



**FIVE YEAR
IMPLEMENTATION PLAN
2009-2010 through 2013-2014**

MERGED REDEVELOPMENT PROJECT

- ▶ **Project Area No. 1**
- ▶ **Project Area No. 2**
- ▶ **Added Area**

Redevelopment Agency of the
City of Desert Hot Springs

August 4, 2009

**FIVE YEAR IMPLEMENTATION PLAN
2009-2010 through 2013-2014
and
CCRL SECTION 33413(b) (4) HOUSING COMPLIANCE PLAN**

DESERT HOT SPRINGS REDEVELOPMENT PROJECT

Prepared for the



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In Cooperation with the:

Redevelopment Agency of the
City of Desert Hot Springs

August 4, 2009



Five Year Implementation Plan 2009-2010 through 2013-2014 for the Redevelopment Agency of the City of Desert Hot Springs

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Five Year Implementation Plan 2009-2010 through 2013-2014 for the Redevelopment Agency of the City of Desert Hot Springs

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1.0 DEFINITIONS, INTRODUCTION, AND BACKGROUND

1.1 DEFINITIONS

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

"2004/5-09/10 Implementation Plan" means the Agency's third five-year implementation plan for the Merged Redevelopment Project (Project Area 1, Project Area 2, and Added Area), which was adopted on December 16, 1997 as a part of the redevelopment plan approved by Ordinance No. 1997-09.

"Agency" means the City of Desert Hot Springs Redevelopment Agency.

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

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

"City" means the City of Desert Hot Springs.

"Implementation Plan" means this 2009/10-2013/14 Implementation Plan for the Merged Redevelopment Project covering the period FY 2009/10 through FY 2013/14 (commencing July 1, 2009 through June 30, 2014) including an updated Ten-Year Housing Compliance Plan.

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

"Plan" or "Redevelopment Plan" means the Amended and Restated Redevelopment Plan for the Merged Project Area which superseded and replaced the 1982 and 1984 Plans.

"Preceding Implementation Plans" means the 2004-09 Implementation Plan covering the period from July 1, 2004 to June 30, 2009 and the Ten-Year Affordable Housing Compliance Plan covering the period 2004 – 2005 through 2013 - 2014.

"Project Area" means the Merged Redevelopment Project Area consisting of Project Areas 1, 2 and Added Territory for a total acreage of 3,149 acres.

"Redevelopment Project" means the Merged Redevelopment Project, adopted December 16, 1997, by Ordinance No. 1997-09, which added territory and merged the 1982 Redevelopment Project No. 1 and 1984 Redevelopment Project No. 2.

"Redevelopment Project Area" means the area included within the boundaries of the Merged Redevelopment Project, incorporating Project Areas 1, 2 and the Added Territory.

"State" means the State of California.

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

"UFI" means Urban Futures, Inc., redevelopment consultants retained by the Agency to assist it to complete the adoption of the Implementation Plan.

1.2 INTRODUCTION

The City Council adopted its Original Project Area containing 928 acres, Project Area 1, on July 6, 1982 by Ordinance No. 1982-3. On November 20, 1984, the City Council adopted Project Area No. 2 containing 587 acres, by Ordinance No. 1984-17. On December 16, 1997, the City Council adopted the Merged Project Area which consisted of Redevelopment Project No. 1 and Redevelopment Project No. 2 and Added Territory consisting of 1,634 acres included in the merger and annexed during the adoption of the Merged Project Area by Ordinance No. 1997-09.

Assembly Bill 1290 (AB 1290), entitled the Community Redevelopment Law Reform Act of 1993, took effect on January 1, 1994 and added CCRL Section 33490 to the Health and Safety Code, mandates that each agency adopt a five-year implementation plan. The Agency adopted its first Implementation Plan, the 1995-2000 Implementation Plan, during December 1994. The Agency adopted its second Implementation Plan in January 2000. Its third Implementation Plan covering the period 2005 – 2009 was adopted January 18, 2005. This Implementation Plan is the Agency's fourth five-year implementation plan for the Merged Redevelopment Plan and covers the period July 1, 2009 through June 30, 2014. CCRL Section 33490(b) allows one implementation plan for more than one project area. This Implementation Plan for the period 2009-2014 supersedes and replaces the 2005-09 Implementation Plan.

CCRL Section 33490, among other things, requires an implementation plan to contain:

- Specific goals and objectives of the Agency for the project area(s) for the next five years;
- Specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years;
- An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the Project Area(s);
- An explanation on how the Agency's goals, objectives and expenditures will implement its affordable housing obligations pursuant to CCRL requirements over the next five years;
- An explanation of how the LMI Housing Fund will be used annually over the term of the Implementation Plan, along with the amounts now available in the LMI Housing Fund, and projected deposits thereto. Also included shall be estimates of the number of units to be assisted in each of the five years;
- An estimate of the number of units to be provided over the next five and ten years to meet the Agency's 15% inclusionary housing requirements, if applicable;

- An estimate of the number of units to be provided at the end of the Plan's effectiveness to meet the Agency's inclusionary housing requirements, if applicable;
- The number of qualifying very- low, low-, and moderate- income units that have been produced in the project area or outside the project area and the number of additional units that will be required to meet the inclusionary housing requirements;
- The number of units that will be developed by the Agency, if any, including the number of units that will be available for very- low, low, and moderate- income households; and
- The Project Area Affordable Housing Production Plan required by Health & Safety Code Section 33413 (b) (4).

Under current law, agencies that administer redevelopment project areas or portions of project areas established on or after January 1, 1976, have an obligation to ensure that specified percentages of new or substantially rehabilitated housing are available at affordable cost to very- low, low, and moderate-income households. In addition, under Section 33413.5 of the CCRL, whenever dwelling units housing persons of very- low, low or moderate-incomes are destroyed or removed from the affordable housing inventory as part of a redevelopment project, the Agency is required to replace those units with an equal number of units within four years after the units were removed. The replacement dwelling units must have an equal or greater number of bedrooms as those units destroyed or removed and all must be affordable to very low, low or moderate income households. In the event that suitable land cannot be found within a project area to build the replacement housing, the CCRL permits an Agency to count affordable housing units outside a project area towards the Agency's requirements on a two-for-one basis; that is, two affordable housing units will count the same towards the Agency's inclusionary housing requirements as one unit created inside the project area. Affordable housing developed outside of a project area can be of direct benefit to the redevelopment projects by accomplishing project objectives regarding affordable housing thus redevelopment agencies adopt findings at the time of plan adoption that create this nexus for future implementation.

Implementation Plans also address a number of financial issues as they apply to affordable housing per Section 33334 of the CCRL. Of particular importance in regards to the Implementation Plan are the following:

- Section 33334.2: establishes Agency obligation to use 20% of its tax increment revenue to increase, improve and preserve the community's supply of very- low, low, and moderate- income housing.
- Section 33334.4: specifies that housing assistance for very low and low income households generally must be in the same proportion as the unmet need.
- Section 33334.6: sets forth various requirements for management of the Low and Moderate Income (LMI) Housing Fund.

The financial section of the Plan must address the amount available in the LMI Housing Fund and the estimated amounts which will be deposited into the LMI Housing Fund during each of the next five years as well as estimates of the expenditures of monies from the LMI Housing Fund during each of the five years.

Pertinent portions of CCRL Section 33490 are provided in Appendix "A." The full and complete text of CCRL Section 33490 can be found online at <http://www.leginfo.ca.gov/calaw.html>, under the Health and Safety Code.

This Implementation Plan provides the Agency Board and interested community residents with: i) a concise review of Agency activities up to the end of FY 08/09 (Section 2); ii) a list of Agency's goals and objectives for the next five years (Section 3); iii) a description of the projects and programs the Agency intends to operate for the next five years to implement its non-housing goals and objectives (Section 4); iv) a description of how implementation of the projects and programs will eliminate blight within the Project Areas (Section 5); v) the CCRL Section 33413(b)(4) Compliance Plan (Section 6); vi) a description of the "ten-year" and "life-of-the-Plan" requirements and how the Agency will meet these requirements (Section 7); vii) discussion of the Implementation Plan's consistency with the City's General Plan (Section 8); and, viii) a set of conclusionary statements (Section 9).

Historic information contained in this Implementation Plan is based on a review of Agency reports and budgets, the Preceding Implementation Plan, and discussion with Agency staff. Information for FY 2008-09 and FY 2009-10 is based on the Agency's FY 2008-09 Budget. Projections for FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 are based upon discussions with Agency staff and UFI's calculations and projections.

1.3 PUBLIC PARTICIPATION IN THE IMPLEMENTATION PLAN PROCESS

Pursuant to CCRL Section 33490, the adoption of an Implementation Plan must be preceded by a duly noticed public hearing. Notice of the public hearing was published in the Desert Sun on June 26, 2009, July 3, 2009 and on July 10, 2009. Notices of the hearing were also posted at the following four locations in the project area: Desert Hot Springs City Hall, 65-950 Pierson Boulevard, Desert Hot Springs; Desert Hot Springs Library, 11691 West Drive, Desert Hot Springs; Desert Hot Springs Senior Center, 11777 West Drive, Desert Hot Springs and the Desert Hot Springs Chamber of Commerce 11711 West Drive, Desert Hot Springs.

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

1.4 PROJECT AREAS LOCATIONS AND BOUNDARIES

The location and boundaries of the Project Areas are shown in Figure 1.



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2.0 REVIEW OF AGENCY ACTIVITIES THROUGH 2008

2.1 HISTORICAL OVERVIEW

The City Council activated the Agency January 5, 1982 for the primary purpose of eliminating blight and stimulating the City's economic base primarily through the development of new public improvements, commercial and industrial projects, and new affordable housing projects. The Agency's two existing redevelopment project areas were merged in 1997 with the addition of added territory resulting in the Desert Hot Springs Merged Redevelopment Project ("Merged Project"). Table 1 shows the history of the Agency, the Plans, and the Preceding Implementation Plans for the Projects, and certain time limits associated with the Plans.

**TABLE 1
Redevelopment Plans Chronology**

Agency Activation: January 5, 1982		Ordinance No. 82-3	
Plans Adoption Dates: Original Redevelopment Plan (Project Area 1) 7/14/82 1984 Redevelopment Plan (Project Area 2) 11/30/84 1997 Merged Redevelopment Plan (Added Area) 12/16/97 Plan Amendment Dates: SB 211 SB 1045 SB 1096 SB 53		Ordinance No. 1982-3 Ordinance No. 1984-17 Ordinance No. 1997-09 Ordinance No. 2007-02 Ordinance No. 2007-03	
Effectiveness of Plans: 1982 Plan (Project Area 1) 40 years 1984 Plan (Project Area 2) 40 years 1997 Plan (Added Area) 30 years		Project Areas Size: 1 928 Acres 2 1,587 Acres Added Area 1,634 Acres Total Acreage 3,149 Acres	
Base Years: 1982 Plan 1981-82 1984 Plan 1984-85 1997 Plan 1997-98			
Time Limits:	1982 Plan	1984 Plan	1997 Plan
For Commencement of Eminent Domain	October 2009	October 2009	October 2009
For Establishment of Indebtedness	None*	None*	December 16, 2017
For Effectiveness of the Plan	July 14, 2023	November 30, 2025	December 16, 2028
To Repay Indebtedness	July 14, 2033	November 30, 2035	December 16, 2043
Implementation Plans Adoption Dates: 1 st Plan July 1, 1994 through June 30, 1999 adopted December 1994 2 nd Plan July 1, 1999 through June 30, 2004 adopted January 2000 3 rd Plan July 1, 2004 through June 30, 2009 adopted January 2005		Resolution No. N/A Resolution No. 2000-01 Resolution No. 2005-01	
Financial Limits			
Tax Increment Cap (Project Areas combined)		\$288,200,000	
Outstanding Bond Debt Limit (Combined – all three areas)		\$100,000,000	

2.2 SUMMARY OF BLIGHTING CONDITONS EXISTING IN THE PROJECT AREAS

The blighting conditions existing in the Project Area includes both physical and economic blight (as well as inadequate public improvements) as shown in Table 2:

TABLE 2 Blighting Conditions Remaining within the Project Areas	
BLIGHT DEFINITION	
PHYSICAL CCRL Section 33031(a)	ECONOMIC CCRL Section 33031(b)
Deterioration, dislocation, or disuse of buildings (Unsafe or unhealthy buildings); Substandard, defective or obsolete design or construction; <ul style="list-style-type: none"> • Incompatible land uses; and • Irregular and inadequate lots under multiple ownership. 	Depreciated or stagnant property values; Impaired property values due to hazardous waste; Abnormally high business vacancies, low lease rates or high number of abandoned buildings; Serious lack of commercial facilities; Serious residential overcrowding; Excess bars, liquor stores or adult-oriented businesses; and High crime rate.
Inadequate Public Improvements (per CCRL Section 33030 (c))	
Source: California Community Redevelopment Law	

Table 2 is reflective of the CCRL's current definition of blighting conditions. Notwithstanding the fact that the CCRL's definition of blight has changed over time, for the purpose of consistency with the current law, this report uses the CCRL's current definition of blighting conditions throughout its text.

These conditions of blight are more specifically described in the various Reports to the City Council required by CCRL Section 33352 for the adoption of the Redevelopment Plan in 1982 and the adoption of the amendments adding territory in 1984 and 1997. These Reports are on file with the City Clerk of the City and are incorporated herein by reference.

Other than for the Agency activities described in Section 2.4 below and activities on the part of private developers within the Project Area, conditions within the Project Area remain substantially the same as when the Plans were adopted. It is the Agency's intention to continue its focus on the remedy of the remaining conditions of blight during the term of this Implementation Plan.

2.3 SUMMARY OF HISTORIC IMPLEMENTATION PLAN GOALS AND OBJECTIVES

The Plans are long-term documents and, accordingly, include generalized goals and objectives over the term of their effectiveness. The goals of the Redevelopment Project are from the Amended and Restated Redevelopment Plan for the Merged Project Area and are incorporated in the 2004/05-2008/09 Implementation Plan. The purpose and objective of the Amended Redevelopment Plan was to eliminate the conditions of blight that exist in the Project Area and to prevent the recurrence of blighting conditions in the Project Area.

As described above, implementation plans span a period of five years; consequently, the goals and objectives set forth in these "short-term" implementation plans are more specific and are intended to be modified over time as they are met and/or events require their modification. The goals contained in the Preceding Implementation Plan are as follows:

2004-09 Implementation Plan Goals¹

1. Eliminate the conditions of blight existing in the Merged Project Area.
2. Prevent the recurrence of blighting conditions in the Merged Project Area.
3. Provide for the planning, development, re-planning, redesign, clearance, redevelopment, reconstruction and rehabilitation of the Merged Project Area
4. Provide structures and spaces as may be appropriate or necessary in the interest of the general welfare, including, without limitation, recreational and other facilities.
5. Provide for the alteration, improvement, modernization, reconstruction or rehabilitation of existing structures in the Merged Project Area and provide for open space types of uses, public and private buildings, structures, facilities and improvements.
6. Provide for the re-planning, redesign, and development of undeveloped areas.
7. Encourage employment opportunities through environmental and economic improvements resulting from redevelopment activities.
8. Provide for the rehabilitation of commercial and industrial structures and residential dwelling units.
9. Provide for the participation in the redevelopment of property in the Merged Project Area by owners who agree to do so.
10. Provide for the management of property owned or acquired by the Agency.
11. Provide public infrastructure improvements and community facilities, such as the installation, construction and/or reconstruction of streets, overpasses, interchanges, utilities, public buildings, facilities, structures, drainage facilities, street lighting, landscaping and other improvements which are necessary for the effective redevelopment of the Merged Project Area.
12. Increase, improve and preserve the community's supply of affordable housing.
13. Acquire real property.
14. Dispose of real property acquired by the Agency with the exception of that property which was conveyed to it by the City or any other public body.
15. Encourage the redevelopment of the Merged Project Area through the cooperation of private enterprise and public agencies.

¹ Source: 2004-2009 Implementation Plan

The 2004-2009 Plan proposed the following strategy during the course of the Implementation Plan:

- a. Provision of additional funding to pay debt service on tax allocation bonds.
- b. Accumulate remaining funds to enable the Agency to pursue revitalization in the future including stabilizing and improving existing businesses.

