by the public and County staff. Based upon public feedback, best-practices, and third-party analysis, programmatic revisions of the IHP ordinance will then be considered. From the adoption of this Housing Element, until such time that the forthcoming IHP ordinance is approved by the Board of Supervisors, the existing IHP, as included in Appendix A – IHP Background, Policy and Implementation of this Housing Element shall apply.</p>
	<p>Program 1.3: Implement community enhancement and revitalization tools where warranted through the community planning process using strategies that promote affordability by design such as mixed-use, infill, and adaptive reuse. Currently, five community plan updates are underway in the communities of Los Alamos, Eastern Goleta Valley, Summerland, Mission Canyon, and Orcutt. One community plan, for the Santa Ynez Valley, was recently completed. Through the update process, staff will continue to provide information, analysis, and recommendations regarding how such tools may contribute to achieving the community's expressed goals and vision for housing.</p> <p>The County shall utilize the community planning process to identify new potential housing sites. As part of the ongoing community planning process, the County shall explore options to address housing needs by considering the use of form-based codes, overlays, or rezones which are compatible with the surrounding community character. In the context of the community planning process, the County should consider rezones which would establish housing opportunities on 20-30 acres within the County. Within these housing opportunity areas the County should consider establishing sites which are approximately 2-10 acres in size and have an effective density of 20 units an acre or greater, if such rezones can be found compatible with surrounding development and serviceable by infrastructure capacity.</p>
	<p>Program 1.4: The following land use tools shall continue to be considered and/or used through the community planning and development review processes, as well as the zoning ordinance, to provide housing opportunities for all economic segments of the population, including extremely low income households:</p> <ol style="list-style-type: none"> 1) The Affordable Housing Overlay (AHO) zone. 2) Policies to encourage the development of unit types that are affordable by design, such as Residential Second Units, Farm Employee Dwellings, infill, and Mixed-use Development. 4) Permit streamlining efforts overseen by Planning and Development, and priority permit processing for projects with affordable units built on site. 5) Incentives for special types of housing, as illustrated in Appendix F – Quality Housing Design and Development Incentives. 6) Administrative zoning modifications for new development approved via Development Plans. 7) Board-approved discretionary reductions of development impact fees for projects with demonstrated public benefits, including the provision of onsite affordable housing.

	<p>Program 1.5: Utilize community plan updates as opportunities to consider and develop solutions for infrastructure constraints, which can be a barrier to the development of housing throughout the unincorporated County. Specifically, when updating a community plan, the future residential development allowed by the plan should be supported by either existing service infrastructure, or the plan should anticipate how this infrastructure can be improved and/or expanded to foster future housing opportunities. Additionally, the County will consider the need for infrastructure expansion when reviewing the future use or sale of County-owned land. Prior to the sale of County-owned land, the subject property shall be evaluated for potential land use conflicts and other constraints that may make the property inappropriate for expansion of service infrastructure. If the property is determined to be appropriate for infrastructure facilities/improvements, the County shall contact applicable public and or private agencies and/or private to determine the level of interest and/or financial feasibility of developing the site with the appropriate level of service infrastructure.</p>
	<p>Program 1.6: Ensure quality housing design and community compatibility via the continued use of regional BAR and Community Plan Design Guidelines.</p>
	<p>Program 1.7: Continue working with the Redevelopment Agency to support programs aimed at catalyzing community renewal through: 1) incentivizing investments in underutilized urban property (i.e., parking lots, church sites, commercial property, irregularly shaped lots), 2) infrastructure (i.e., streetscape improvements and parking), and 3) affordable housing, including homeless support infrastructure. Encourage cooperation between County HCD and Redevelopment Agency to provide funding and opportunities for redevelopment and economic enhancement. Continue to support the use of the Isla Vista Master Plan to contribute to the diversity and affordability of the housing stock in the County, adjacent to the County's largest employer, University of California Santa Barbara.</p>
	<p>Program 1.8: Continue to support and expand the use of the Innovative Building Review Program to streamline the permit process for projects meeting energy efficiency requirements. The existing IBRP supplies public information regarding energy efficient construction techniques and allows fast track permitting for projects with energy efficient designs. The program shall continue to be updated in response to changing development trends and technological progress regarding energy efficient building design.</p>
	<p>Program 1.9: Seek opportunities to finance and support energy efficiency and renewable energy improvements for the market-rate and affordable housing stock in the County. Examples to be considered as part of this program include adoption of a Climate Action Strategy as directed by the Board in the Long Range Planning 2009-10 Work Program, implementation of a municipal energy efficiency financing district, and strategies to prioritize County affordable housing resources for projects that encourage energy efficiency improvements.</p>
	<p>Program 1.10: Amend applicable County regulations to comply with the provisions of State Density Bonus Law, which is intended to increase the economic feasibility of affordable housing development for extremely low, very-low and low-income households. Specifically, amend Article II (Local Coastal Plan) to allow up to a 35% density bonus for applicable projects. The current Article II regulations only allow a 25% density bonus.</p>
	<p>Program 1.11: Provide consultations for project applicants who want to incorporate the use of the State Density Bonus Law (SBDL) as part of their housing project. Staff will provide general knowledge on the use and applicability of the SDBL and assist project applicants in utilizing SDBL to enhance their housing project.</p>
	<p>Program 1.12: The County shall continue, and where feasible expand, its partnership with nonprofit housing providers such as the Housing Authority and People's Self-help Housing. This partnership should be specifically leveraged to provide additional housing opportunities which are affordable at extremely-low income levels. Opportunities such as the use of State Density Bonus Law and the County's Development Incentives listed in Appendix F should be utilized to encourage the development of such affordable housing. The County shall also consider the use</p>

