THE SAN DIMAS REDEVELOPMENT AGENCY'S FIVE YEAR IMPLEMENTATION PLAN 2010-2015

ADOPTED JUNE 22, 2010

RESOLUTION No. 191

RESOLUTION NO. 191

A RESOLUTION OF THE SAN DIMAS REDEVELOPMENT AGENCY OF THE CITY OF SAN DIMAS, CALIFORNIA, ADOPTING AN IMPLEMENTATION PLAN FOR ITS CREATIVE GROWTH AND RANCHO SAN DIMAS PROJECT AREAS

WHEREAS, the Community Redevelopment Law requires that the San Dimas Redevelopment Agency ("Agency") adopt an implementation plan for the Creative Growth and Rancho San Dimas Redevelopment Project Areas; and

WHEREAS, said implementation plan must contain a statement of the specific goals and objectives of the agency for the project areas, and the specific projects and expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives will eliminate blight within the project areas, and implement the requirements of Section 33334.2, 33334.4, 33334.6 and 33413 the Housing Replacement Plan; and

WHEREAS, the Agency has prepared the required implementation plan and made it available for public view; and

WHEREAS, Publication and Posting notice was given in the manner required by law that the Agency would conduct a public hearing on the proposed implementation plan on June 8, 2010; and

WHEREAS, on June 8, 2010 the public hearing was opened and continued to June 22, 2010 and on June 22, 2010 the Agency conducted a continued public hearing and discussed the proposed implementation plan.

NOW, THEREFORE, the San Dimas Redevelopment Agency does find, determine and declare as follows:

1. The San Dimas Redevelopment Agency's Five Year Implementation Plan 2010-2015 is hereby adopted as the implementation plan for its Creative Growth and Rancho San Dimas project areas.

2. The Secretary of this Agency shall certify to the adoption of Resolution No. 191.

Passed, approved and adopted this 22nd day of June, 2010.

Curtis W Morris

Curtis W. Morris, Chairman

ATTEST:

Ina Rios, Secretary

I HEREBY CERTIFY that the foregoing Resolution No. 191 was adopted by vote of the San Dimas Redevelopment Agency Board of Directors at its regular meeting of June 22, 2010, by the following vote:

AYES:	Messrs. Badar, Bertone, Ebiner, Templeman, Morris
NOES:	None
ABSENT:	None
ABSTAIN:	None

Ina Rios, Secretary

INTRODUCTION

The California Community Redevelopment Law requires that each redevelopment agency adopt a five-year implementation plan that provides documentation for the link between the elimination of blight and the proposed actions of the redevelopment agency. For redevelopment plans adopted on or after January 1, 1994, the agency is required to include an implementation plan in the report submitted by the agency to the legislative body prior to adoption of the redevelopment plan (Section 33352; Sec 12). Each agency that adopted a redevelopment plan prior to December 31, 1993, must adopt, after a public hearing, an implementation plan on or before December 31, 1994 (Section 33490(a); Sec 30). Thereafter, this implementation plan shall be revised and adopted every five years (Section 33490(b); Sec 30). In addition, at least once during the five-year period, a public hearing on the implementation plan is required to be held. Amendments to the plan may be made at this time.

The implementation plan must describe specific goals and objectives of the agency programs, including a program of actions and expenditures to be made within the next five years of the plan, and a description of how these goals, objectives, programs and expenditures will assist in the alleviation of blight. The implementation plan required of agencies with existing project areas must also describe how the agency will implement both the requirement to increase, improve and preserve low- and moderate-income housing and the inclusionary housing requirement. This section of the plan must contain an annual housing program and specific plans for the expenditures of monies form the Housing fund. If the implementation plan contains a project that will result in the destruction of the low- or moderate-income housing, the implementation plan must identify proposed locations suitable for the replacement dwelling units.

The San Dimas Redevelopment Agency has prepared the following five-year implementation plan. As allowed by Section 33490(c) of the Health and Safety Code, this plan addresses the Creative Growth and Rancho San Dimas Project areas together.

PROJECT AREA BACKGROUND

In 1972, the San Dimas Redevelopment Agency was established to provide a tool to eliminate blighting conditions and this insure the City's economic base would grow and remain healthy through the provision of new public improvements, commercial development, and affordable housing.