The Project Area experienced considerable loss in assessed valuation during the period 1999 to 2004 (2nd Implementation Plan cycle) which corresponded into a considerable loss of tax increment funds. The 2004-2009 Plan period anticipated increased revenue to accomplish a number of the goals it identified for that Implementation Plan period. Revenue, however, is projected to experience a loss again with the current economic downturn that commenced in FY 07-08. The current economic downturn is affecting the latter half of the current Plan cycle and impacting the initial years of the 2009-2014 Plan cycle. The City of Desert Hot Springs has approximately 800 homes currently in foreclosure, many of which were built during the term of the 2004-2009 Implementation Plan and which have never been occupied. These unoccupied homes have exacerbated the blight problems due to deferred landscape maintenance within the Project Area and caused the Agency to experience a significant loss of projected tax increment revenue. Despite the recent economic downturn, the Agency was able to accomplish the following objectives during the 2004-2009 Implementation Plan:

Flamingo Hotel/Spa Rehabilitation Program: The Redevelopment Agency entered into an Exclusive Negotiation Agreement with BCB Resorts LLC July 3, 2007 for the acquisition and rehabilitation of the Flamingo Hotel Resort and Spa. On June 3, 2008, the Agency approved an Economic Incentive Agreement to provide \$500,000 for the operation of the hotel/spa; \$250,000 is in the form of an Agency loan and \$250,000 is a performance based loan to be repaid from the transit occupancy taxes generated from the project over five years once construction is completed.

Oasis Master Planned Development: Agency staff assisted in facilitating the proposed Oasis master planned community which would offer 518,000 square feet of retail space, 430,000 square feet of office space, 60 six-plexes, 5 apartment projects and 23 duplexes for a total of 600 residential units.

Pierson Boulevard Corridor: The Agency recently approved spending of \$4.0 million to upgrade the Pierson Boulevard corridor including widening the street from 2 to 4 lanes with parking on both sides plus a bicycle lane, installation of landscaped center medians with stamped concrete designs, river rock features, antique lighting. Lush and efficient desert flowers, the installation of stamped concrete intersections and the construction of new flood control facilities.

Pierson Professional Center: Agency staff assisted in facilitating the proposed 124,000 square foot project which would include medical and professional office space, a restaurant and coffee house.

The Village at Mission Lakes: Agency staff assisted in facilitating the proposed development would be the anchor to the City's west side and will offer 68,000 square feet of retail and office

Communications Infrastructure: The Agency spent \$500,000 on upgrades to the communications infrastructure in the City.

Arroyo de Paz: The Agency assisted in the development of a 94-unit rent restricted affordable apartment community that opened in December 2006 (Phase 1) and June 2007 (Phase 2) by providing the Coachella Valley Housing Coalition a \$500,000 loan.

Coachella Valley Housing Coalition Self-Help program: The program assisted 40 low and very low income residential housing units through the provision of gap financing in the amount of \$960,860.29.

Coachella Valley Housing Coalition Self-Help program: The Agency provided funding in the amount of \$727,420 for acquisition of 11.15 acres on Don English Way so that the Coalition could develop (35) units of self help housing on the property and minimal funding for assistance with Design prior to construction.

Coachella Valley Housing Coalition Self-Help program: The Agency provided supplemental assistance to self-help owners to assist in their financing. A total of (10) homeowners were provided with various amounts totaling \$120,000.

Front Yard Beautification Program: The Agency provided financial assistance to upgrade front yards in its neighborhoods within its Project Area in the amount of \$35,000.

Brisas de la Paz Project: The Agency approved to provide financial assistance to the California Valley Housing Coalition to develop a 62 unit affordable rental housing project on 4.77 acres of undeveloped land. The total amount approved for next fiscal year is \$1,700,000.

Tedesco Park: The Agency provided funding in the amount of \$807,835 in conjunction with other funding sources to renovate all park buildings to accommodate space for police and code enforcement personnel, additional space for outside seniors; community events and children/after school programs.

Skate Board Park: The Agency is expected to provide a total of \$105,000 infunding for additional fencing and security at the existing Skate Board Park Facility which is open to the general public daily.

Cabot's Museum: The Agency provided \$157,500 to upgrade the Cabot's Museum restrooms; provide irrigation for desert landscaping; additional fencing and walking paths. This facility serves as the City's Historical Museum providing the City's history to all that visit; educational programs; walking trails etc.

Street Infrastructure: The Agency provided funding in the amount of \$7,720,583 to rehabilitate City streets within the Redevelopment Areas. It is anticipated that an additional \$3,760,000 will be allocated and budgeted in fiscal year 2090-2010 to continue this project.

Code Enforcement: The Agency has funded \$1,530,000 from its LMI Fund, Agency non-housing funds, and General Fund in conjunction with other city funding to enforce all Municipal Codes and Ordinances, various State and local laws, Health and Safety regulations as they relate to conditions or activity within the City to eliminate blight in the

merged areas. The programs also in Graffiti removal and community crime prevention via education; citizen academies, youth academies, neighborhood watch academies, specialized neighborhood watch academies and citizen on patrol academies.

Angle View Facility: The Agency has funded a total of \$150,000 to assist with the purchase of property for a six bed facility located in Desert Hot Springs.

Single Family Rehabilitation: The Agency funded a total of \$106,312 to assist low-income homeowners occupying a single family residence inside the borders of Cholula on West, Ocotillo on the East, 8th Street on the North and Two bunch Palms on the South. Various rehab allowed towards repairs and renovations. Loans were approved up to a total of \$20,000 and the home price had to be less then \$200,000.

Desert Hot Springs Motel/Spa Conversion Program: The Agency funded a total of \$123,275. to assist spa owners to rehabilitate their facilities which in turn promoted economic development, expanded merged project area economic base and eliminated blight. Loans were approved up to \$20,000 per application.

Property Acquisition: The Agency has acquired property within the downtown “Vortex” area and will continue to acquire and assemble parcels for redevelopment. The assemblage of parcels will allow for effective planning and development within the Merged Areas. The City has provided funding for parcel purchases totaling \$4,816,799 and will be funding up to a total of \$10,000,000.

During the 2004-2009 Implementation Plan period, the Agency committed or expended \$22,860,584 on the above enumerated projects and programs

2.4 DESCRIPTION OF HOW THE AGENCY HAS IMPLEMENTED ITS GOALS

As shown above, the Agency has focused on goals and objectives as set forth in the 2004-09 Implementation Plan which relates directly to the provision, improvement, and rehabilitation of structures and public infrastructure to lessen conditions of blight and to improve the overall economic and physical condition of the Project Area. Other goals included the implementation of its economic development strategy through property acquisition, tourism marketing and signage and elimination of blight through the City's code enforcement program. However, while the Agency has spent substantial numbers of dollars on blight remediation, the projects identified above have not been able to ameliorate the conditions of blight described in Table 2 above, and conditions of blight continue to detract from more positive aspects of the Project Area. Available Agency resources will continue to play an integral role in the City's ability to remedy negative physical and economic conditions still affecting the Project Area.



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3.0 AGENCY FIVE-YEAR GOALS AND OBJECTIVES: 2009-2014

CCRL Section 33490(a) (1) (A) states that an implementation plan shall contain an Agency's specific goals and objectives for the project area(s).

The Agency's goals and objectives for its 2004-2009 Implementation Plan have been summarized in Section 2.3 above. Based upon conversations with Agency staff, it is proposed that the Agency's goals and objectives for the Implementation Plan are to be revised for the next five (5) year plan cycle, which includes carrying over many of the goals from the preceding Implementation Plan. The highest priority for the Agency is the implementation of its downtown revitalization plan. A new goal and priority for the Agency is the implementation of its proposed Neighborhood Stabilization program to alleviate the foreclosure problem in the City.

This Implementation Plan's five-year goals and objectives are as follows:

GOAL 1: ENCOURAGE ECONOMIC DEVELOPMENT

OBJECTIVES

- 1.1 Implement the Redevelopment Plan, the 2009-2014 Implementation Plan and the Downtown Revitalization Plan.
- 1.2 Continue to implement the Agency's motel/spa rehabilitation/conversion program.
- 1.3 Promote the Agency's storefront upgrade objectives through the Façade Improvement Program.
- 1.4 Provide funding for design assistance to property owners and business owners through the Façade Improvement Program.
- 1.5 Acquire land at the intersection of Palm and Pierson for an entry way project to serve as a catalyst for the revitalization of downtown.
- 1.6 Carry-out any other economic development oriented project or program consistent with the CCRL and the Redevelopment Plan.
- 1.7 To continue to work with the County on the I-10 Annexation project
- 1.8 Provide funding for the design and construction of a new Boy's and Girl's Club/Aquatic Center in conjunction with other agencies and other funding sources.

GOAL 2: DEVELOP PUBLIC INFRASTRUCTURE AND COMMUNITY FACILITES

OBJECTIVES

- 2.1 Through the leveraged use of available fiscal resources, eliminate impediments to development through a coordinated effort to develop, improve, and/or reconstruct public infrastructure that will include but not

be limited to streets, traffic signals, water, sewer and storm drain upgrades, other utility upgrades and public safety improvements.

- 2.2 Implement the Palm & Pierson Street Enhancement project which is part of the over all Vortex Design for downtown.
- 2.3 Repair the sidewalks downtown through installation of interlocking sidewalk pavers and streetscape furniture and furnishings.
- 2.4 Construct the parking lot demonstration project creating 48 parking spaces.
- 2.5 Implement the Agency's public corridor program.
- 2.6 Continue the graffiti removal program.
- 2.7 Redefine the neighborhood clean up program.
- 2.8 Improve street lights and construct other improvements such as streets and gutters in the various neighborhoods in the Project Area.
- 2.9 Carry-out any other public infrastructure and/or community facility oriented project or program consistent with the CCRL and the Redevelopment Plan.

GOAL 3: INCREASE, IMPROVE OR PRESERVE AFFORDABLE HOUSING FOR VERY LOW-, LOW- AND MODERATE INCOME PERSONS

OBJECTIVES

- 3.1 Through the use of the programs and projects described as objectives (below) under Goal 3 (above), increase the number of housing units that are affordable to person and families of very low-, low- or moderate - income in an amount that is not less than 15 percent of all new and substantially rehabilitated dwelling units developed within the Project Area, by public or private entities or persons other than the Agency.
- 3.2 Through the use of the programs and projects described as objectives (below) under Goal 3 (above), increase the number of housing units that are affordable to persons and families of very low-, low-or moderate-income in an amount that is not less than 30 percent of all new and substantially rehabilitated dwelling units developed within the Project Area by the Agency.
- 3.3 Establish a "Neighborhood Renewal Program ("NRP") for the purposes of comprehensively eradicating blight and improving the living conditions of low-and moderate-income families with an emphasis on neighborhoods that have been impacted by significant numbers of foreclosed/abandoned single-family homes. The NRP may be funded through a variety of sources.

- 3.4 Establish a Neighborhood Stabilization Program (“NSP”) for the purposes of acquiring, repairing and reselling foreclosed/abandoned single-family homes to income eligible families with an emphasis on coordinating the NSP within NRP target areas. The NSP may be funded through a variety of sources.
- 3.5 In concert with the implementation of the NRP and the NSP, facilitate home buying assistance programs targeted to low- and moderate-income families.
- 3.6 In concert with the implementation of the NRP and the NSP, facilitate home renovation programs targeting low- and moderate-income families.
- 3.7 Provide financial assistance where necessary and appropriate to secure restricted covenants on privately developed new single-family and multi-family housing units.
- 3.8 To assist with funding as approved on low/moderate rental housing development projects.
- 3.9 Assist the City in administering their inclusionary housing ordinance.
- 3.10 Acquire, sell or lease land, donate land, improve sites, construct structures, or use any method authorized by CCRL in order to provide housing for persons and families of very low-, low- or moderate-income.
- 3.11 Provide subsidies to, or for the benefit of, income eligible persons and families or households to assist them in obtaining affordable housing within the City.
- 3.12 Continue to seek motivated property owners, developers, and builders to partner with for the purpose of meeting the affordable housing standards set for the Agency by CCRL. The City through its General Plan and CDBG Consolidated Plan will explore programs and funding in addition to LMI Housing Funds for citywide production of affordable housing.
- 3.13 Carry out any other affordable housing oriented project or program consistent with CCRL and the Redevelopment Plan.

TABLE 3
Goals' Nexus to Blight Elimination¹

BLIGHTING CONDITIONS	GOALS ²		
	ECONOMIC DEVELOPMENT	PUBLIC INFRASTRUCTURE /COMMUNITY FACILITIES	INCREASE, IMPROVE AND PRESERVE THE QUALITY OF LMI HOUSING
PHYSICAL CONDITIONS (CCRL Section 33031 (a))			
UNSAFE BUILDINGS	•	•	•
SUBSTANDARD, DEFECTIVE, OR OBSOLETE DESIGN OR CONSTRUCTION	•	•	•
INCOMPATIBLE LAND USES	•		
IRREGULAR AND INADEQUATE LOTS UNDER MULTIPLE OWNERSHIP	•	•	•
ECONOMIC CONDITIONS (CCRL Section 33031 (b))			
DEPRECIATED OR STAGNANT PROPERTY VALUES	•	•	•
IMPAIRED PROPERTY VALUES DUE TO HAZARDOUS WASTE	•	•	•
ABNORMALLY HIGH BUSINESS VACANCIES, LOW LEASE RATES OR ABANDONED BUILDINGS	•	•	•
SERIOUS LACK OF COMMERCIAL FACILITIES	•	•	•
SERIOUS RESIDENTIAL OVERCROWDING	•	•	•
EXCESS BARS, LIQUOR STORES OR ADULT-ORIENTED BUSINESSES	•		
HIGH CRIME RATE	•		•
PUBLIC INFRASTRUCTURE CONDITIONS (CCRL Section 33030 (c))			
INADEQUATE PUBLIC IMPROVEMENTS	•		•
¹ . California Community Redevelopment Law ² . Objectives are not shown here.			

4.0 AGENCY'S PLAN TO IMPLEMENT ITS FIVE-YEAR NON-HOUSING GOALS AND OBJECTIVES

The Agency's non-housing goals and objectives provide for it to assist the City in implementing its economic development strategy by encouraging downtown revitalization; improving public infrastructure; and implementing a tourism marketing and signage program within the Project Area. The discussion below describes projected Agency programs and projects which will implement these goals and objectives, and shows, in Table 4 in Section 4.2, how these programs and projects are projected to be funded through the completion of the 2009-2014 planning period. It is important to note that the Agency issued \$35,835,000 in bonds in September 2008. \$19,965,000 are taxable bonds and \$15,870,000 are tax exempt bonds. The proceeds of the bond issues are projected to pay for the programs outlined in this Implementation Plan and the Agency's Downtown Revitalization Plan and although received in FY 2007-08 during the term of the preceding Implementation Plan will be expended during the term of this Implementation Plan as depicted in Table 4, Projected General Fund Receipts and Expenditures.

The Agency has recently approved securing an additional \$10.4 million in "bonding" to fund all of the Neighborhood Renewal Programs for Senior Citizens and low-to-moderate income homeowners for home improvement programs that are critical components of this program. The program will improve and strengthen our neighborhoods and provided increased public safety efforts. The additional funding should be approved and funding in July 2009.

Staff anticipates that the enhanced economic development encouraged and generated from these expenditures will add additional assessed value within the Merged Project Area and in turn increase the flow of tax increment revenues to the Agency.

4.1 PROJECTED AGENCY NON-AFFORDABLE HOUSING PROGRAMS AND PROJECTS

CCRL Section 33490(a)(1)(A) requires that the implementation plan prepared and adopted by each redevelopment agency contain "...the specific programs, including potential projects and estimated expenditures proposed to be made during the next five years...."

The Agency has established a set of projects and programs to be implemented during the life of the Implementation Plan. Please note these are only General Redevelopment Fund programs and projects; programs and projects to be funded from the LMI Housing Fund are found in Sections 6.0 through 6.5 of this Implementation Plan.