	CDBG, Housing Trust Fund, or similar funding sources to support the development of housing which is affordable at extremely-low income levels.
	Program 1.13: The County shall continue to utilize the Isla Vista Master Plan in combination with redevelopment funds and equivalent resources to promote the creation of additional housing stock within the South Coast housing market area. Specifically, the County shall encourage the development of varied housing types which assist in satisfying the full spectrum of the County's housing needs, including housing for families (e.g. two-bedroom units or larger) and low income households.
Goal 2: Provide Housing for Special Needs Groups	
Policy 2.1: <i>Encourage housing that meets the requirements of special needs households, as identified per State law, and promotes housing diversity (i.e., size, type, tenure, location, and affordability levels).</i>	Program 2.1: Provide housing consultation services to assist applicants understanding of the regulatory environment, applicable State laws and incentives, and local policies and incentives impacting the development of special needs housing, including the County reasonable accommodation procedure.
	Program 2.2: Continue to facilitate ministerial permit opportunities for emergency shelters and supportive housing, consistent with the provisions of Chapter 633, Statutes of 2007 (SB 2) which amended Government Code Sections 65582, 65583, and 65589.5. Currently, emergency shelters and supportive housing are treated as residential uses, are allowed with a ministerial Land Use Permit, and are subject to the same permitting process as other housing within the C-3 zone. As discussed in Chapter 3 of this Housing Element, adequate sites exist within this zoning designation to accommodate new emergency shelters and permit procedures are in compliance with State housing law.
	Program 2.3: Amend the County's Land Use and Development Code (LUDC) to be consistent with Health and Safety Code Sections 17021.5 and 17021.6 regarding farmworker housing developed by State-licensed agricultural operators. Section 17021.5 requires that any employee housing providing accommodations for six or fewer employees be deemed a single-family structure, while Section 17021.6 requires that employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household be deemed an agricultural use. As such, no conditional use permit, zoning variance, or other zoning clearance or business taxes, local registration fees, use permit fees, or other fees shall be subject to these housing types which are not typically subject to uses of the same type in the same zone. The County will amend the necessary LUDC sections, with policy assistance provided by the Office of Long Range Planning.
	Program 2.4: The County shall provide increased opportunities for the development of farmworker housing. This should include the provision of funding sources such as the Joe Serna Jr Farmworker Housing Grant Program, where available. Additionally, the County should continue to consider actions which will further streamline the permit process for agricultural employee housing. The County shall also provide opportunities for stakeholder input from growers, ranch owners, and other agricultural operators regarding the need and opportunities for additional farmworker housing.
	Program 2.5: Provide opportunities for administrative relief for housing projects that accommodate the needs of persons with disabilities and their families, consistent with Chapter 671, Statutes of 2001 (SB 520), which amended Government Code Section 65583(c)(3). Subject to Appendix B of this Housing Element, the requirements of applicable County zoning ordinances shall be waived by the Director of Planning & Development (or applicable Review Authority), if necessary, to comply with Federal and/or State fair housing and disability laws relating to reasonable accommodations for persons with disabilities. To increase the effectiveness of this practice, the County "Reasonable Accommodation" procedure shall be incorporated into the County Land Use and Development Code. The procedure will identify applicability, application requirements, review authority, the review procedure, and findings that will serve as the basis for the decision to grant or deny requests for reasonable accommodation. In addition, it will identify the process for appeals of the determination.