In 1972, the Creative Growth project was adopted and covered the downtown core area and Frontier Village, including the intersection of Arrow Highway and Bonita Avenue. The original project area extends from Walnut on the east to the I-210 freeway on the west and includes land on both north and south sides of Bonita Avenue (See Attachment 1). In 1976, the Creative Growth project area was amended to include land south of Bonita Avenue, east of San Dimas Avenue, north of Arrow Highway, and west of Walnut Avenue. Also included in the 1976 amendment areas is land located generally east of the 210 freeway, north and south of Arrow Highway, and west of Acacia Street. Located in the 1976 amendment area are the Puddingstone

Shopping Center, Sunnyside Senior Citizen apartments, and the San Dimas Station retail complex.

In 1983, the Creative Growth project was amended a second time to include that area lying generally westerly of the I-210 Freeway, northerly of Arrow Highway, southerly of Gladstone Street and easterly of Lone H Avenue. This amended area contains portions of the Specific Plan 20 area and all of Specific Plan 24 (see Attachment 1). The 1983 amendment area also includes land located easterly of Walnut Avenue, southerly of Balboa Court, westerly of San Dimas Canyon Road and northerly of Arrow Highway. This easterly portion of the 1983 amendment area includes the Canyon Road Shopping Center, San Dimas Post Office, proposed Sheriff's Station and Fire Station.

The Creative Growth project area was amended a third time in 1997 adding approximately 382 acres throughout central and western San Dimas adjacent to the existing Creative Growth Project Area. The area is generally bounded by Foothill Blvd. on the north, Arrow Highway and Cienega Avenue on the south, Valley Center Avenue on the west, and San Dimas Canyon on the east. The project area is composed of a wide variety of land uses, including predominantly single family residential, commercial, industrial land uses, various public services, and utilities. The 1997 amendment also combined the tax increment limits for the 1972, 1976 and 1983 project areas. The territory added in 1997 has no tax increment limit, because none is required for redevelopment projects adopted after 1993.

In 1989, the Agency formed the Rancho San Dimas project area consisting of 9+ acres immediately north of Cienega Avenue and immediately west of the 1-210 Freeway (see Attachment 1).

REDEVELOPMENT PLAN TIME AND FINANCIAL LIMITS

CREATIVE GROWTH

The Redevelopment Law has changed over the time of existence of the Project Area. Among the changes are the requirements of different limitations of the receipt of tax increment, the time to issue debt, and the life of redevelopment plans. In 1993 the legislature enacted a series of redevelopment reforms, commonly referred to as AB 1290 that applied some limitations to existing redevelopment plans and different limitations to redevelopment plans and plan amendments adopted beginning in 1994. In addition, redevelopment agencies were required to make deposits to the Educational Revenue Augmentation Fund for 1993, 1994, 1995 and 1996. These payments funded schools and reduced the State's contribution to fund education. Legislation enabled redevelopment agencies to extend the time of the effectiveness of their redevelopment plans and the time to collect tax increment by one to three years. The Agency has made three year extensions for the Original Area, the 1976 Amendment, and the 1984 Amendment, and a one year extension for the 1997 Amendment.

The 1997 Amendment is not eligible for the additional two years of extensions. In 2001 the legislature enacted SB 211 which allowed amendments of existing limitations under some circumstances for the pre-AB 1290 redevelopment project areas including the time allowed to incur indebtedness. For pre-AB 1290 plans, pursuant to AB 1290 the time limit to incur indebtedness is 20 years from the date of adoption of the redevelopment plan or January 1, 2004, whichever is later. Table below illustrates general information regarding the Project Area and its amendment areas.

Project Area General Information

Project Name	Adoption Date	Plan Expiration	Last Date to Incur Debt	Last Date to Repay Debt	Tax Increment Limit	Limit on Outstanding Bond Debt
Original Area	27-Nov-72	27-Nov-15	n/a	27-Nov-25	$205 million starting with 1986	$30 Million
1976 Amendment	14-Dec-76	14-Dec-19	n/a	14-Dec-29		
1983 Amendment	22-Nov-83	22-Nov-26	n/a	22-Nov-36		
1997 Amendment	25-Nov-97	25-Nov-32	25-Nov-17	25-Nov-42	n/a	n/a

The tax increment limit of $205 million applies collectively to tax increment received since 1986 from the Original Area, the 1976 Amendment, and the 1983 Amendment. To date, $44.7 million has been collected from the three Areas per the Los Angeles County Auditor-Controller. The 1997 Amendment is a post AB 1290 area and has no tax increment limit. The last date to incur debt for the 1997 Amendment is November 25, 2017.