Economic Development

The primary economic development activity proposed is the implementation of the Agency's Downtown Revitalization Plan. The Agency, in June 2008, entered into an Economic Incentive Agreement with BCB Resorts, LLC, for the operation of the Flamingo Hotel Resort and Spa. The Agreement calls for the Agency to provide 2 loans of \$250,000 each. One loan is from RDA funds and is performance based and forgivable if the hotel achieves a certain threshold in generating Transit Occupancy Tax revenue to the City. The second loan is also for \$250,000 and performance based. It is

to be paid as a rebate from the City of Transit Occupancy Taxes generated by the hotel. The loan to the owners of the Flamingo Hotel is an example of the Agency's economic development program and in particular it's Motel/Spa Conversion/Rehabilitation Program. Future loans of a similar nature are anticipated during the term of the 2009-2014 Implementation Plan.

During the term of the 2009-2014 Implementation Plan, the Agency also anticipates acquiring land at the intersection of Palm & Pierson at a cost of approximately \$12.4 million for acquisition and \$2.4 million for relocation costs, capital improvements, and tenant improvements. The land assemblage is to facilitate the development of an entry way project to anchor its downtown. The Agency will seek to encourage development of a diversified commercial base downtown. Part of this effort will involve improving its downtown via implementation of a downtown demonstration project involving storefront upgrades, sign program, design assistance funding. The estimated cost of the Façade Program is \$400,000 for non-infrastructure related programs.

The Agency also intends to continue its Developer Assistance Program. No specific funding is identified. The Agency could assist privately initiated projects with gap financing if warranted and beneficial to residents and occupants of the Project Area and the community.

Other economic development activities will be guided by implementation of the economic development strategy and may include, but not be limited to, retaining and expanding existing businesses (commercial/retail, office and industrial) and attracting new businesses (commercial/retail, office and industrial) to the Project Area.

Expenditures

The Agency has determined that the Agency's economic development programs will cost approximately \$18,030,000 during the term of this Implementation Plan not including any potential assistance targeted to a specific development project. Please check this number based on changes and new updates as provided by staff.

Continued Investment in Public Infrastructure

The Agency may provide infrastructure improvements both in the City's downtown core and its neighborhoods. The Agency will continue its commitment to revitalize the downtown core through such public infrastructure improvements as streetscape improvements including new furniture and furnishings, installation of an entry way feature, and development of a 48-space parking lot as part of its downtown demonstration program. The public infrastructure component of its downtown demonstration program is estimated to cost \$3,700,000. The Agency will be spending an additional \$10,000,000 on streets in fiscal years 2008-09 and 2009-10. The Agency also intends to provide infrastructure improvements throughout the neighborhoods in the Project Area. The blight ratification program in the neighborhoods involves funding clean up programs, graffiti removal, front yard beautifications, demolition, new street lighting and other infrastructure improvements such as the reconstruction of streets and gutters. The expenditure of funds for this component of the Agency's commitment to improved infrastructure in the Project Area will support two separate, but related, objectives. In the first place, the Agency will look favorably on requests for infrastructure improvements which support private development to the extent that such assistance is warranted. Secondly, the Agency will assist the City in providing infrastructure improvements in the

Project Area as a part of the City's capital improvement program when such assistance rectifies an inadequacy in "backbone" infrastructure within or of benefit to the Project Area that is an impediment to development.

Expenditures

The Agency has determined that this program will cost approximately \$5,000,000 during the term of this Implementation Plan.

Administration

The Agency will provide much of the public staffing for the economic development and infrastructure activities as well as contract for professional services.

Expenditures

The Agency has projected a total of \$1,868,500 for its administrative expense in FY 2009-2010 including the amount paid to the County for its administrative fee. UFI has projected that it will allocate \$1,887,185 in FY 2010/11, \$1,906,057 in FY 2011/12, \$1,925,117 in FY 2012/13 and \$1,944,369 in FY 2013/14. It is anticipated that the Agency will allocate a total of \$9,531,228 during the term of this Implementation Plan on its administrative costs..

4.2 PROJECTED AGENCY GENERAL REDEVELOPMENT FUND INCOME AND EXPENDITURES

4.2.1 Projected Income and Expenditures for the Redevelopment Project

As shown in Table 4 and based upon a review of the Agency's FY 2008-09 Budget, this Implementation Plan assumes the Agency began the planning period in FY 2009/10 with a beginning balance of \$41,689,399 and will receive tax increments during FY 2009-2010, totaling \$8,489,685 which reflects a cumulative decrease from the 2007-08 and 2008-09 fiscal years of 9%. The beginning balance includes proceeds from the 2008 bond issue as well as tax increment received. UFI has projected tax increment receipts for the Redevelopment Agency, based on a slight decrease in 2010-11 and 2011-12, of \$7,723,449 each year. For fiscal year 2012-2013 an increase of 1.4% is projected for a total of 7,828,210, and a 2.7% increase is anticipated for 2013-14, equaling \$8,039,827.

All tax increment amounts are stated before pass-throughs and deposits into the LMI Housing Fund. All together, the Agency is projected to have \$39,804,620 in tax increment revenues over the term of this Implementation Plan plus interest revenue, and other sources which total \$4,852,682. When all projected receipts are added to the estimated beginning balance of \$41,689,399, total available resources equal \$86,346,700. The Agency is expected to utilize approximately \$83,610,515 during the term of the Implementation Plan which includes \$7,960,924 deposited into the LMI Housing Fund, \$9,531,228 in Agency administrative expenses including its payment of SB 2557 Administrative charges allocated to the County of Riverside, \$12,458,968 in pass through payments, \$5,000,000 for infrastructure/public facilities, \$18,959,396 in bond debt service payments, \$1,700,000 in other debt service payments and \$28,000,000 of economic development expenditures..

All of the above stated information is contained in the following Table 4. The projected ending balance of \$2,736,185 may either be used during the term of this Implementation Plan to fund projects which are not now known to the Agency or may be used during the next planning cycle to continue its non-housing programs.

Table 4
Projected General Redevelopment Fund Receipts and Expenditures
FY 2009-10 through 2013-14

Fund Activity	Fiscal Year					Totals
	2009-10	2010-11	2011-12	2012-13	2013-14	
Yearly Beginning Balances	41,689,399	33,499,308	24,452,091	16,015,841	9,402,564	41,689,399
Receipts						
A. Tax Increment	8,489,685	7,723,449	7,723,449	7,828,210	8,039,827	39,804,620
B. Interest Income	833,788	669,986	489,042	320,317	188,051	2,501,184
C. Rental Income	428,400	436,968	445,707	454,622	463,714	2,229,411
D. Other	23,460	23,929	24,408	24,896	25,394	122,087
Total Available	51,464,731	42,353,640	33,134,697	24,643,885	18,119,550	86,346,700
Expenditures						
A. LMI Housing Fund Set-Aside	1,697,937	1,544,690	1,544,690	1,565,642	1,607,965	7,960,924
B. Administration/Prof. Services	1,868,500	1,887,185	1,906,057	1,925,117	1,944,369	9,531,228
C. Pass-through Payments	2,255,746	2,336,683	2,534,618	2,621,570	2,710,352	12,458,968
D. Infrastructure/Public Facilities	2,000,000	2,000,000	1,000,000	0	0	5,000,000
E. Bond Debt Service	3,803,241	3,792,992	3,793,492	3,788,992	3,780,679	18,959,395
F. Other Debt Service	340,000	340,000	340,000	340,000	340,000	1,700,000
G. Economic Development Prog.	6,000,000	6,000,000	6,000,000	5,000,000	5,000,000	28,000,000
Total Expenditures	17,965,424	17,901,549	17,118,856	15,241,321	15,383,365	83,610,515
Yearly Ending Balance	33,499,308	24,452,091	16,015,841	9,402,564	2,736,185	2,736,185



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5.0 STATEMENT THAT PROGRAMS AND EXPENDITURES WILL ELIMINATE BLIGHT WITHIN THE PROJECT AREAS

CCRL Section 33490(a)(1)(A) requires that the implementation plan prepared by each agency provide an explanation of how the programs and expenditures will eliminate blight within the project area(s). Table 5 shows the relationship of the proposed projects/programs categories to the eradication of remaining blight, as defined in CCRL Sections 33031 of the CCRL, within the Project Area.

TABLE 4			
BLIGHTING CONDITIONS	ECONOMIC DEVELOPMENT	PUBLIC INFRASTRUCTURE /COMMUNITY FACILITIES	INCREASE, IMPROVE AND PRESERVE THE QUALITY OF LMI HOUSING
UNSAFE BUILDINGS;	•	•	•
SUBSTANDARD, DEFECTIVE OR OBSOLETE DESIGN OR CONSTRUCTION	•	•	•
INCOMPATIBLE LAND USES	•	•	•
IRREGULAR AND INADEQUATE LOTS UNDER MULTIPLE OWNERSHIP	•		•
ECONOMIC CONDITIONS			
DEPRECIATED OR STAGNANT PROPERTY VALUES	•	•	•
IMPAIRED PROPERTY VALUES DUE TO HAZARDOUS WASTE	•	•	
ABNORMALLY HIGH BUSINESS VACANCIES, LOW LEASE RATES, OR HIGH NUMBER OF ABANDONED BUILDINGS	•	•	•
SERIOUS LACK OF COMMERCIAL FACILITIES	•	•	•
SERIOUS RESIDENTIAL OVERCROWDING			•
EXCESS BARS, LIQUOR STORES OR ADULT-ORIENTED BUSINESSES	•		
HIGH CRIME RATE	•	•	•
PUBLIC INFRASTRUCTURE CONDITIONS	•	•	•
Inadequate Public Improvements	•	•	•



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6.0 CCRL SECTION 33413(B) (4) HOUSING COMPLIANCE PLAN AND EVIDENCE OF AGENCY COMPLIANCE WITH CCRL SECTION 33334.4

The adoption of Assembly Bill 315 in 1992 (as amended by AB 1290 in 1993 and subsequent amendments) requires all redevelopment agencies to adopt and periodically update a plan to ensure compliance regarding the reservation of new or rehabilitated housing units to persons or families of low to moderate income at affordable housing cost. CCRL Section 33413(b)(4) requires each redevelopment agency to adopt a compliance plan as part of the implementation plan required by CCRL Section 33490 (a)(2) and (3) indicating how the agency will comply with the requirements set forth in CCRL Section 33413(b). This Section 6 of the Implementation Plan complies with this requirement and is the Agency's Housing Compliance Plan which is intended to set forth the Agency's program for ensuring that the appropriate number of very low, low and moderate-income housing units will be produced as a result of new construction or substantial rehabilitation in the Project Area. This section updates the Agency's Ten-Year Affordable Housing Compliance Plan that was adopted January 2005 and covers the period 2004-2005 through 2013-2014. Further, this Section 6 describes how the Agency intends to expend monies in the LMI Housing Fund consistent with the provisions of CCRL Section 33334.4 as amended by Assembly Bill 637 and made effective on January 1, 2002. Since a redevelopment agency may expend funds from its LMI Housing Fund anywhere in the community (allowing funds generated in one project area to be expended in another), it is not necessary to segregate LMI Housing Fund monies generated from within each Redevelopment Project Area.

This Compliance Plan update takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Compliance Plan, in order to determine whether the Agency is still meeting its affordable housing production needs as outlined in the 2004-05 through 2013/14 Housing Compliance Plan. New construction and substantial rehabilitation statistics was obtained via a review of the City's building permits.

It should be noted that during the Housing Compliance Plan period the Agency did not develop or substantially rehabilitate any units.

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

Very Low-Income – persons or households whose gross income does not exceed 50% of the area's adjusted median income ("AMI");

Low-Income – persons or households whose gross income is greater than 50% but does not exceed 80% of the area's AMI; and

Moderate-Income – persons or households whose gross income is greater than 80% but does not exceed 120% of the area's AMI.

Affordable housing cost is defined as:

Very Low-Income – Not more than 30% of 50% of the County AMI;

Low-Income – Not more than 30% of 70% (or 60% for rental projects) of the County AMI; and

Moderate-Income – Not more than 35% of 110% (or 30% of 120% for rental projects) of the County AMI.

6.1 COMPLIANCE WITH AB 637 AND SB 701

This Compliance Plan is consistent with changes enacted into the CCRL pursuant to AB 6387 and SB 791. Among these changes are the following:

- 55/45 Year Minimum Affordability Periods: Effective January 1, 2002, all new or substantially rehabilitated dwelling units assisted by the LMI Housing Fund, any replacement units created, and inclusionary housing units must be affordable for 55 years for rental units and 45 years for owner-occupied units. Units assisted, rehabilitated or constructed prior to January 1, 2002 may have shorter time limits.
- Substantial Rehabilitation: After January 1, 2002, substantially rehabilitated dwelling units means all units substantially rehabilitated with agency assistance. Prior to January 1, 2002, the definition of substantially rehabilitated units meant substantially rehabilitated multi-family units with three or more units regardless of whether there was agency assistance or single family units substantially rehabilitated with agency assistance.
- Replacement Housing: Effective January 1 2002, 100% of all replacement housing units must be affordable to the same income categories as those displaced. Prior to January 1, 2002, only 75% if the units had to match the displaced income categories.
- Targeting Housing Fund Expenditures: Effective January 1, 2003, the CCRL requires that the LMI Housing Fund assistance during the 10-year Compliance Plan mirror the community's needs, both in terms of the income categories needed, and the number of family (versus senior) housing needed. (If an Agency deposited less than \$2 million over the first five years of the Compliance Plan than the CCRL gives the Agency an additional 5 years to meet this requirement.)

This Compliance Plan update takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Compliance Plan, in order to determine whether the Agency is still meeting its affordable housing production needs as outlined in the 2004-05 through 2013/14 Housing Compliance Plan. New construction and substantial rehabilitation statistics was obtained via a review of the City's building permits.

It should be noted that during the Housing Compliance Plan period the Agency did not develop or substantially rehabilitate any units.

6.2 COMPLIANCE REQUIREMENTS

- An agency must use at least 20 percent of its tax increment revenue to increase, improve and preserve the supply of low- and moderate-income housing in the community (CCRL Section 33334.2);
- An agency must replace, in equal or greater number, very low-, low-, and moderate-income housing units and bedrooms which are destroyed or removed as a result of a redevelopment project (the "replacement rule," CCRL Section 33413(a));
- An agency must ensure that a fixed percentage of all new or substantially rehabilitated dwelling units developed by the agency are affordable to very low-, low-, and moderate-income persons and families (the "inclusionary rule," CCRL Section 33413(b)(1)); and
- An agency must ensure that a fixed percentage of all new and substantially rehabilitated dwelling units developed within the project area by public or private entities or persons other than the Agency are affordable to very low-, low-, and moderate-income persons (the "inclusionary rule," CCRL Section 33413(b)(2)).

For reference, these explanations have been included herein in Appendix "B." Additionally, Appendix B provides information on the descriptions of how long such housing must remain affordable, and a discussion of how LMI Housing Fund monies may be legally spent, both inside and outside the Project Area.²

6.3 TABULATIONS SHOWING EXISTING REPLACEMENT AND INCLUSIONARY HOUSING OBLIGATIONS (FROM JANUARY 2005 THROUGH DECEMBER 2008)

The information provided on Tables 6 through 10 presents an analysis of the Agency's compliance with CCRL affordable housing mandates from January 2005 through December 2008. The information contained in these tables, in concert with the other parts of this Implementation Plan, ensure compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4. The tables and discussion presented below and in subsequent sections of this Implementation Plan represent what is required by law regarding affordability, replacement and inclusionary housing requirements established in the CCRL. It should be noted that replacement and inclusionary obligations are calculated and identified to the nearest tenth while units which count toward fulfillment of these obligations are, of course, counted in whole numbers. While this results in some rounding issues and complication, it most effectively enumerates the Agency's obligations without exacerbating these obligations due to rounding within the calculation regimen. It also should be noted that the data represents the best estimate of total housing production through June 30, 2009. Given the fact that there is virtually no new housing production occurring as a result of the economic crisis, it is assumed that

² Effective January 1, 2002, CCRL Section 33334.2(e)(2) now states that agencies can use LMI Housing Fund monies to improve real property or building sites with onsite or offsite improvements (i.e. curbs, gutters, and sidewalks), ". . . only if (A) the improvements are part of the new construction or rehabilitation of affordable housing units for low- or moderate-income persons that are directly benefited by the improvements, and are reasonable and fundamental component of the housing units and (B) the agency requires that the units remain available at affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate income for the same time period and in the same manner as provided in subdivision (c) and paragraph (2) of subdivision (f) of [CCRL] Section 33334.3."

the data for permits issued through the end of calendar year 2008 represents an accurate number.