Goal 3: Provide Fair Access to Housing	
Policy 3.1: <i>Promote equal housing opportunities for all persons in all housing types (ownership and rental, market-rate and assisted).</i>	Program 3.1: Continue existing programs to provide a referral process and/or contracts with legal services for fair housing issues. The County currently contributes General Fund resources to the City of Santa Barbara for regional fair housing legal services. Additionally, the County will consider contributing additional funding to appropriate private legal service agencies to provide active fair housing legal services countywide.
	Program 3.2: Bolster support of the existing Fair Housing Public Outreach program by providing increased information via County websites, public pamphlets, informational handouts, and other means. In addition to public outreach conducted by the County, any contract for private fair housing legal services will require a public outreach component. This public outreach program shall be conducted in multiple languages and designed to provide information to community members from all special needs, ethnic, cultural, and economic spectrums.
Goal 4: Preserve the Affordable Housing Stock and Cultivate Financial Resources	
Policy 4.1: <i>Preserve the affordable housing stock, maintain its affordability, improve its condition, and prevent future deterioration and resident displacement. Participate in available Federal and State housing subsidy and assistance programs and use the County's own resources in order to leverage maximum funding for the provision of affordable housing.</i>	Program 4.1: Continue to access HOME, Community Development Block Grant, American Recovery and Reinvestment Act, and other resources provided by Federal, State, or regional entities to increase the efficiency of locally-generated IHP in-lieu fees collected for the express purpose of providing new and preserving existing affordable housing opportunities.
	Program 4.2: The County will consider the need for affordable housing when reviewing the future use or sale of County-owned land. Prior to the sale of County-owned land, the subject property shall be evaluated for potential land use conflicts and other constraints that may make the property inappropriate for residential development. If the property is determined to be appropriate for residential development, the County shall contact applicable departments (such as County HCD and the Redevelopment Agency) as well as private and non-profit affordable housing agencies to determine the level of interest and/or feasibility of developing the site with affordable housing.
	Program 4.3: The County will continue to track affordable rental developments with expiring use restrictions and work with owners to ensure maintained affordability. County HCD will continue to manage a database which tracks the expiration dates of affordable housing covenants and restrictions. Prior to the expiration of these affordability restrictions, County HCD shall explore all opportunities to maintain this affordability. Such opportunities include but are not limited to: provision of rehabilitation funding to the property owner contingent upon an extension of the affordability restrictions, assistance to non-profit housing agencies or any other entities seeking to acquire and maintain government-assisted housing developments at risk of converting to market rate housing, or acquisition of the housing units with available local financing.
	Program 4.4: The County will continue to work with non-profit organizations to implement a housing rehabilitation program for low-income homeowners. County HCD and Redevelopment Agency will continue their existing programs, as funding allows, and partner with local private and non-profit groups to acquire and/or rehabilitate rent-restricted or otherwise affordable housing. As previously discussed in this Housing Element, these programs will support projects similar to the Parkview project in Isla Vista, which rehabilitated 20 low income housing units.
	Program 4.5: Continue to support County and private non-profit programs which provide "soft" second mortgages or other financial tools to assist moderate-income, and in some cases, low-income home buyers. The County has already provided a letter of support to the Santa Barbara County Housing Authority enabling continued participation in its existing "soft" second mortgage program. The County shall continue to explore opportunities to support and secure additional funding for such programs.