TAX SHARING OBLIGATIONS

Statutory Tax Sharing

- **AB 1290** The 1998 Amendment was adopted after January 1, 1994 and is obligated to make statutory tax sharing payments pursuant to Section 33607.5 of the Redevelopment Law. The statutory tax sharing occurs in three tiers. The first tier of tax sharing begins in the first fiscal year that the Merger Annex receives tax revenue and is 25% of Gross Revenue net of the Housing Set-Aside Requirement. This amount is paid on a prorated basis to all taxing agencies within the project area including the City if it makes the election to receive its share. This first tier of statutory tax sharing continues for as long as the Merger Annex may receive tax revenue for the repayment of indebtedness.

  Beginning in the eleventh fiscal year after the project area receives tax revenue (fiscal year 2014-15) of the project's life and using the project area assessed value of fiscal year 2013-14 as an adjusted base value for calculation of the second tier of incremental value, 21% of the revenue derived from the incremental difference between the current year assessed value and the adjusted base value less 20% for housing set-aside is passed through to the taxing agencies, except the City, in addition to the initial pass through amount. The City may not elect to receive its prorated share of the second tier of statutory tax sharing.

Beginning in the thirty first fiscal year after the project area receives tax revenue (fiscal year 2034-35) of the project's life and using the project area assessed value of fiscal year 2033-34 as a second adjusted base value for calculation of the third tier of incremental value, 14% of the revenue derived from the incremental difference between the current year assessed value and the second adjusted base value less 20% for housing set-aside is passed through to the taxing agencies, except the City, in addition to the first and second tier pass through amounts. The City may not elect to receive its prorated share of the third tier of statutory tax sharing.

The AB 1290 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments.

- **SB 211** Until April 2005, the Original Area, the 1976 and 1984 Amendment Areas were not authorized to incur new indebtedness after January 1, 2004. In 2001 the Legislature enacted SB 211 which, among other things, allowed pre-AB 1290 project areas to eliminate the time limit on incurring indebtedness. The City Council adopted Ordinance 1152 to eliminate the January 1, 2004 time limit. As a consequence of the three pre-AB 1290 Areas are subject to statutory tax-sharing beginning the year after the former time limit expired.

  The statutory tax-sharing under SB 211 is similar to the provisions of AB 1290 described above except that the first adjusted base year is the year in which the former limit expired. Also, SB 211 tax-sharing payments only continue through the life of the redevelopment plan, not the full period that an agency can receive tax increment.

  The SB 211 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments.

- **Negotiated Agreements** Prior to the enactment of AB 1290 redevelopment agencies were authorized under Section 33401 to negotiate tax-sharing agreements with taxing entities impacted by a proposed redevelopment project area to alleviate the fiscal burden the redevelopment project area may impose on the taxing entity. The Agency entered a Section 33401 agreement with Los Angeles County and the Los Angeles County Fire Protection District. Pursuant to the agreement the Agency is to pay the County 53 percent of the general levy tax increments less the County's proportionate contribution to the Low and Moderate Income Housing Fund. After June 30, 2019, the Low and Moderate Income Housing proportion is no longer deducted from the County payments.

- **Developer Obligations** The Agency has entered into agreements to assist the development of Costco and Lowes. An additional agreement is anticipated to be entered to provide assistance for Walker House.

- **City Obligations** The Agency has a 30 year payment schedule to repay loans advance by the City. Additionally, the Agency annually pays the City for administrative expenses.

RANCHO SAN DIMAS

The Redevelopment Law has changed over the time of existence of the Project Area. Among the changes are the requirements of different limitations of the receipt of tax increment, the time to issue debt, and the life of redevelopment plans. In 1993 the legislature enacted a series of redevelopment reforms, commonly referred to as AB 1290, that applied some limitations to existing redevelopment plans and different limitations to redevelopment plans and plan amendments adopted beginning in 1994. In addition, redevelopment agencies were required to make deposits to the Educational Revenue Augmentation Fund (ERAF) for 1992-93 through 1994-95 and again for 2002-03 through 2005-06. These payments funded schools and reduced the State's contribution to education funding. Legislation enabled redevelopment agencies that made ERAF payments to extend the time of the effectiveness of their redevelopment plans and the time to collect tax increment by one to three years. The Agency has made a three year extension for the Project Area.