Table 6:

As shown in Table 6, as of the end of FY 2008-09, the Agency had not destroyed or removed any housing units from within the Project Area.

Table 7:

As shown in Table 7, as of the end of FY 2008-09, no housing units had been developed inside the Project Area by the Agency. No housing units have been substantially rehabilitated inside the Project Areas. None of the units are occupied by low and moderate income households and none of the units are occupied by very low income households.

Table 8:

As shown in Table 8, as of the end of FY 2008-09, no housing units had been developed outside either of the Project Areas by the Agency. No housing units have been substantially rehabilitated outside of the Project Area.

Table 9:

As shown in Table 9, the Agency started the term of the 2004-2009 Implementation Plans with a total of 454 housing units constructed inside the Project Area since July 1, 1994 by public or private entities or persons other than the Agency. At that date, no residential units had been substantially rehabilitated. According to data supplied by the Building Department, 1,582 units were issued building permits in the Project Area from January 2005 through December 31, 2008. No units were substantially rehabilitated, within the Project Area during the term of the 2004-2009 Implementation Plan. In all, the Agency is commencing the 2009-2014 Implementation Plan cycle with a total of 1,955 residential units constructed within the Project Area since July 1, 1994. Given the fact that 15 percent of such units need to be enforceably restricted, and that 40 percent of this 15 percent of such units need to be restricted to persons and families of very low income, Table 9 shows that the Agency currently has a surplus of 283 units in total of which 144 are restricted to persons and families of low-moderate income and 139 units are restricted to persons and families of very low-income.

Table 10:

Table 10 summarizes the inclusionary information provided in the previous tables (tables 6 through 9); and provides a place for the Agency to account for expenditures from the LMI Housing Fund which do not include either new construction or substantial rehabilitation. Since the Agency did not purchase any price restrictions or participate in any residential rehabilitation which was not "substantial" as defined in the CCRL, or expend its LMI Housing Fund monies in any "other" way, the numbers in this Table 10 mirror those in Table 9.



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TABLE 5 Total Dwelling Units Destroyed or Removed and Replaced by the Agency Inside the Project Areas Project Area Adoption through June 30, 2009														
FISCAL YEAR	NO. OF UNITS DESTROYED OR REMOVED AFFECTING					NO. OF UNITS REHABILITATED, DEVELOPED, OR CONSTRUCTED ^{9,10,11}					DIFFERENCE (DEFICIT[-] / (SURPLUS[+]))			
	VERY LOW INCOME ³	LOWER INCOME ⁴	LOW-MOD INCOME ⁵	TOTAL UNITS DESTROYED OR REMOVED ^{6,7,8}	TOTAL NO. BEDROOMS DESTROYED OR REMOVED	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL UNITS PROVIDED	TOTAL NO. BEDROOMS PROVIDED ¹²	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL NO. BEDROOMS ¹²
BALANCE FORWARD ²														
2003-04														
2004-05														
2005-06														
2006-07														
2007-08														
TOTALS														

NO ACTIVITY

¹ Complies with CCRL Section 33413(a), (c), (d) (1), and 33334.5. The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c) (1) (2).

² From 2005-09 Implementation Plan.

³ As defined by Health & Safety Code Section 50105.

⁴ As defined by Health & Safety Code Section 50079.5.

⁵ As defined by Health & Safety Code Section 50093.

⁶ From low- or moderate-income housing market, as part of a redevelopment project. If units are planned for destruction or removal, locations for suitable replacement units must be identified (CCRL Section 33413.5).

⁷ Replacement units must be provided within four years of removal or destruction (CCRL Section 33413(a)).

⁸ Total units destroyed or removed housing persons and families of low or moderate income from the low- and moderate-income housing market as part of redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency (CCRL Section 33413(a)).

⁹ Within territorial jurisdiction of agency; must be an equal number of replacement units as those destroyed or removed provided within 4 years of removal (CCRL Section 33413(a)).

¹⁰ When units are destroyed or removed after September 1, 1989, 75 percent of the replacement units shall replace dwelling units available at affordable housing cost to persons in the same or lower income category (very low, low, or moderate) as the persons displaced from those destroyed or removed units; effective January 1, 2002, this requirement was increased to 100 percent (CCRL Section 33413(a)).

¹¹ Reference CCRL Section 33413(c) for applicable covenants.

¹² Must be an equal or greater number of bedrooms as those removed or destroyed (CCRL Section 33413(f)).

TABLE 6
Total Dwelling Units Destroyed or Removed and Replaced by the Agency Inside the Project Areas
Project Area Adoption through June 30, 2009

FISCAL YEAR	TYPE OF CONSTRUCTION			UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS									
	1	2		3	TOTAL	LOW - MODERATE ⁴		VERY LOW ⁵		ANNUAL DEFICIT (IF 5a > 5b or 6a > 6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE ^{6,7} (DEFICIT [-] / SURPLUS [+])				
		NEW CONSTRUCTION	SUBSTANTIAL REHAB ³			REQUIRED TO BE AT LEAST 30% OF COLUMN 3 ⁸	REQUIRED TO BE NOT MORE THAN 50% OF COLUMN 4 ⁸	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4 ⁸	ACTUAL UNITS RESTRICTED	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW		
	MULTI-FAMILY		SINGLE FAMILY	TOTAL														
BALANCE FORWARD ²																		
2004-05					NO ACTIVITY													
2005-06																		
2006-07																		
2007-08																		
2008-09																		
TOTALS																		

¹ Compliance with Sections 33413(b)(1), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1) and (2). New and/or substantially rehabilitated units may be aggregated in one or more project areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).

² From 2005-09 Implementation Plan.

³ Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).

⁴ As defined by Health & Safety Code Section 50093.

⁵ As defined by Health & Safety Code Section 50105.

⁶ Calculated on a cumulative year-to-year basis.

⁷ See Table 16 for projection of LMI Housing Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

⁸ In accordance with CCRL Section 33413(b)(1).

TABLE 7
Dwelling Units Developed and Substantially Rehabilitated by the Agency Outside the Project Areas ¹
Project Area Adoption through June 30, 2009

FISCAL YEAR	TYPE OF CONSTRUCTION			UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS									
	1	2		3	TOTAL	LOW - MODERATE ⁴		VERY LOW ⁵		ANNUAL DEFICIT (IF 5a > 5b or 6a > 6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE ^{6,7} (DEFICIT [-])/(SURPLUS [+])				
		NEW CONSTRUCTION	SUBSTANTIAL REHAB ³			REQUIRED TO BE AT LEAST 30% OF COLUMN 3 ⁸	5a	5b	6a	6b	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW		
	MULTI-FAMILY		SINGLE FAMILY	TOTAL	REQUIRED TO BE NOT MORE THAN 50% OF COLUMN 4 ⁸												ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4 ⁸
BALANCE FORWARD ²																		
2004-05					NO ACTIVITY													
2005-06																		
2006-07																		
2007-08																		
2008-09																		
TOTALS																		

¹ Compliance with Sections 33413(b)(2), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more project areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v). The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside a project area for each unit that otherwise would have had to be available inside a project area (CCRL Section 33413(b)(2)(A)(ii)).

² From 2005-09 Implementation Plan.

³ Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).

⁴ As defined by Health & Safety Code Section 50093.

⁵ As defined by Health & Safety Code Section 50105.

⁶ Calculated on a cumulative year-to-year basis.

⁷ See Table 16 for projection of LMI Housing Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

⁸ In accordance with CCRL Section 33413(b)(1).

Table 9

**ALL NON-AGENCY DEVELOPED OR SUBSTANTIALLY REHABILITATED DWELLING UNITS INSIDE THE PROJECT AREAS¹
PROJECT AREA ADOPTION THROUGH JUNE 30, 2009**

Fiscal Year	Type of Construction			Units Made Affordable at Affordable Housing Cost					Project Area Status				
	1	2	3	4	5	6	7	8	9	10	11	12	
	New Construction ¹¹	Substantial Rehabilitation ⁸	Total	TOTAL	VeryLow ⁹		Low-Moderate ¹⁰			Annual Deficit or Surplus		Cumulative Difference	
				Inclusionary Obligation ²	Inclusionary Obligation ³	Actual Number of Units Restricted	Inclusionary Obligation ⁴	Actual Number of Units Restricted	Very Low ⁵	Low Moderate ⁶	Very Low	Low Mod	
Balance Forward ⁷	454	0	454	68.1	27.2	111	40.9	295			84	254	
2004-05	810	0	810	121.5	48.6	22	72.9	4	-27	-69	57	185	
2005-06	491	0	491	73.7	29.5	70	44.2	0	41	-44	98	141	
2006-07	173	0	173	26.0	10.4	42	15.6	12	32	-4	129	137	
2007-08	108	0	108	16.2	6.5	16	9.7	12	10	2	139	140	
2008-09	0	0	0	0.0	0.0	0	0.0	4	0	4	139	144	
TOTALS	2036	0	2036	305.4	122.2	261	183.2	327	55	-110	139	144	

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

² Inclusionary obligation for Non-Agency built housing (15% of column 3)

³ Portion of the inclusionary obligation restricted for Very Low Income households (40% of column 4)

⁴ Portion of the inclusionary obligation restricted for Low and Moderate Income households (column 4 minus column 5)

⁵ Annual difference between the number of units required for Very Low Income households and the number provided by the Agency (column 6 minus column 5)

⁶ Annual difference between the number of units required for Low and Moderate Income households and the number provided by the Agency (column 8 minus column 7)

⁷ Balance from the previous Implementation Plan: 454 units in Project Area.

⁸ Substantial rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of land [CCRL Section 33413(b)(2)(A)(iv)]

⁹ As defined by Health and Safety Code 50105

¹⁰ As defined by Health and Safety Code 50093

¹¹ Per the Agency, 1582 units were constructed in the project areas from FY 2004/05 through FY 2008/09. Of those, 232 hold affordability covenants.

TABLE 9
Summary of Dwelling Units Developed and Substantially Rehabilitated by the Agency and Others
Including an Inventory of the Agency's Inclusionary Unit Obligation
Project Area Adoption through June 30, 2008

FISCAL YEAR	PRICE RESTRICTED (NEW CONST ³ AND SUB REHAB ⁴)				PRICE RESTRICTED (PURCHASE/ACQUISITION OF EXISTING UNITS) ⁵				NEW CONSTRUCTION ⁶		SUBSTANTIAL REHABILITATION ^{4,7}		REHABED ⁸	BOND FINANCED	OTHER	CUMULATIVE INCLUSIONARY UNITS EARNED/OWED [+]/[-] ⁹			
	LOW-MOD ¹⁰		VERY LOW ¹¹		LOW-MOD		VERY LOW		3a*	3b**	4a*	4b**	5	6	7	LOW-MOD		VERY LOW	
	1a*	1b**	1c*	1d**	2a*	2b**	2c*	2d**								8a*.12	8b**.13	8c*.14	8d**.15
BALANCE FORWARD ²	(40.86)	0	(27.24)	0	0	0	0	0	0	0	0	0	0	0	0	(40.86)		(27.24)	
2004-05	(113.76)	0	(75.84)	0	0	0	0	0	0	0	0	0	0	0	0	(113.76)		(75.84)	
2005-06	(157.95)	0	(105.30)	0	0	0	0	0	0	0	0	0	0	0	0	(157.95)		(105.30)	
2006-07	(173.52)	0	(115.68)	0	0	0	0	0	0	0	0	0	0	0	0	(173.52)		(115.68)	
2007-08	(175.95)	0	(117.30)	0	0	0	0	0	0	0	0	0	0	0	0	(175.95)		(117.30)	
2008-09	(175.95)	0	(117.30)	0	0	0	0	0	0	0	0	0	0	0	0	(175.95)		(117.30)	
TOTALS	(175.95)	0	(117.30)	0	0	0	0	0	0	0	0	0	0	0	0	(175.95)		(117.30)	
CALCULATION TO TRANSFER CREDITS BETWEEN PROJECT AREA AND OUTSIDE PROJECT AREA (IF NEEDED) ¹⁶																0	0	0	
SUBSTITUTE SURPLUS VERY LOW FOR LOW-MOD (IF NEEDED)																0	0	0	
TOTAL ADJUSTED INCLUSIONARY UNITS DEFICIT/SURPLUS																(175.95)		(117.30)	

*Redevelopment Agency of the City of Desert Hot Springs
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- * Inside the Project Areas.
- ** Outside the Project Areas.
- ¹ Complies with CCRL Sections 33334.2(a), 33490(a)(2)(A).
- ² From 2005-09 Implementation Plan.
- ³ Pursuant to CCRL Sections 33413(b)(1), (2), and 33413(c).
- ⁴ Substantial Rehabilitation as defined in CCRL Section 33413(b)(2)(A)(iv). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)).
- ⁵ Not more than 50% of the units made available, pursuant to CCRL Sections 33413(b)(1) and (2)(A), may be assisted through the purchase or acquisition of long-term affordability covenants pursuant to CCRL Section 33413(b)(2)(B); therefore, the amounts entered in Column 2 cannot be more than 50% of the combined totals of Columns 1 and 2 (CCRL Sections 33413(b)(2)(C))
- ⁶ The sum of Columns 3a and 3b equal the sum of Column 1 from Tables 7, 8, and 9 for each fiscal year.
- ⁷ The sum of Columns 4a and 4b equal the sum of Column 2 from Tables 7, 8, and 9 for each fiscal year.
- ⁸ Does not include units that are defined as substantially rehabilitated, pursuant to CCRL Sections 33413(b)(2)(A)(iii) and (iv).
- ⁹ Units included in columns 1 and 2 count for inclusionary credits, pursuant to CCRL Section 33413(b)(1) and (2). Columns 3 and 4 represent the total number of units constructed or substantially rehabilitated. See Tables 7, 8, and 9. Units included in Columns 5 through 7 do not qualify for inclusionary credit.
- ¹⁰ The sum of Columns 1a and 1b equal the sum of Column 5b from Tables 7, 8, and 9 for each fiscal year.
- ¹¹ The sum of Columns 1c and 1d equal the sum of Column 6b from Tables 7, 8, and 9 for each fiscal year.
- ¹² Equals the sum of Columns 1a and 2a minus the sum of Column 5a from Tables 7 and 9 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹³ Equals the sum of Columns 1b and 2b minus the sum of Column 6a from Tables 7 and 9 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁴ Equals the sum of Columns 1c and 2c minus the sum of Column 5a from Table 8 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁵ Equals the sum of Columns 1d and 2d minus the sum of Column 6a from Table 8 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁶ The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside a project area for each unit that otherwise would have had to be available inside a project area (CCRL Section 33413(b)(2)(A)(ii)).

6.4 AFFORDABLE HOUSING GOAL AND OBJECTIVES

The Agency's housing goal and objectives have been identified in its Ten-Year Housing Compliance Plan (2004-05 through 2013-14) adopted January 2005. As part of this update, certain of the goals related to housing production have changed and have been extrapolated from the draft March 2008 Housing Element of the City's General Plan. The fair share numbers in the draft March 2008 Housing Element are derived from the draft January 2007 Riverside County Regional Housing Needs Assessment for the period 2006 through 2014. Should the fair share numbers change in the draft Plans once the plans are finalized and approved by the respective legislative bodies, then the unit counts in the below enumerated objectives will revise to adjust for the revised unit counts. The objectives, however, will remain the same.