Goal 5: Maintain Cooperative Relationships and Efficient Government.	
<p>Policy 5.1: Form collaborative professional working relationships with the public and providers of housing; and assist with the process of accessing and/or providing affordable housing opportunities. Identify and, where feasible, eliminate or reduce governmental constraints to the development of housing.</p>	<p>Program 5.1: Work cooperatively and form partnerships with Federal, State, and regional agencies, as well as private and non-profit entities to apply for public funding to support projects demonstrating creative strategies to address affordable housing needs.</p>
	<p>Program 5.2: Participate in regional planning and housing programs with incorporated cities, public and private housing agencies such as the Housing Authority, Habitat for Humanity, as well as other stakeholders as appropriate. As part of this effort the County shall pursue further partnership programs such as the 10-year Plan to End Chronic Homelessness.</p>
	<p>Program 5.3: Facilitate public outreach regarding housing opportunities such as Residential Second Units, Farm Employee Dwellings, and permit streamlining. In addition, the County shall provide information on its website and provide literature detailing the opportunities to develop housing which is affordable by design or with price restrictions.</p>
	<p>Program 5.4: Continue to utilize Planning and Development's process improvement efforts to streamline the County's permit process and remove regulatory barriers to the development of new housing. Planning and Development will continue to meet, and incorporate input from, community stakeholders and housing developers regarding appropriate streamlining efforts to encourage the permitting of additional housing.</p>
	<p>Program 5.5: Continue to utilize new technology and data to monitor and assess housing development and the affordability of housing. The County shall continue to develop more efficient housing tracking options in its Accela permit tracking system. The County will also provide support to Federal, State, and regional authorities to successfully implement the 2010 Census which will provide valuable information regarding population and housing.</p>

As shown in Table 11, it is estimated that a total of 552 housing units could be built in the Project Area during the next five-year Housing Element planning period, from 2009 through 2014. This amount of new residential development translates into a production requirement of 83 low to moderate-income units, including 33 very low-income units:

Table 11: Future Housing Production

Income Level	Potential Zoning Capacity	Approved Land Use Entitlements	Balance	Surplus From Previous Production Requirements
	552 Units	127 Units	425 Units	
Affordable Housing Needed	83 Units	24 Units	59 Units	50 Units
Very Low Income	33 Units		33 Units	12 Units

E. Housing Fund Revenues And Expenditures

California Redevelopment Law requires a redevelopment agency to direct at least 20 percent of all gross tax increment revenues generated in its Project Area to a separate LM Housing Fund. These funds must be used for the purpose of increasing, improving or preserving the supply of low and moderate-income units within the Project Area. To meet these objectives, agencies may expend funds on land acquisition, building acquisition, construction of new units, on- and off-site improvements, rehabilitation of existing units, a portion of principle and interest payments on bonds, loans and subsidies to buyers or renters, and other programs that meet the stated objectives of providing and maintaining affordable housing units.

Additionally, Section 33334.4 of the Health and Safety Code states that it shall be the policy of each agency to expend the moneys in its LM Housing Fund to assist persons of low- and very low-income in at least the same proportion as the total number of housing units needed for those income groups within the community.

This section summarizes the Agency's LM Housing Fund resources now available and expected to be available over the next five years and how those resources will be utilized to meet the purposes summarized above. Information on the current year income and fund balances is based upon the Redevelopment Agency 2010-2011 Budget.

Low and Moderate-Income Housing Fund Revenues, 2011 - 2016

The County of Santa Barbara Redevelopment Agency's revenues consist of property tax increment and investment earnings, as explained below:

Property Tax Increment: The "tax increment" earned by the Agency is the property tax difference between the assessed value of properties within the Project Area at the time the Agency was formed (1991) and the current tax year assessed value. Pursuant to the CRL, the Agency shall deposit 20 percent of its annual gross tax increment into its Housing Fund.