Based on input from Agency staff, the objectives have been revised to include new programs aimed at addressing the foreclosure problem that is a result of the current economic crisis. The revised objectives are as follows:

GOAL 3: INCREASE, IMPROVE AND PRESERVE THE QUALITY OF LOW/MODERATE INCOME HOUSING THROUGHOUT THE PROJECT AREAS AND THE CITY

OBJECTIVES:

- 3.1 Through the use of the programs and projects described as objectives (below) under Goal 3 (above), increase the number of housing units that are affordable to person and families of very low-, low- or moderate - income in an amount that is not less than 15 percent of all new and substantially rehabilitated dwelling units developed within the Project Area, by public or private entities or persons other than the Agency.
- 3.2 Through the use of the programs and projects described as objectives (below) under Goal 3 (above), increase the number of housing units that are affordable to persons and families of very low-, low-or moderate income in an amount that is not less than 30 percent of all new and substantially rehabilitated dwelling units developed within the Project Area by the Agency.
- 3.3 Establish the "Neighborhood Renewal Program" ("NRP") for the purposes of comprehensively eradicating blight and improving the living conditions of low-and moderate-income families with an emphasis on neighborhoods that have been impacted by significant numbers of foreclosed/abandoned single-family homes. The NRP may be funded through a variety of sources.
- 3.4 Establish a Neighborhood Stabilization Program ("NSP") for the purposes of acquiring, repairing and reselling foreclosed/abandoned single-family homes to income eligible families with an emphasis on coordinating the NSP within NRP target areas. The NSP may be funded through a variety of sources.

- 3.5 In concert with the implementation of the NRP and the NSP, facilitate home buying assistance programs targeted to low-and moderate-income families.
- 3.6 In concert with the implementation of the NRP and the NSP, facilitate home renovation programs targeted to low-and moderate-income families.
- 3.7 Provide financial assistance where necessary and appropriate to secure restricted covenants on privately developed new single-family and multi-family housing units.
- 3.8 Assist the City in administering their inclusionary housing ordinance.
- 3.9 Acquire, sell or lease land, donate land, improve sites, construct structures, or use any method authorized by CCRL in order to provide housing for persons and families of very low-, low- or moderate-income.
- 3.10 Provide subsidies to, or for the benefit of, income eligible persons and families or households to assist them in obtaining affordable housing within the City.
- 3.11 Continue to seek motivated property owners, developers, and builders to partner with for the purpose of meeting the affordable housing standards set for the Agency by CCRL. The City through its General Plan and CDBG Consolidated Plan will explore programs and funding in addition to LMI Housing Funds for citywide production of affordable housing.
- 3.12 Carry out any other affordable housing oriented project or program consistent with CCRL and the Redevelopment Plan.

6.5 PROJECTED AGENCY LMI HOUSING FUND PROGRAMS AND RELATED EXPENDITURES (2009 TO 2014)

Considering the severity of the current housing crisis within Desert Hot Springs, the Agency intends to primarily focus its efforts on implementing the following programs during the term of this Implementation Plan, subject to funding availability. If the housing crisis subsides, other programs, projects or activities may be considered.

Neighborhood Renewal Program

The Agency is currently establishing the “Neighborhood Renewal Program” (“NRP”). The purpose of the NRP is to comprehensively eradicate blight and to improve the living conditions of low-and moderate-income families through home improvement financial assistance with an emphasis on neighborhoods that have been impacted by significant numbers of foreclosed/abandoned single-family homes. It is anticipated that the NRP will be funded through multiple sources.

Neighborhood Stabilization Program

The Agency is currently establishing a Neighborhood Stabilization Program (“NSP”). The purpose of the NSP is to acquire, repair and resell foreclosed/abandoned single-family

homes to income eligible families. As a part of the NSP, the Agency may provide special financing to income eligible families to acquire such homes. It is anticipated that the NSP will be facilitated with a variety of public and private entities and to the maximum extent possible be coordinated with the NRP. It is projected that the NSP will be funded through multiple sources.

Age Group Limitations

In 2002, CCRL Section 33334.4 was revised by AB 637 to clarify how LMI Housing Fund monies were to be expended to assist housing that is available to all persons regardless of age in at least the same proportion as the population under the age of 65 bears to the total population as the population of the community (see section 6.7 of this Implementation Plan for a more detailed discussion.) Accordingly, since 12.4% of the City's Census 2000 population was over the age of 65, not more than 12.4% of the Agency's available housing fund revenues deposited in the LMI Fund (approximately \$1,656,712 of the \$13,360,587 projected for the planning period) may be expended on senior-exclusive housing projects. It may be that the Agency's annual budgets for the NRP and NSP may include either neighborhood and/or age group funding categories. However, given that the NRP and NSP are not specifically age group restricted, it is not anticipated that the restrictions required by AB 637 will apply to the Agency's projected activities.

6.6 TABULATIONS SHOWING PROJECTED REPLACEMENT AND INCLUSIONARY HOUSING OBLIGATIONS (FY 2009-10 THROUGH FY 2013-14)

Tables 11 through 15 present an analysis of the Agency's replacement and inclusionary housing obligations projected to occur over the next five years. The information contained in these tables, in concert with the other parts of this Implementation Plan, ensure compliance with CCRL Sections 33490, 33413, 33334.2 or 33334.6, 33334.3, and 33334.4. The tables and discussion presented below and in subsequent sections of this Implementation Plan represent what is required by law regarding affordability, replacement, and inclusionary requirements established in the CCRL. It should be noted that replacement and inclusionary obligations are calculated and identified to the nearest tenth while units which count toward fulfillment of these obligations are, of course, counted in whole numbers. While this results in some rounding issues and complication, it most effectively enumerates the Agency's obligations without exacerbating these obligations due to rounding within the calculation regimen.

This Implementation Plan will project and aggregate replacement and inclusionary housing obligations for the Redevelopment Project. In addition to making it easier for the Agency and City Council to track its replacement and inclusionary housing obligations, the Agency has chosen to aggregate its replacement and inclusionary housing obligations for two primary reasons: i) the CCRL allows a redevelopment agency to aggregate new or substantially rehabilitated housing units in one or more project areas if the agency finds that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation (CCRL Section 33413(b)(2) (A)(v)); and ii) the CCRL also allows a redevelopment agency to assist "affordable" housing anywhere in the community if such assistance will be of benefit to the project (CCRL Section 33334.2(g)).

Table 11:

As shown in Table 11, it is anticipated that during the planning cycle the Agency will not participate in the destruction or removal of any units within the Project Area.

Table 12:

Table 12 shows that the Agency does not project developing any new or substantially rehabilitating any existing units within the Project Area during the planning cycle.

Table 13:

Table 13 shows that the Agency does not project developing any new or substantially rehabilitating any existing units outside the Project Area during the planning cycle.

Table 14:

Table 14 describes projected housing development in the Project Area by all private entities. It also depicts the number of affordable housing units, by income group, that need to be enforceably restricted by the Agency and the projected number of housing units that the Agency has targeted for enforceable restriction. It is important to state that the quantity of new housing units developed is marketplace-driven and uncontrollable by the Agency and, as such, it is difficult to predict with any degree of precision, especially during the current housing crisis. Notwithstanding, Agency staff is projecting that 53 new housing units could be built during the next five years. If the Agency's efforts to enforceably restrict the number of units shown on Table 14 are successful, the effect would be to increase the inclusionary housing surplus noted on Table 9.

Table 15:

Table 15 summarizes the inclusionary housing information provided in the previous tables and provides adjustments, as appropriate, to reflect credit for affordable housing enforceable restrictions obtained by the Agency for units located outside of the Project Area (i.e., the two for one or 50% rule). The purpose of Table 15 is to enable the Agency to comprehensively review its inclusionary housing production accomplishments and goals. The reader's attention is drawn to the information provided on the "Totals" row, which shows that the Agency has projected that it will be able to enforceably restrict 120 low-moderate and 80 very-low income units during the coming five-year period. If the Agency is successful, the effect would be to substantially reduce the inclusionary housing deficiencies noted on Table 9.

TABLE 10
Total Dwelling Units Projected to be Destroyed or Removed by the Agency Inside the Project Areas
Including an Inventory of Replacement Units to be Provided
Project Area Adoption through June 30, 2014

FISCAL YEAR	NO. OF UNITS DESTROYED OR REMOVED AFFECTING					NO. OF UNITS REHABILITATED, DEVELOPED, OR CONSTRUCTED ^{9,10,11}					DIFFERENCE (DEFICIT[-] / SURPLUS[+])			
	VERY LOW INCOME ³	LOWER INCOME ⁴	LOW-MOD INCOME ⁵	TOTAL UNITS DESTROYED OR REMOVED ^{6,7,8}	TOTAL NO. BEDROOMS DESTROYED OR REMOVED	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL UNITS PROVIDED	TOTAL NO. BEDROOMS PROVIDED ¹²	VERY LOW INCOME	LOWER INCOME	LOW-MOD INCOME	TOTAL NO. BEDROOMS ¹²
BALANCE FORWARD ²														
2009-10						NO ACTIVITY								
2010-11														
2011-12														
2012-13														
2013-14														
TOTALS														

¹ Complies with CCRL Section 33413(a), (c), (d)(1), and 33334.5. The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2).

² From Table 6 of this Implementation Plan.

³ As defined by Health & Safety Code Section 50105.

⁴ As defined by Health & Safety Code Section 50079.5.

⁵ As defined by Health & Safety Code Section 50093.

⁶ From low- or moderate-income housing market, as part of a redevelopment project. If units are planned for destruction or removal, locations for suitable replacement units must be identified (CCRL Section 33413.5).

⁷ Replacement units must be provided within four years of removal or destruction (CCRL Section 33413(a)).

⁸ Total units destroyed or removed housing persons and families of low or moderate income from the low- and moderate-income housing market as part of redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency (CCRL Section 33413(a)).

⁹ Within territorial jurisdiction of agency; must be an equal number of replacement units as those destroyed or removed provided within 4 years of removal (CCRL Section 33413(a)).

¹⁰ When units are destroyed or removed after January 1, 2002, 100% of the replacement units shall replace dwelling units available at affordable housing cost to persons in the same or lower income category (very low, low, or moderate) as the persons displaced from those destroyed or removed units (CCRL Section 33413(a)).

¹¹ Reference CCRL Section 33413(c) for applicable covenants.

¹² Must be an equal or greater number of bedrooms as those removed or destroyed (CCRL Section 33413(f)).

TABLE 11
Dwelling Unites Projected to be Developed and Substantially Rehabilitated by the Agency Inside the Project Areas ¹
Project Area Adoption through June 30, 2014

FISCAL YEAR	TYPE OF CONSTRUCTION			UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS									
	1	2		3	TOTAL	LOW - MODERATE ⁴		VERY LOW ⁵		ANNUAL DEFICIT (IF 5a > 5b or 6a > 6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE ^{6,7} (DEFICIT [-])/(SURPLUS [+])				
		NEW CONSTRUCTION	SUBSTANTIAL REHAB ³		REQUIRED TO BE AT LEAST 30% OF COLUMN 3 ⁸	5a	5b	0.25	6b	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW			
	MULTI-FAMILY		SINGLE FAMILY	TOTAL												REQUIRED TO BE NOT MORE THAN 50% OF COLUMN 4 ⁸	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4 ⁸
BALANCE FORWARD ²																		
2009-10					NO ACTIVITY													
2010-11																		
2011-12																		
2012-13																		
2013-14																		
TOTALS																		

¹ Compliance with Sections 33413(b)(1), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1) and (2). New and/or substantially rehabilitated units may be aggregated in one or more project areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v).

² From Table 7 of this Implementation Plan.

³ Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated."

⁴ As defined by Health & Safety Code Section 50093.

⁵ As defined by Health & Safety Code Section 50105.

⁶ Calculated on a cumulative year-to-year basis.

⁷ See Table 16 for projection of LMI Housing Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

⁸ In accordance with CCRL Section 33413(b)(1).

TABLE 12
Dwelling Units Projected to be Developed and Substantially Rehabilitated by the Agency Outside the Project Areas ¹
Project Areas Adoption through June 30, 2014

FISCAL YEAR	TYPE OF CONSTRUCTION			UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS									
	1	2		3	TOTAL	LOW - MODERATE ⁴		VERY LOW ⁵		ANNUAL DEFICIT (IF 5a > 5b or 6a > 6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE ^{6,7} (DEFICIT [-])/(SURPLUS [+])				
		NEW CONSTRUCTION	SUBSTANTIAL REHAB ³		REQUIRED TO BE AT LEAST 30% OF COLUMN 3 ⁸	5a	5b	6a	6b	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD	VERY LOW			
	MULTI-FAMILY		SINGLE FAMILY	TOTAL												REQUIRED TO BE NOT MORE THAN 50% OF COLUMN 4 ⁸	ACTUAL UNITS RESTRICTED	REQUIRED TO BE NOT LESS THAN 50% OF COLUMN 4 ⁸
BALANCE FORWARD ²																		
2009-10					NO ACTIVITY													
2010-11																		
2011-12																		
2012-13																		
2013-14																		
TOTALS																		

¹ Compliance with Sections 33413(b)(2), (c), (d)(1), and 33490(a)(2)(A)(ii). The agency shall require that the aggregate number of replacement units remain available at affordable housing costs to, and occupied by, persons and families of low-, moderate-, and very low-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for home ownership units, except as provided for in CCRL Section 33413(c)(1)(2). New and/or substantially rehabilitated units may be aggregated in one or more project areas, subsequent to findings pursuant to CCRL Section 33413(b)(2)(A)(v). The agency must have made findings pursuant to CCRL Section 33334.2(g) to develop units outside the project area. The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the project area for each unit that otherwise would have had to be available inside the Project Areas (CCRL Section 33413(b)(2)(A)(ii)).

² From Table 8 of this Implementation Plan.

³ Substantial Rehabilitation means rehabilitation, the value of which constitutes 25% of the after rehabilitation value of the dwelling, inclusive of the land (CCRL Section 33413 (b)(2)(iv)). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated."

⁴ As defined by Health & Safety Code Section 50093.

⁵ As defined by Health & Safety Code Section 50105.

⁶ Calculated on a cumulative year-to-year basis.

⁷ See Table 16 for projection of LMI Housing Fund expenditures (CCRL Sections 33413(b)(1) and (2) and 33334.2 and/or 33334.6).

⁸ In accordance with CCRL Section 33413(b)(1).