Interest Income. It is estimated that interest income will approximate two percent of fund balance and bond reserves.

As shown in Table 12, tax increment of \$1.22 million was deposited into the LM Housing Fund in fiscal year 2010-2011. Annual LM Housing Fund increment is expected to increase steadily over the next five-year period. By fiscal year 2015-16, it is estimated that a total of \$6.92 million of increment will be deposited into the LM Housing Fund over the five-year Implementation Plan period.

The Agency's expected obligations include housing administration expenses of approximately \$28,000 per year, construction of a 100-percent affordable housing development located at 761 Camino Pescadero, any relocation expenses occurred, and loan agreements with private developers for low and moderate-income housing units.

After deductions for these obligations, it is estimated that the LM Housing Fund will have approximately \$1.17 million of revenue carried forward and \$ 1.30 million of net annual revenue for a total of \$3.02 million available for new projects and programs in fiscal year 2011-12 and a total of \$10.44 million over the next five years. Table 12 describes the five-year LM Housing Fund cash flow.

Table 12: Five-Year Housing Cash Flow Projection

**FIVE-YEAR HOUSING CASH FLOW PROJECTION
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

All figures in 1,000's of dollars

	0	1	2	3	4	5	TOTAL
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Project Revenue							
Gross Tax Increment Revenue							
Housing Set-aside	\$ 1,228	\$ 1,278	\$ 1,330	\$ 1,383	\$ 1,437	\$ 1,493	\$6,921
Recycled Housing Funds	21	25	2,825	25	25	25	2,925
Interest Income at 2%	93	34	42	70	69	69	284
Gross Tax Increment Revenue	\$1,342	\$1,337	\$4,197	\$1,478	\$1,531	\$1,587	\$10,130
Less Requirements							
Future Housing Bond Debt Service	-						-
Housing Administration Expenses	28	28	28	28	28	28	140
Total Requirements	28	28	28	28	28	28	140
Net Annual Revenue (Deficit)	1,314	1,309	4,169	1,450	1,503	1,559	9,990
Available for Projects & Programs							
Carry Forward	5,213	1,711	2,120	3,490	3,439	3,442	\$450
Net Future Bond Proceeds							\$0
Adjusted Available for Projects & Programs	6,527	3,020	6,290	4,939	4,942	5,001	10,440
Redevelopment Projects							
Multifamily Housing Rehab							-
New Construction	2,116	900	2,800	1,500	1,500	1,500	8,200
Land Banking	2,700						-
Subtotal	4,816	900	2,800	1,500	1,500	1,500	8,200
Ending Balance	1,711	2,120	3,490	3,439	3,442	3,501	
Excess Surplus Threshold	5,116	5,607	5,918	6,087	6,386	6,656	
Excess (Surplus)/Compliance	3,405	3,487	2,428	2,648	2,944	3,155	

Low and Moderate-Income Housing Fund Expenditures. 2001 – 2010

In 2005, the Housing Authority of the County of Santa Barbara (HACSB) received \$325,000 to fund the acquisition and substantial rehabilitation of Villa Del Sol, located at 6680 Sueno Road in Isla Vista. Villa Del Sol was an existing 4-unit rental property that served developmentally disabled adults. The improved rental property kept its existing layout of two studio apartments and two three-bedroom units. In 2008, the HACSB received a three-year loan of \$3.76 million from the Agency for the acquisition of the Parkview Apartments located at 6682 and 6688 Picasso Road in Isla Vista. The two renovated, ten-unit buildings were made available to low, and very-low income families and individuals. In August 2010, the Agency purchased the building and property located at 761 Camino Pescadero, in Isla Vista with the intention of constructing a 100-percent affordable development. The provision of wrap-around services to low and very-low income households may also be considered for future development at this site.

Housing Fund Programs, Projects, and Expenditures 2011 - 2016

The Agency's anticipated annual LM Housing Fund expenditures for the next five years are presented in Table 12. For fiscal year 2010-11, the Agency anticipates spending approximately \$4.81 million on new affordable housing projects and programs.