TABLE 13
All Non-Agency Dwelling Units Projected to be Developed and Substantially Rehabilitated Inside the Project Areas ¹
Project Areas Adoption through 30, 2014

FISCAL YEAR	TYPE OF CONSTRUCTION				UNITS MADE AVAILABLE AT AFFORDABLE HOUSING COST					PROJECT AREA STATUS					
	1	2		3	TOTAL 4	LOW - MODERATE ⁶		VERY LOW ⁷		ANNUAL DEFICIT (IF 5a > 5b or 6a > 6b)		ANNUAL SURPLUS (IF 5b > 5a or 6b > 6a)		CUMULATIVE DIFFERENCE ^{8,9} (DEFICIT [-])/(SURPLUS [+])	
		NEW CONSTRUCTION	SUBSTANTIAL REHAB ³			REQUIRED TO BE AT LEAST 15% OF COLUMN 3 ¹⁰	5a	5b	6a	6b	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD (5b - 5a)	VERY LOW (6b - 6a)	LOW-MOD
	MULTI-FAMILY		SINGLE FAMILY	TOTAL	REQUIRED TO BE NOT MORE THAN 60% OF COLUMN 4 ¹⁰										
BALANCE FORWARD ²	2036	0	0	2036	305	183	327	122	261					144	139
2009-10 ⁴	53	0	0	53	8	5	24	3	16	0	0	19	13	163	152
2010-11	0	0	0	0	0	0	24	0	16	0	0	0	0	163	152
2011-12	0	0	0	0	0	0	24	0	16	0	0	0	0	163	152
2012-13 ⁵	0	0	0	0	0	0	24	0	16	0	0	0	0	163	152
2013-14	0	0	0	0	0	0	24	0	16	0	0	0	0	163	152
TOTALS	2089	0	0	2089	301.20	180.72	120	120.48	80					163	152

TABLE 14
Summary of Dwelling Units Projected to be Developed and Substantially Rehabilitated by the Agency and Others Including an Inventory of the Agency's Inclusionary Unit Obligation
Project Area Adoption through June 30, 2014

FISCAL YEAR	PRICE RESTRICTED (NEW CONST ³ AND SUB REHAB ⁴)				PRICE RESTRICTED (PURCHASE/ACQUISITION OF EXISTING UNITS) ⁵				NEW CONSTRUCTION ⁶		SUBSTANTIAL REHABILITATION ^{4,7}		REHABED ⁸	BOND FINANCED	OTHER	CUMULATIVE INCLUSIONARY UNITS EARNED/OWED [+]/[-] ⁹			
	LOW-MOD ¹⁰		VERY LOW ¹¹		LOW-MOD		VERY LOW		3a*	3b**	4a*	4b**	5	6	7	LOW-MOD		VERY LOW	
	1a*	1b**	1c*	1d**	2a*	2b**	2c*	2d**								8a*.12	8b**.13	8c*.14	8d**.15
BALANCE FORWARD ²	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	144		139	
2009-10	0	0	0	0	19			13	0	0	0	0	0	0	0	163		152	
2010-11	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2011-12	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2012-13	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2013-14	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
TOTALS	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
ADJUSTMENTS																			
TRANSFERABLE INCLUSIONARY CREDIT (IF NEEDED) ¹⁶																0	0	0	0
SUBSTITUTE SURPLUS VERY LOW FOR LOW-MOD (IF NEEDED)																0	0	0	0
TOTAL ADJUSTED INCLUSIONARY UNITS DEFICIT/SURPLUS																163		152	

*Redevelopment Agency of the City of Desert Hot Springs
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- * Inside the Project Area.
- ** Outside the Project Area.
- ¹ Compliance with CCRL Sections 33334.2(a), 33490(a)(2)(A). Includes agency assisted units inside and outside the Project Areas and all non-agency assisted units inside the Project Area.
- ² From Table 10 of this Implementation Plan.
- ³ Pursuant to CCRL Sections 33413(b)(1), (2), and 33413(c).
- ⁴ Substantial Rehabilitation as defined in CCRL Section 33413(b)(2)(iv). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated."
- ⁵ Not more than 50% of the units made available, pursuant to CCRL Sections 33413(b)(1) and (2)(A), may be assisted through the purchase or acquisition of long-term affordability covenants pursuant to CCRL Section 33413(b)(2)(B); therefore, the amounts entered in Column 2 cannot be more than 50% of the combined totals of Columns 1 and 2 (CCRL Section 33413(b)(2)(C)).
- ⁶ The sum of Columns 3a and 3b equal the sum of Column 1 from Tables 12, 13, and 14 for each fiscal year.
- ⁷ The sum of Columns 4a and 4b equal the sum of Column 2 from Tables 12, 13, and 14 for each fiscal year.
- ⁸ Does not include units that are defined as substantially rehabilitated, pursuant to CCRL Sections 33413(b)(2)(A)(iii) and (iv). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated"; therefore, rehabilitated units will be counted in Column 1 thereafter.
- ⁹ Units included in columns 1 and 2 count for inclusionary credits, pursuant to CCRL Section 33413(b)(1) and (2). Columns 3 and 4 represent the total number of units constructed or substantially rehabilitated. See Tables 12, 13, and 14. Units included in Columns 5 through 7 do not qualify for inclusionary credit.
- ¹⁰ The sum of Columns 1a and 1b equal the sum of Column 5b from Tables 12, 13, and 14 for each fiscal year.
- ¹¹ The sum of Columns 1c and 1d equal the sum of Column 6b from Tables 12, 13, and 14 for each fiscal year.
- ¹² Equals the sum of Columns 1a and 2a minus the sum of Column 5a from Tables 12 and 14 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹³ Equals the sum of Columns 1b and 2b minus the sum of Column 6a from Tables 12 and 14 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁴ Equals the sum of Columns 1c and 2c minus the sum of Column 5a from Table 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁵ Equals the sum of Columns 1d and 2d minus the sum of Column 6a from Table 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁶ The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Areas for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii)).

TABLE 15
Summary of Dwelling Units Projected to be Developed and Substantially Rehabilitated by the Agency and Others Including an Inventory of the Agency's Inclusionary Unit Obligation
Project Area Adoption through June 30, 2014

FISCAL YEAR	PRICE RESTRICTED (NEW CONST ³ AND SUB REHAB ⁴)				PRICE RESTRICTED (PURCHASE/ACQUISITION OF EXISTING UNITS) ⁵				NEW CONSTRUCTION ⁶		SUBSTANTIAL REHABILITATION ^{4,7}		REHABED ⁸	BOND FINANCED	OTHER	CUMULATIVE INCLUSIONARY UNITS EARNED/OWED [+]/[-] ⁹			
	LOW-MOD ¹⁰		VERY LOW ¹¹		LOW-MOD		VERY LOW		3a*	3b**	4a*	4b**	5	6	7	LOW-MOD		VERY LOW	
	1a*	1b**	1c*	1d**	2a*	2b**	2c*	2d**								8a*.12	8b**.13	8c*.14	8d**.15
BALANCE FORWARD ²	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	144		139	
2009-10	0	0	0	0	19			13	0	0	0	0	0	0	0	163		152	
2010-11	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2011-12	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2012-13	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
2013-14	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
TOTALS	0	0	0	0				0	0	0	0	0	0	0	0	163		152	
ADJUSTMENTS																			
TRANSFERABLE INCLUSIONARY CREDIT (IF NEEDED) ¹⁶																0	0	0	0
SUBSTITUTE SURPLUS VERY LOW FOR LOW-MOD (IF NEEDED)																0	0	0	0
TOTAL ADJUSTED INCLUSIONARY UNITS DEFICIT/SURPLUS																163		152	

*Redevelopment Agency of the City of Desert Hot Springs
Implementation Plan 2009-2014*

- * Inside the Project Area.
- ** Outside the Project Area.
- ¹ Compliance with CCRL Sections 33334.2(a), 33490(a)(2)(A). Includes agency assisted units inside and outside the Project Areas and all non-agency assisted units inside the Project Area.
- ² From Table 10 of this Implementation Plan.
- ³ Pursuant to CCRL Sections 33413(b)(1), (2), and 33413(c).
- ⁴ Substantial Rehabilitation as defined in CCRL Section 33413(b)(2)(iv). On or after January 1, 2002, the inclusionary obligation applies to dwelling units that are substantially rehabilitated using agency assistance. Prior to January 1, 2002, the inclusionary obligation applied to substantially rehabilitated dwelling units with three or more units regardless of whether or not there was agency assistance, and to substantially rehabilitated, with agency assistance, single family dwelling units with one or two units (CCRL Section 33413 (b)(2)(iii)). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated."
- ⁵ Not more than 50% of the units made available, pursuant to CCRL Sections 33413(b)(1) and (2)(A), may be assisted through the purchase or acquisition of long-term affordability covenants pursuant to CCRL Section 33413(b)(2)(B); therefore, the amounts entered in Column 2 cannot be more than 50% of the combined totals of Columns 1 and 2 (CCRL Section 33413(b)(2)(C)).
- ⁶ The sum of Columns 3a and 3b equal the sum of Column 1 from Tables 12, 13, and 14 for each fiscal year.
- ⁷ The sum of Columns 4a and 4b equal the sum of Column 2 from Tables 12, 13, and 14 for each fiscal year.
- ⁸ Does not include units that are defined as substantially rehabilitated, pursuant to CCRL Sections 33413(b)(2)(A)(iii) and (iv). Effective January 1, 2006, the term "substantial rehabilitation" as used in CCRL section 33413(b) was changed to simply "rehabilitated"; therefore, rehabilitated units will be counted in Column 1 thereafter.
- ⁹ Units included in columns 1 and 2 count for inclusionary credits, pursuant to CCRL Section 33413(b)(1) and (2). Columns 3 and 4 represent the total number of units constructed or substantially rehabilitated. See Tables 12, 13, and 14. Units included in Columns 5 through 7 do not qualify for inclusionary credit.
- ¹⁰ The sum of Columns 1a and 1b equal the sum of Column 5b from Tables 12, 13, and 14 for each fiscal year.
- ¹¹ The sum of Columns 1c and 1d equal the sum of Column 6b from Tables 12, 13, and 14 for each fiscal year.
- ¹² Equals the sum of Columns 1a and 2a minus the sum of Column 5a from Tables 12 and 14 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹³ Equals the sum of Columns 1b and 2b minus the sum of Column 6a from Tables 12 and 14 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁴ Equals the sum of Columns 1c and 2c minus the sum of Column 5a from Table 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁵ Equals the sum of Columns 1d and 2d minus the sum of Column 6a from Table 13 for each fiscal year. Calculated on a cumulative year-to-year basis.
- ¹⁶ The agency may cause, by agreement or regulation, to be available, at affordable housing cost, and occupied by, persons and families of low-, moderate-, or very low-income households, two units outside the Project Areas for each unit that otherwise would have had to be available inside the Project Area (CCRL Section 33413(b)(2)(A)(ii)).

6.7 LOW- AND MODERATE-INCOME HOUSING FUND

CCRL Section 33490(a)(2)(A)(i) requires that each agency show the amount of money available in its Housing Fund and the estimated amounts which will be deposited into its LMI Housing Fund during each of the five years in the planning cycle. Estimated tax increment deposits are equal to 20 percent of the projected gross tax increment for the Project Area. CCRL Section 33490(a)(2)(A)(ii) requires that an agency provide an estimate of the expenditures of monies from the LMI Housing Fund during each of the five years in the planning cycle. Table 16 is included herein for the purpose of providing the required information.

Table 16 shows a beginning balance in the LMI Housing Fund of \$3,169,485. As with the Agency's Project Fund monies (described in Table 4 above), Table 16 identifies projected tax increment income (being 20 percent of annual tax increments) and projected Interest Income (two percent of the Beginning Balance for each fiscal year subsequent to FY 2009-10). Table 16 also reflects the receipt of \$10,025,000 in bond proceeds from a proposed issuance that is projected to be sold in FY 2008-09 to finance the proposed Foreclosed Housing Programs. It is estimated that the Agency will utilize \$22,860,605 to operate its housing program activities for the projected implementation planning cycle. Table 16 reflects the estimated funding levels/requirements according to funding category and fiscal year. Of that total, \$16,000,000 is projected to be spent on the Agency's housing programs. Administration costs of \$303,000 are projected for FY 2009-10 increasing to \$306,030 in FY 2010-11, \$309,090 in FY 2011-12, \$312,181 in FY 2012-13 and \$315,303 in FY 2013-14 for a total of \$1,545,605 during the term of this Implementation Plan. It is estimated that a total of \$5,305,000 will be spent on payment of bond debt service and \$750,000 in other expenses during the term of this Implementation Plan. The projected expenditures from the LMI Housing Fund provide for a final yearly ending balance in FY 2013-14 of \$212,576. This amount may either be used during the term of this Implementation Plan to fund projects which are not now known to the Agency or may be used by the Agency during the next planning cycle to continue its affordable housing programs.



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Table 16						
Projected LMI Fund Receipts and Expenditures						
FY 2009-10 through 2013-14						
Fund Activity	Fiscal Year					Totals
	2009-10	2010-11	2011-12	2012-13	2013-14	
Yearly Beginning Balances	3,169,168	9,421,488	5,617,578	1,734,529	961,680	3,169,168
Receipts						
A. Tax Increment (1)	1,697,937	1,544,690	1,544,690	1,565,642	1,607,965	7,960,924
B. Interest Income (2)	63,383	188,430	112,352	34,691	19,234	418,089
C. Bond/Note Proceeds (3)	10,025,000	0	0	0	0	10,025,000
D. Other	300,000	300,000	300,000	300,000	300,000	1,500,000
Total Available	15,255,488	11,454,608	7,574,619	3,634,862	2,888,879	23,073,181
Expenditures						
A. Rehabilitation Loans/Grants (4)	3,070,000	3,070,000	3,070,000	500,000	500,000	10,210,000
Senior Citizen Grants (4)	600,000	600,000	600,000			1,800,000
B. First Time Homebuyer	150,000	150,000	150,000	150,000	150,000	750,000
C. Neighborhood Stabilization	500,000	500,000	500,000	500,000	500,000	2,500,000
D. Administration	303,000	306,030	309,090	312,181	315,303	1,545,605
E. Bond Debt Service (5)	1,061,000	1,061,000	1,061,000	1,061,000	1,061,000	5,305,000
F. Other Debt Service	0	0	0	0	0	0
G. Other Expenses	150,000	150,000	150,000	150,000	150,000	750,000
Total Expenditures	5,834,000	5,837,030	5,840,090	2,673,181	2,676,303	22,860,605
Yearly Ending Balance	9,421,488	5,617,578	1,734,529	961,680	212,576	212,576

1. Based on 20% of projected gross tax increment.
2. Earnings based on 2% of Yearly Beginning Balances.
3. Estimated net proceeds from proposed 2009 Bonds.
4. Includes estimated expenditures from proposed 2009 Bond proceeds.
5. Includes estimated debt service payments on proposed 2009 Bonds.



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6.8 EVIDENCE OF AGENCY COMPLIANCE WITH CCRL SECTION 33334.4

6.8.1 Unmet Affordable Housing Need

Effective January 1, 2002, CCRL Section 33334.4(a) requires that an agency must expend its LMI Housing Fund monies towards assisting housing for persons of very low-, low-income and moderate-income in at least the same proportion as the total number of housing units needed for each of these income groups bears to the total number of units needed for very low-, low-, and moderate-income households within the community, as those needs have been determined by the most recent Regional Housing Needs Assessment (RHNA). This requirement must be met over the same 10-year implementation plan period as the requirements of CCRL Section 33413(b).

In carrying out these requirements over the duration of each implementation plan, pursuant to CCRL Section 33334.4(b), an agency is required to expend LMI Housing Fund monies to assist housing that is available to all persons regardless of age in at least the same proportion as the population under the age of 65 bears to the total population of the community as identified by the most recent census. Therefore, UFI has used the 2000 Census to identify the percentage of residents 65 years of age and older in the community, which will be the maximum percentage allowed for allocation of LMI Housing Fund monies towards assisting housing restricted exclusively to seniors. The remaining LMI Housing Fund monies must be used towards assisting other non-senior exclusive household types. According to the Census 2000, 12.4% of the City's population (2,056 persons) were 65 years of age or older, therefore, in carrying out the requirements of CCRL Section 33334.4(a), no more than 12.4% percent of LMI Housing Fund expenditures can be allocated towards exclusively assisting senior restricted housing. It is the Agency's policy to target its LMI Housing Funds for its citizens age 65 and older via its housing rehabilitation program, but on a non-exclusive basis.

6.8.2 Regional Housing Needs Assessment

The state legislature adopted Assembly Bill 2853 in 19803 requiring all councils of government to develop regional allocations of housing needs (new and existing) for all income categories (fair share of housing) based on regional housing needs.

The existing Ten-Year Affordable Housing Compliance Plan states that the Regional Housing Needs Assessment for the period 1998 through 2005 indicates an affordable housing production requirement for the period 2000 - 2007 of 150 units. Table 17a reflects the fair share allocation distributed by income category and the projected percentage of expenditures. This table has been updated by Table 17b that reflects the new Regional Housing needs Assessment (RHNA) numbers per the July 2008 document. These numbers supersede the RHNA numbers depicted in the preceding 2005-2009 Implementation Plan/Housing Compliance Plan. The change impacts the percentage of LMI funds that is to be allocated amongst the various income categories during the 2009-2014 Implementation Plan period.

³ Codified in California Government Code Sections 65580 through 65589.8.

TABLE 16 Fair Share Housing Allocation		
INCOME GROUP	NO. OF UNITS	% of Affordable Housing Units Required
Very low (0 - 50% County Median Income)	66	44.00
Low (50 - 80% County Median Income)	37	24.67
Moderate (80 - 120% County Median Income)	47	31.33
TOTAL AFFORDABLE UNITS	150	100%
Source: 2005-2014 Ten Year Housing Compliance Plan based on Riverside County Association of Governments 1998-2005 Regional Housing Needs Assessment		

The draft Riverside County Regional Housing Needs Assessment (RHNA) provided by Riverside County Association of Governments in July 2008 states that the fair share for Desert Hot Springs for the Housing Element period of January 1, 2006 to June 30, 2014 is 9,923 units. This is a major policy shift and huge increase in the fair share and affordable housing production needs requirement. The proposed fair share allocation from 2006 through 2014 represents approximately the same unit count as the existing number of residential units in the City. The affordable housing production requirement of 5,601 units represents approximately a 375% increase from the current requirement. The capacity of the City to fulfill its production needs over a five year time frame will be a challenge.