Over the five-year period from 2012-2016, the Agency intends to expend \$8.2 million for the construction of new affordable housing units. The Agency will only undertake those projects that are feasible given the resources available and there is no commitment to undertake projects beyond the resources of the Agency.

Expenditures Relative to the Community's Need

Under California Health and Safety Code Section 33334.4, the Project Area must target its LM Housing Fund expenditures to assist: (1) low- and very low-income households in proportion to the units needed to assist such households as determined by the regional fair share allocation; and (2) all persons regardless of age in at least the same proportion as the community's population under age 65 to the community's total population, according to the most recent census. These "LM Housing Fund Targeting Requirements" must be satisfied for ten-year periods throughout the life of the Plan, with the initial period extending 13 years, from January 1, 2002 through December 31, 2014. The following tests do not have to be met on an annual basis.

Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend LM Housing Funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the California Government Code. The proportionality test used in this Implementation Plan is based on the 2005 – 2007 American Community Survey. Based on the American Community Survey, the Agency's minimum required allocation for very low- and low-income expenditures, and maximum moderate-income housing expenditures are as follows:

Extremely Low/Very Low-income	At least 23%
Low-income	At least 17%
Moderate-income	No more than 16%

The Agency can expend a disproportionate amount of funds for very low-income households, and to subtract a commensurate amount from the low and moderate-income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for low-income housing by reducing the amount of funds allocated to moderate-income households. In no event can the expenditures targeted to moderate-income households exceed the established threshold amount.

In order to meet the income targeting standards, the Agency intends to allocate a minimum of 70 percent of the Housing Fund project and program expenditures to very low-income households, 19 percent of the fund to low-income households, and no more than 11 percent of the funds to moderate-income households.

Proportionality by Age

The age restriction proportionality test requires that the maximum percentage of LM Housing Funds that an Agency can allocate to senior housing is limited to the percentage of residents within the County that are 65 years of age or older, as reported by the most recent census of the U.S. Census Bureau. According to 2005 – 2007 American Community Survey, the County's population breakdown is as follows:

Under 65 Years Old	86%
65 Years and Older	14%

This Implementation Plan allocates 100 percent of the Housing Fund monies to projects that do not impose any age restrictions on the tenants. Thus it is anticipated that the Agency will fulfill the age restricted housing expenditures test imposed by Section 33334.4 of the California Health and Safety Code Section.

TRANSFER OF HOUSING FUNDS TO OTHER PROVIDERS

The Project Area is subject to CRL provisions requiring the transfer of housing funds to other housing producers in the Isla Vista area under certain circumstances. Such transfers could possibly occur if the LM Housing Fund contained “excess surplus”. Excess surplus means any unexpended and unencumbered amount in a Project Area’s Housing Fund that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the Housing Fund during the preceding four fiscal years.

An analysis of the deposits and balances in the Housing Fund indicates that no excess surplus existed as of May 2011.

IV. Summary Of Implementation Plan Requirements

At the end of this five-year Implementation Plan period (2011-2016) and the ten-year housing period (2002-2014), the Agency anticipates accomplishing the following:

A. Financial Highlights of the Five-Year Plan

As shown in Table 13, over the next five-years, the Agency will have a combined non-housing and housing total of \$50.41 million in revenue¹, \$32.50 million of obligated expenditures, and \$17.90 million available for projects and programs.

1. The Agency is projected to have approximately \$6.20 million available to fund non-housing discretionary projects and programs (Table 5).
2. The Agency is projected to have approximately \$10.44 million available to fund affordable housing projects and programs (Table 12).
3. The LM Housing Fund is not planned to experience excess surplus in any fiscal year during this Implementation Plan period.
4. The Agency's expenditures of LM Housing Fund monies will comply with the proportionality tests imposed by Section 33334.4 of the California Health and Safety Code for the period between January 1, 2002 and December 31, 2014.