Per the July 2008 RHNA, the affordable housing production needs requirement for the City of Desert Hot Springs by income group is as follows:

<u>Income Level</u>	<u>Units</u>
Very Low income:	2,161
Low income:	1,570
Moderate income:	<u>1,871</u>
Sub-Total Affordable:	5,602
Above Moderate:	<u>4,322</u>
GRAND TOTAL:	9,923

The following quantified objectives for the period 2006 – 2014 by various housing production categories are derived from the draft Housing Element:

CATEGORY	Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTAL
Construction	629	338	1,871	4,322	7,160
Rehabilitation	171	37	20	0	228
Conservation	250	20	0	0	270
Preservation*	0	13	83	0	96

* The City has one assisted housing development, the 96-unit Bella Vista Apartments that is at risk of conversion to market rate housing. The project, built in 1992, contains 13 very low income units and 83 low income units. The funding assistance was Low Income Housing Tax Credits with the term of affordability expiring in 2009. The owners have given notice that they intend to convert the project to market rate housing.

Table 17b of this Implementation Plan below identifies the City's estimated housing need by income limits for very low-, low- and moderate-income households within the community. Based on the housing needs information provided in the City's General Plan Housing Element and as extrapolated in Table 17b below in accordance with CCRL Section 33334.4(a), at least 38.5 percent of all LMI Housing Fund expenditures must be made towards assisting very low-income headed households and at least 28 percent must be made towards assisting low-income headed households. Approximately 33.4 percent of all LMI Housing Fund expenditures can be used to assist moderate income households.

TABLE 17 Fair Share Housing Allocation			
INCOME GROUP	NO. OF UNITS	% of Affordable Housing Units Required	% of Total Housing Units Required
Very low (0 - 50% County Median Income)	2,161	38.57%	21.77%
Low (50 - 80% County Median Income)	1,570	28.02%	15.82%
Moderate (80 - 120% County Median Income)	1,871	33.39%	18.85%
Sub-Total Affordable	5,602	100	N/A
Above Moderate	4,322	N/A	43.55%
TOTAL UNITS	9,923	N/A	100%
Source: Riverside County Association of Governments Regional Housing Needs Assessment July 2008			

6.8.3 Projected LMI Housing Fund Expenditures by Age and Income

Table 18 is an annual breakdown of affordable housing programs funded from monies in the LMI Housing Fund for the planning cycle of the Implementation Plan period. In compliance with CCRL Section 33334.4, Table 18 allocates projected LMI Housing Fund expenditures according to the City's Unmet Need as outlined in the proceeding paragraphs of this section.

6.9 EXCESS SURPLUS

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

As of June 30, 2008, there was \$5,063,787 in the LMI Housing Fund. An excess housing fund surplus exists when the unexpended and unencumbered amount in an agency's housing fund exceeds the greater of \$1 million, or the total amount deposited in the housing fund during the preceding four years. During the period of FY 2004-2005 through 2007-2008, a total of \$5,965,101 was deposited in the Agency's LMI Housing Fund, (\$738,656 for FY 04/05, \$1,197,784 for FY 05/06, \$1,830,561 for FY 06/07, and \$2,198,100 for FY 07/08). In the Agency's case, a condition of excess surplus would exist at the conclusion of FY 08/09 if the total

unexpended and unencumbered balance in the LMI Housing Fund exceeded \$5,965,101. The amount of money in the LMI Housing Fund as of June 30, 2008 did not exceed this amount.

During the term of this Implementation Plan it is projected that the difference between the Agency's LMI Housing Fund receipts and expenditures will be modest thus ensuring that the Agency will not be in an excess surplus position.

6.10 MONITORING

Redevelopment agencies must adequately fund monitoring activities as needed to insure compliance with applicable laws and agreements which enforceably restrict affordable housing units. For purposes of defraying the cost of complying with monitoring requirements, the CCRL permits, but does not require, agencies to establish and impose fees upon owners of affected properties.

For all new and substantially rehabilitated units assisted with LMI Housing funds after January 1, 2008, in addition to the requirement of recording affordability covenants, a separate document called the "Notice of Affordability Restrictions on Transfer of Property" shall be recorded. A copy of this document is attached as Appendix C. This document shall contain a recital of the affordability covenants, the date that the restrictions expire, the street address of the property, the assessor parcel number and the legal description of the property. The recordation is to occur no later than 30 days after the recordation of the affordability covenants.

The CCRL also requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted with LMI Housing Fund monies. In the case of new or substantially rehabilitated rental housing, controls must be placed on the assisted housing units such that they remain affordable for the longest feasible time, but not less than 15 years for units assisted prior to January 1, 2002 and 55 years for units assisted after January 1, 2002. For owner-occupied housing, controls must be recorded that equal 10 years for units assisted prior to January 1, 2002 and 45 years for units assisted after January 1, 2002. As noted above, for owner occupied units and mutual self-help housing units, a shorter duration is sometimes permitted if the Agency established an equity sharing program to protect its investment.

The Agency will need to comply with all components of this annual reporting procedure.



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TABLE 18
Projected Agency LMI Housing Fund Expenditures and Analysis of Future Unmet Need ¹
FY 2009-10 through FY 2013-14

FISCAL YEAR	PROJECTED ANNUAL LMI HOUSING FUND EXPENDITURES							REQUIRED ANNUAL LMI HOUSING FUND EXPENDITURES ⁵		CUMULATIVE UNMET NEED DEFICIT/SURPLUS		CUMULATIVE SENIOR HOUSING LMI HOUSING FUND EXPENDITURES ⁸		
	LOW INCOME ³		VERY LOW INCOME ⁴		MODERATE INCOME ⁴		TOTAL	LOW INCOME	VERY LOW INCOME	LOW INCOME	VERY LOW INCOME	FUNDS EXPENDED ⁹	MAXIMUM ALLOWED	DEFICIT/SURPLUS
	Expenditures	28.02% of Total (a ÷ g)	Expenditures	38.57% of Total (c ÷ g)	Expenditures	33.39% of Total (e ÷ g)	Expenditures (a + c + e)	28.02% of Unmet Need (.298 * g) ⁶	38.57% of Unmet Need (.342 * g) ⁷	Total (h - a + previous year)	Total (i - c + previous year)	Annual Total	12.4 % of Annual Total (.115 * g) ¹⁰	Total (m - l + previous year)
	a	b	c	D	e	f	G	h	i	j	k	l	m	n
BALANCE FORWARD ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2009-10	1,273,509	28.02%	1,753,006	38.57%	1,518,485	33.39%	4,545,000	1,281,690	1,753,006	8,181	0	0	563,580	563,580
2010-11	1,273,509	28.02%	1,753,006	38.57%	1,518,485	33.39%	4,545,000	1,281,690	1,753,006	16,362	0	0	563,580	1,127,160
2011-12	1,273,509	28.02%	1,753,006	38.57%	1,518,485	33.39%	4,545,000	1,281,690	1,753,006	24,543	0	0	563,580	1,690,740
2012-13	336,240	28.02%	462,840	38.57%	400,920	33.39%	1,200,000	338,400	462,840	26,703	0	0	148,800	1,839,540
2013-14	336,240	28.02%	462,840	38.57%	400,920	33.39%	1,200,000	338,400	462,840	28,863	0	0	148,800	1,988,340
TOTALS	4,493,007	28.02%	6,184,698	38.57%	5,357,295	33.39%	16,035,000	4,521,870	6,184,698	28,863	0	0	1,988,340	1,988,340

¹ Compliance with Section 33334.4(a) and (b), and 33490(a)(2)(A), (B), and (c). CCRL Section 33490(a)(2)(A)(iv) requires that a description of how the housing program will implement CCRL Section 33334.4 in the implementation plan be included in implementation plans adopted on or after December 31, 2002.

² From 2002-07 Implementation Plan. Pursuant to CCRL Section 33334.4(b), deficits/surpluses of LMI Housing Fund expenditures to assist very low, low, and moderate income persons in proportion to age are not carried forward from previous redevelopment implementation plans. Deficits/surpluses of LMI Housing Fund expenditures to assist very low and low income persons in proportion to the number of housing units needed, as described by the methodology set forth in CCRL Section 33334.4(a), are carried forward from previous implementation plans over each 10-year period of the Implementation Plan.

³ As defined by Health & Safety Code Section 50105.

⁴ As defined by Health & Safety Code Section 50093.

⁵ Each agency shall expend over each 10-year period of the implementation plan the monies in the LMI Housing Fund to assist housing for persons of low income and housing for persons of very low income in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of moderate, low, and very low income within the community, as those needs have been determined for the community pursuant to Section 65584 of the Government Code (CCRL Section 33334.4(a)).

⁶ Calculated on year-to-year basis. Percentage based on the proportion of the total number of low income housing units needed in relationship to the total number of units needed for persons of moderate, low, and very low income within the community as identified by the City of Desert Hot Springs General Plan, Housing Element, pursuant to CCRL Section 33334.4(a) and Section 65584 of the California Government Code. The current proportion of unmet need for low income housing units in the City of Desert Hot Springs is 28 percent (see Table 17 of this Implementation Plan).

⁷ Calculated on year-to-year basis. Percentage based on the proportion of the total number of very low income housing units needed in relationship to the total number of units needed for persons of moderate, low, and very low income within the community as identified by the City of Desert Hot Springs General Plan, Housing Element, pursuant to CCRL Section 33334.4(a) and Section 65584 of the California Government Code. The current proportion of unmet need for very low income housing units in the City of Desert Hot Springs is 38.57 percent (see Table 17 of this Implementation Plan).

⁸ Each agency shall expend over the duration of each redevelopment implementation plan, the monies in the LMI Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the population under age 65 years bears to the total population of the community as reported in the most recent census of the United States Census Bureau (CCRL Section 33334.4(b)).

⁹ Of the total funds expended in column g, the amount expended to assist housing restricted to persons 65 and over.

¹⁰ Calculated on year-to-year basis. Percentage based on the proportion of the population 65 years of age and over in relationship to the total population of the community as reported in the United States Census 2000. According to Summary File 1, Table P12 for the City of Grover Beach, the current percentage of the community 65 years of age and over is 11.5 percent.

¹¹ The total funding available is derived from expenditure categories A through D on Table 16



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7.0 TEN-YEAR AND LIFE-OF-THE-PLAN HOUSING REQUIREMENTS

CCRL Section 33490(a)(2)(b) requires that the implementation plan provide certain "Ten-Year" and "Life-of-the-Plan" housing production and inclusionary information (see Appendix A for the text or CCRL Section 33490(a) (2) (B). Agency staff anticipates a net total increase of 53 new housing units in the Project Area during the next ten years. However, all of these units have already been accounted for in Tables 14 and 15 of this Implementation Plan and would need to be subtracted from this amount in order not to double count units. Thus the Ten Year Housing Requirements mirror the same inclusionary housing numbers as stated in Tables 14 and 15. Over the life of the Plan, and excluding the next ten years, Agency staff project that a total of 150 new units will be constructed and that 50 units would be torn down, providing a net new 100 additional new units not already counted in the ten-year calculations. If none of these units were developed by the Agency, the Agency would experience an inclusionary obligation of 15 units. Subtracting this number from the 163 unit low/mod inclusionary surplus shown in Table 15 generates a total inclusionary surplus not already identified in Table 15 over the life of the Plan of 148 units.



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8.0 CONSISTENCY WITH CITY'S GENERAL PLAN HOUSING ELEMENT

CCRL Section 33413(b) (4) requires that each agency, ". . .as part of the implementation plan required by Section 33490, shall adopt a [Housing Production] plan. . . ." Section 33413 (b)(4) requires that "[t]he plan shall be consistent with. . .the community's housing element." Additionally, "[t]he plan shall be reviewed and, if necessary, [be] amended at least every five years in conjunction with either the housing element cycle or the plan implementation cycle."

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

In compliance with CCRL Section 33490, the Agency has developed, and included in Section 6 of this Implementation Plan, a goal statement and related objectives specific to the development and implementation of Agency sponsored affordable housing programs in the City. These goals are consistent with the goals contained in the draft 2006-2014 Housing Element Update. The following Goals are contained within the draft 2008 Housing Element:

Goal No. 1: Adequate Housing Sites program

Policy 1.1: The City shall designate sites and zone sites, during the planning period, to accommodate the need for housing for **3,263** households.

Policy 1.2: The City shall designate sites zoned exclusively for residential land use to accommodate the need for housing for no less than **1,650** lower income households.

Policy 1.3: The City shall designate and zone sites to accommodate **200** lower income households by June 30, 2009; **1,100** lower income household by June 30, 2010; **2,000** lower income households by June 30, 2011 and **0** lower income households by June 30, 2012.

Policy 1.4: Acquire through the Redevelopment Agency one or more sites to accommodate the housing need for **200** lower income households.

Goal No. 2: Zoning Code Amendments

Policy 2.1: The City will create zones to accommodate the need for emergency shelters and transitional/supportive housing. By June 30, 2009 the City will identify zones and development standards to allow these uses to be developed as permitted uses.

Goal No. 3: Expanded Housing Opportunities for all Residents of Desert Hot Springs

Policy 3.1: Affordable housing developments shall be encouraged in all areas of the City. Clustering of affordable housing shall be discouraged.

Policy 3.2: The City shall encourage low and moderate-income ownership projects, which provide for either self-help incentives, or first time homebuyer incentives.

Policy 3.3: The City shall continue to allocate set aside funds to Redevelopment Agency programs to meet the State-mandated special shelter needs of first time homebuyers, large families, female headed households, single parent families, senior citizens, handicapped and homeless individuals shall work with new developments to expand the opportunities.

Policy 3.4: The City shall apply density bonus provisions to affordable housing projects, as allowed by State law.

Policy 3.5: The City and Redevelopment Agency will prepare an inclusionary housing ordinance that will be applied to housing developments located within the Redevelopment Project Area and within new residential areas of the City. The ordinance will be adopted by June 2009.(Note: June 2009 is a target date for adoption of the ordinance.)

Policy 3.6: The Redevelopment Agency will provide financial assistance where necessary and appropriate to secure restricted covenants on privately developed new single family and multi-family units.

Policy 3.7: The Redevelopment Agency will continue its efforts to seek motivated property owners, developers and builders to partner and meet the affordable housing standards set for the Agency by the California Community Redevelopment Law.

Goal No. 4: Address and, where appropriate and legally possible, remove Governmental Constraints to the Maintenance, Improvement and Development of Housing

Policy 4.1: The program shall remove constraints to, or provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

Policy 4.2: Remove the conditional use permit requirement on affordable housing and emergency shelters.

Policy 4.3: Maintain Zoning Code development standards and requirements that address the housing needs of special populations such as the homeless and disabled persons.

Policy 4.4: The City shall consider, as an additional incentive, the reduction, subsidizing or deferring of development fees to facilitate the development of affordable housing.

Goal No. 5: Preserve and Maintain the City's affordable housing supply in a safe and sanitary condition.

Policy 5.1: Continue to implement the City's Housing Code Enforcement Program.

Policy 5.2: Continue to implement the Agency's Housing Rehabilitation Program.

Policy 5.3: Continue to cooperate with the County of Riverside in the implementation of home repair and rehabilitation programs.

Policy 5.4: Enforce State Law regarding the relocation of displaced lower income households.

Goal No. 6: Attain a Housing market with “Fair Housing Choice” meaning the ability of Persons of similar Income Levels regardless of Race, Color, Religion, Sex, National Origin, Age, Handicap, and Familial Status to have available to them the same housing choices.

Policy 6.1: Continue to promote Fair Housing Opportunities through the City's participation in the County's Community Development Block Grant Program.

Policy 6.2: Promote Fair Housing by providing information to residents on agencies that can help them with their fair housing needs.

Goal No. 7: Preserve the existing supply of affordable housing that is financially assisted by the City, County, State or Federal governments.

Policy 7.1: The City shall emphasize the protection of existing affordable senior housing units.

Policy 7.2: The City's existing and new affordable housing shall be maintained through the use of resale and rental restrictions, applicant screenings, and other appropriate mechanisms established as conditions of approval.

Inasmuch as the Agency is working to provide affordable housing for all income levels and most specifically housing for persons of very low-, low-, and moderate-incomes; the Agency is required to spend no less than 20 percent of all tax increment monies on affordable housing programs. The Agency has identified in this Implementation Plan those housing projects and programs and the number of dwelling units that it projects to develop, rehabilitate or assist in the development. The Agency hereby determines that the housing goals included in this Implementation Plan and related objectives, ongoing activities, and housing production plan, are consistent with the Housing Element of the City's General Plan.



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9.0 CONCLUSION

This Implementation Plan describes the programs which are proposed to be undertaken by the Agency during the Implementation Plan's planning period in order to assist in the alleviation of blighting conditions existing in the Project Area, and to increase the community's supply of affordable housing. Redevelopment is, however, a very fluid process subject to a myriad of changing issues and the forces of market dynamics. For these reasons a provision for review and amendment to the Implementation Plan has been included in redevelopment law. The CCRL requires that the implementation plan be the subject of periodic public review. This review must be held in a noticed public hearing at least once during the five-year period, no earlier than two years and no later than three years after adoption of the plan (either in 2011 or 2012).

In addition to the mandated review, the Agency may review and amend the plans, goals, objectives and programs and expenditures (following a noticed public hearing) at any time conditions require such an amendment.



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APPENDIX A

Pertinent Portion of CCRL Section 33490 Related to Implementation Plans

Below are excerpts from CCRL: Section 33490.

"33490 (a)(1)(A). On or before December 31, 1994, and each five years thereafter, each agency that has adopted a redevelopment plan prior to December 31, 1993, shall adopt, after a public hearing, an implementation plan that shall contain the specific goals and objectives of the agency for the project area, the specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and implement the requirements of [CCRL] Section 33333.10, if applicable, and [CCRL] Sections 33334.2, 33334.4, 33334.6, and 33413. After adoption of the first implementation plan, the parts of the implementation plan that address [CCRL] Section 33333.10, if applicable, and [CCRL] Sections 33334.2, 33334.4, 33334.6, and 33413 shall be adopted every five years either in conjunction with the housing element cycle or the implementation plan cycle. The agency may amend the implementation plan after conducting a public hearing on the proposed amendment.... Subsequent implementation plans required pursuant to this section shall be adopted pursuant to the terms of this section, and as if the first implementation plan had been adopted on or before December 31, 1994.

"(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 of a specific program, project, or expenditure from the agency or community. The adoption of an implementation plan shall not constitute a project within the meaning of Section 21000 of the Public Resources Code.... In addition, the inclusion of programs, potential projects, and expenditures in an implementation plan shall not eliminate review pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), at the time of the approval of the program, project, or expenditure, to the extent that it would be otherwise required.

"(2) (A) A portion of the implementation plan shall address the agency housing responsibilities and shall contain a section addressing [CCRL] Section 33333.10, if applicable, and [CCRL] Sections 33334.2, 33334.4, and 33334.6, the Low and Moderate Income Housing Fund, and, if subdivision (b) of [CCRL] Section 33413 applies, a section addressing agency-developed and project area housing. The section addressing the Low and Moderate Income Housing Fund shall contain:

"(i) The amount available in the Low and Moderate Income Housing Fund and the estimated amounts which will be deposited in the Low and Moderate Income Housing Fund during each of the next five years.

"(ii) A housing program with estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years.

"(iii) A description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund over a 10-year period for various groups as required by [CCRL] Section 33334.4....

"(iv) This requirement to include a description of how the housing program will implement [CCRL] Section 33334.4 in the implementation plan shall apply to implementation plans adopted pursuant to subdivision (a) on or after December 31, 2002.

"(B) For each project area to which subdivision (b) of [CCRL] Section 33413 applies, the section addressing the agency developed and project area housing shall contain:

"(i) Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within one or more project areas, both over the life of the plan and during the next 10 years.

"(ii) Estimates of the number of units of very low, low-, and moderate-income households required to be developed within one or more project areas in

order to meet the requirements of paragraph (2) of subdivision (b) of [CCRL] Section 33413, both over the life of the plan and during the next 10 years.

"(iii) The number of units of very low, low-, and moderate-income households which have been developed within one or more project areas which meet the requirements of paragraph (2) of subdivision (b) of [CCRL] Section 33413.

"(iv) Estimates of the number of agency developed residential units which will be developed during the next five years, if any, which will be governed by paragraph (1) of subdivision (b) of [CCRL] Section 33413.

"(v) Estimates of the number of agency developed units for very low, low-, and moderate-income households which will be developed by the agency during the next five years to meet the requirements of paragraph (1) of subdivision (b) of [CCRL] Section 33413.

"(C) The section addressing [CCRL] Section 33333.10, if applicable, and [CCRL] Section 33334.4 shall contain all of the following:

"(i) The number of housing units needed for very low income persons, low-income persons, and moderate-income persons as each of those needs have been identified in the most recent determination pursuant to Section 65584 of the Government Code, and the proposed amount of expenditures from the Low and Moderate Income Housing Fund for each income group during each year of the implementation plan period.

"(ii) The total population of the community and the population under 65 years of age as reported in the most recent census of the United States Census Bureau.

"(iii) A housing program that provides a detailed schedule of actions the agency is undertaking or intends to undertake to ensure expenditure of the Low and Moderate Income Housing Fund in the proportions required by [CCRL] Section 33333.10, if applicable, and [CCRL] Section 33334.4.

"(iv) For the previous implementation plan period, the amounts of Low and Moderate Income Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low income households, very low income households, and low-income households; the number, the location, and level of affordability of units newly constructed with other locally controlled government assistance and without agency assistance and that are required to be affordable to, and occupied by, persons of low, very low, or extremely low income for at least 55 years for rental housing or 45 years for homeownership housing, and the amount of Low and Moderate Income Housing Fund moneys utilized to assist housing units available to families with children, and the number, location, and level of affordability of those units.

"(3) If the implementation plan contains a project that will result in the destruction or removal of dwelling units that will have to be replaced pursuant to subdivision (a) of [CCRL] Section 33413, the implementation plan shall identify proposed locations suitable for those replacement dwelling units.

"(4) For a project area that is within six years of the time limit on the effectiveness of the redevelopment plan established pursuant to [CCRL] Section 33333.2, 33333.6, 33333.7, or 33333.10, the portion of the implementation plan addressing the housing responsibilities shall specifically address the ability of the agency to comply, prior to the time limit on the effectiveness of the redevelopment plan, with subdivision (a) of [CCRL] Section 33333.8, subdivision (a) of [CCRL] Section 33413 with respect to replacement dwelling units, subdivision (b) of [CCRL] Section 33413 with respect to project area housing, and the disposition of the remaining moneys in the Low and Moderate Income Housing Fund....

"(c) Every agency, at least once within the five-year term of the plan, shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation plan for each redevelopment project within the jurisdiction and evaluating the progress of the redevelopment project. The hearing

required by this subdivision shall take place no earlier than two years and no later than three years after the adoption of the implementation plan... An agency may hold one hearing for two or more project areas if those project areas are included within the same implementation plan.

"(d) Notice of public hearings conducted pursuant to this section shall be published pursuant to Section 6063 of the Government Code, mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the project area for a period of three weeks. Publication, mailing, and posting shall be completed not less than 10 days prior to the date set for hearing.

"

APPENDIX B

Summary of Special Regulations Related to the Agency's Provision of Housing Affordable to Households of Moderate and Lesser Income

Section 33413(b)(4) of the CCRL requires that, as part of the Implementation Plan, an agency adopt a plan to comply with the requirements of the inclusionary rule. In addition, CCRL Sections 33413.5 and 33334.5 require replacement housing plans for compliance with the replacement rule.

THE "REPLACEMENT RULE"

Section 33413(a) of the CCRL requires that whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project subject to a written agreement with the agency or having been provided financial assistance by an agency, the agency shall, within four (4) years of the removal of the dwelling units, cause to be developed an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency.

For affordable units removed prior to September 1, 1989, replacement units must be available at an affordable housing cost⁴ to persons and families of low- and moderate-income (very low-income levels excluded therein) without regard to the specific income of the person or family originally occupying the removed dwelling unit. However, for units removed after January 1, 2002, California law requires that 100 percent of the replacement units must be affordable to the same income groups, inclusive of very low-income levels, that occupied the units removed or destroyed.

THE "INCLUSIONARY RULE"

Section 33413(b)(1) of the CCRL requires that at least 30 percent of all dwelling units actually developed by a redevelopment agency shall be available at affordable housing cost to persons and families of low- or moderate-income, and not less than 50 percent of the units shall be available at affordable housing to very low-income households.

Section 33413(b)(2) of the CCRL requires that at least 15 percent of all dwelling units developed within a project area by public or private entities or persons other than the redevelopment agency shall be available at affordable housing cost to persons and families of low- or moderate-income, and not less than 40 percent of the affordable units shall be available at affordable housing cost to very low-income households. To illustrate the inclusionary rule in terms of numbers, of every 100 dwelling units developed or rehabilitated by entities other than the agency, 15 shall be affordable, with nine affordable to persons of low-or moderate-income, and six available to persons of very low-income.

To satisfy this requirement an agency may cause, by agreement or regulation, to be available at affordable housing costs to persons and families of low- or moderate-income, or to very low-income households, two units outside a project area for each unit that otherwise would have had to be available inside a project area.

⁴ As defined in Health and Safety Code Sections 50052.5 and 50053.

TERMS OF AFFORDABILITY

Section 33413(c) of the CCRL requires that replacement and inclusionary units shall remain available at affordable housing cost to the income levels indicated for the longest feasible time, which includes but is not limited to unlimited duration. CCRL Section 33334.3(f) states that when new or substantially rehabilitated housing units are developed or assisted with money from an agency's 20 percent affordable housing set-aside fund, the agency shall require that those housing units remain affordable for the longest feasible time, but for not less than 55 years for rental units or 45 years for owner-occupied units.

DEFINITION OF AFFORDABLE HOUSING

Most governmental programs define housing as affordable when the household is paying no more than 30 percent of household income for housing. In addition, a median income based on household size, is assessed for each county within the state. Since governmental programs are intended to provide affordable housing for specific income groups, target groups of very low (less than 50 percent of County median income), low (between 50 and 80 percent of County median income) and moderate (between 80 and 120 percent of County median income) are also calculated.

INCLUSIONARY HOUSING PLAN REQUIREMENT

Section 33413(b)(4) of the CCRL, added in 1991, requires each redevelopment agency to adopt a compliance plan to be included as part of the implementation plan required by Section 33490, indicating how the agency will comply with the requirements of the inclusionary rule; the compliance plan must be consistent with the Housing Element of the City's General Plan. The compliance plan shall be reviewed and amended at least every five years, in conjunction with either the Housing Element cycle or the plan implementation cycle. The compliance plan must ensure that the requirements of 33413(b) are met every ten years.

Section 33490(a)(2)(B) requires that for each project area to which subdivision (b) of Section 33413 applies, the Section addressing the agency-developed and project area housing shall contain:

- (i) *Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within one or more project areas, both over the life-of-the-Plan and during the next ten years.*
- (ii) *Estimates of the number of units of very low-, low-, and moderate-income households required to be developed within one or more project areas in order to meet the requirements of paragraph (2) of subdivision (b) of Section 33413, both over the life-of-the-Plan and during the next ten years.*

- (iii) *The number of units of very low-, low-, and moderate-income households which have been developed within one or more project areas which meet the requirements of paragraph (2) of subdivision (b) of Section 33413.*
- (iv) *Estimates of the number of agency developed residential units which will be developed during the next five years, if any, which will be governed by paragraph (1) of subdivision (b) of Section 33413.*
- (v) *Estimates of the number of agency developed units for very low-, low-, and moderate-income households which will be developed by the agency during the next five years to meet the requirements of paragraph (1) of subdivision (b) of Section 33413.*

USE OF FUND MONEYS OUTSIDE OF THE PROJECT AREA

CCRL Section 33334.2(g) makes provision for redevelopment agencies to use their LMI Fund moneys outside of a redevelopment project area if the redevelopment agency and the city council find that use of these funds outside the project area will be of benefit to the project.

AGGREGATE INCLUSIONARY HOUSING UNITS BETWEEN ONE OR MORE PROJECT AREAS

CCRL Section 33413(b)(2)(A)(v) allows redevelopment agencies to aggregate new or rehabilitated dwelling units in one or more project area, if the agency finds, based on substantial evidence, after a public hearing, that the aggregation will not cause or exacerbate racial, ethnic, or economic segregation.

APPENDIX C

**Notice of Affordability
Restrictions on Transfer of
Property**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Desert Hot Springs Redevelopment Agency
65950 Pierson Blvd.
Desert Hot Springs, California 92240
Attention: Executive Director/City Manager

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383

County of Tulare) ss
)

On _____ before NOTICE OF AFFORDABILITY RESTRICTIONS
ON
TRANSFER OF PROPERTY

This Notice of Affordability Restrictions on Transfer of Property (or "Notice of Affordability Restrictions") is executed and recorded pursuant to Section 33334.3(f)(3)(B) of the California Health and Safety Code as amended by AB 987, Chapter 690, Statutes of 2007 (herein, "Chapter 690"), and affects that certain property located in the City of Desert Hot Springs, generally described as Assessor's Parcel Number ___-___-___, and legally described in Exhibit "A" attached hereto and incorporated herein (the "Property"). The Desert Hot Springs Redevelopment Agency (the "Agency") and _____ ("Owner") have previously entered into that certain _____ Agreement dated as of _____, 200__ (the "Agreement").

1. The Agreement provides for affordability restrictions and restrictions on the transfer of the Property, as more particularly set forth in the Agreement. The Agreement has been recorded, as noted herein, and a copy of the Agreement is on file with the Agency as a public record and is deemed incorporated herein. Reference is made to such instrument with regard to the complete text of the provisions of such Agreement which provides for affordability restrictions and restrictions on the transfer of the Property.

2. Any Transfer of the Property is subject to the provisions of the Agreement. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Property, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest of more than two (2) months in any twelve (12) month period without the Agency's written consent, or an interest evidenced by a land contract by which possession of the Property is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of the Agreement is prohibited and is void. Transfers by gift, devise, or inheritance to an existing spouse, surviving joint tenant, or a spouse as part of a dissolution proceeding, or in connection with marriage shall not be considered a transfer for the purposes of the Agreement; provided, however, the provisions of the Agreement shall remain in effect.

3. The Agreement contains affordability restrictions that restrict any purchase, assignment or transfer of the Property to an "Eligible Purchaser" within certain price restrictions, as specifically defined in the Agreement, for a period of (use forty-five (45) years for single family and fifty-five (55) years for multi-family) from the date of the Agreement.
4. The assessor's parcel number for the Property is: ____-____-____; such number is subject to change.
5. The legal description for the Property is attached hereto as Exhibit A and is incorporated herein by reference.
6. The Agreement, which includes the affordability restrictions referenced above, was recorded in the Office of the Riverside County Recorder as Document No. _____, and is incorporated herein by reference.
7. This Notice of Affordability Restrictions is intended merely to satisfy the requirements of Chapter 690. The Agreement shall remain in full force and effect and is not amended or altered in any manner whatsoever by this Notice of Affordability Restrictions.
8. Capitalized terms shall have the meaning established under the Agreement (including all attachments thereto) excepting only to the extent as otherwise expressly provided under this Notice of Affordability Restrictions.
9. Persons having questions regarding this Notice of Affordability Restrictions, the Agreement or the Attachments thereto should contact the Agency at its offices (i.e., 65950 Pierson Blvd., Desert Hot Springs, CA 92240 or such other address as may be designated by the Agency from time to time).

(SIGNATURES ON FOLLOWING PAGE)

OWNER:

_____ type name in caps above this line

By: _____

By: _____

AGENCY:

DESERT HOT SPRINGS REDEVELOPMENT
AGENCY, a public body, corporate and politic

By: _____

Its: _____

EXHIBIT A

Legal Description

That real property located in the State of California, County of Riverside, City of Desert Hot Springs, and described as follows:

APN ____ - ____ - ____

Insert Legal Description Here