B. Blight Elimination

During the five-year period covered by this Implementation Plan, the Agency's program of activities will alleviate a portion of the remaining blight conditions which continue to impact the Project Area. Blight conditions that will be eliminated will vary from sub-area to sub-area throughout the Project Area. Remaining blight conditions to be addressed include:

Physical Blighting Conditions

- Unsafe and unhealthy buildings
- Factors that prevent or substantially hinder the economically viable use or capacity of buildings and lots
- Irregularly shaped and inadequately sized parcels under multiple ownerships

Economic Blight Conditions

- Impaired Investments
- Residential overcrowding

¹ Note that \$6.90 million of this total represents a transfer between housing and non-housing funds.

Table 13: Summary of Five-Year Housing and Non Housing Cash Flow

**SUMMARY OF TOTAL FIVE-YEAR HOUSING AND NON-HOUSING CASH FLOW 2012-2016
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

All figures in 1,000's of dollars

	5 Year Cash Flow		
	Non-Housing Funds	Housing Funds	Total
Revenue			
Gross Tax Increment	\$ 34,602	\$ -	\$ 34,602
Housing Set-aside	-	6,921	6,921
Housing Loan Repayments	-	2,925	2,925
Interest	172	284	456
Carry Forward	3,799	1,711	5,510
Future Bond Proceeds	-	-	-
Total	\$38,573	\$11,841	\$50,414
Less: Obligated Expenditures			
Housing Set-Aside @20%	\$ 6,921	\$ -	\$ 6,921
Pass Throughs to Other Entities	13,190	-	13,190
ERAF (Proposed)	0	-	-
Existing Non-Hsg Bond Debt Obligations	6,895	-	6,895
County Administration Fee	585	-	585
Non-Housing Administration Expenses	4,775	140	4,915
Total	\$32,366	\$140	\$32,506
Available for Projects and Programs	\$ 6,207	11,701	\$ 17,908
Projects and Programs Under Consideration			
Pardall Enhancement	\$ -	\$ -	\$ -
Owner Participation/Development Agrmts	750	-	750
Downtown Parking Lot	30	-	30
AO Park/Community Center	50	-	50
El Colegio II	-	-	-
El Embarcadero/Loop	700	-	700
Land Acquisition & Rehab	2,290	-	2,290
Alternative Transportation	70	-	70
Drain Improvements	150	-	150
General Projects	492	-	492
Master Plan	189	-	189
Facade Improvements	210	-	210
Business Assistance Program	50	-	50
Traffic Calming	-	-	-
Sidewalks/Trees	1,050	-	1,050
Multifamily Housing Rehab	-	-	-
New Construction	-	8,200	8,200
	\$ 6,031	\$ 8,200	\$ 14,231

C. Proposed Projects And Programs

Redevelopment - Discretionary

The Agency intends to carry out all of the goals and objectives identified in the Redevelopment Plan through implementation of the proposed projects and programs included therein. Meeting those goals and objectives will be achieved through completion of the Master Plan process which ultimately requires its certification by the California Coastal Commission.

The Agency has implemented several programs and projects identified in the Master Plan through development assistance and public improvements. Such programs include the Façade Improvement Program, the Pardall, El Embarcadero, and El Colegio Road Streetscape Improvements, and development of the Solar Car Park. Additionally, the Agency will be implementing several programs and public improvements during the next five year planning period including residential façade improvements, land acquisition and rehabilitation, and a comprehensive parking program.

In addition to the Area specific projects, the Agency will continue to undertake several public improvements including development of MTD bus shelters, and sidewalk and street lighting infill. The Agency is also proposing to assist the Isla Vista Recreation & Park District with comprehensive improvements to Anisq'Oyo Park.

Redevelopment Housing

The Agency will fulfill replacement housing obligations, if needed, during the next five-year Implementation Plan period.

To date, the Agency has fulfilled 100 percent of the Project Area's existing inclusionary housing production obligations. During the remaining ten-year housing period from 2002-2014, the Agency will continue to fulfill the prospective obligations, and by 2014, is projected to have exceeded the production requirement by 55 units; 4 of these surplus units are restricted to very low income households (Table 8).