In 2001 the legislature enacted SB 211 which allowed amendments of existing limitations under some circumstances for the pre-AB 1290 redevelopment project areas including the time allowed to incur indebtedness. For pre-AB 1290 plans, pursuant to AB 1290 the time limit to incur indebtedness is 20 years from the date of adoption of the redevelopment plan or January 1, 2004, whichever is later. Under the provisions of SB 211 the Agency has eliminated the time limit to incur indebtedness. The elimination of the time limit to incur debt triggers a tax-sharing obligation to taxing agencies in the Project Area that do not have an existing tax-sharing agreement. The SB 211 tax-sharing (see Tax Sharing Obligations below) begins upon expiration of the original tax increment limit. Under AB 1290 that limit would have been 20 years from the adoption of the tax increment provision which we have assumed for our tax increment projections.

Pre-AB 1290 redevelopment plans were required to include a limit on tax increment and a limitation on the amount of tax allocation bonds that can be outstanding at one time. Post-AB 1290 redevelopment plans do not have these limitations. We are unaware that such limits have been established for the Project Area. The County is treating the Project Area as an AB 1290 project area without a limit on tax increment revenue.

The table below illustrates general information regarding the Project Area and its amendment areas.

Project Area General Information Adoption Date	Plan Expiration	Last Date to Incur Debt	Last Date to Repay Debt	Tax Increment Limit	Limit on Outstanding Bond Debt
25-April 95 (1)	25 June 23	n/a	25 June 33	Unavailable	Unavailable

Tax Sharing Obligations

The City Council adopted an SB 211 Ordinance eliminating the time limit for incurring debt for the Project Area. As a consequence of the Project Area is subject to statutory tax-sharing beginning the year after the former time limit expired. We are assuming that the existing time limit will expire on June 25, 2015 (20 years from the adoption of the tax increment provisions).

The statutory tax-sharing under SB 211 is similar to the provisions of AB 1290. The statutory tax sharing occurs in three tiers. The first tier of tax sharing begins in the first fiscal year after the previous limitation expires. The year the previous limitation expires in the adjusted base year. The tax agencies in the Project Area receives tax revenue are paid 25% of Gross Revenue net of the Housing Set-Aside Requirement from the growth of incremental assessed value above the adjusted base year. Taxing entities with pre-existing tax sharing agreements continue to receive their payments in accordance with the pre-existing agreement. The remaining amount is paid on a prorated basis to all taxing agencies within the project area including the City if it makes the election to receive its share. This first tier of statutory tax sharing continues through the life of the Plan.

Beginning in the eleventh fiscal year after the old limit expires a new adjusted base value (the tenth year) is established for calculation of the second tier of payments. The payments to tax agencies consist of 21% of the revenue derived from the incremental difference between the current year assessed value and the second adjusted base value less 20% for housing set-aside, except the City, in addition to the initial pass through amount. The City may not elect to receive its prorated share of the second tier of statutory tax sharing.

A similar process takes place for the 31st year. For the Project Area the Plan will expire prior to the 31st year.

The SB 211 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments. SB 211 payments stop with the termination of the Plan even though the Agency has ten more years to collect tax increment.

Prior to the enactment of AB 1290 redevelopment agencies were authorized under Section 33401 to negotiate tax-sharing agreements with taxing entities impacted by a proposed redevelopment project area to alleviate the fiscal burden the redevelopment project area may impose on the taxing entity. The Agency entered a Section 33401 agreement with Los Angeles County and the County Fire Protection District. Pursuant to the agreement the Agency annually is to pay the County 29.47% and the County Fire Protections District 15.45% of the general levy tax increments. The County agreed to defer the first $300,000 of its payment providing the Agency funded flood control or other projects of benefit to the County. To the extent the Agency and/or the city funded projects of benefit to the County the Agency's outstanding balance is to be reduced. According to the Agency the debt to the County has been extinguished due to the Agency's contributions to projects of benefit to the County.

The Agency also entered an agreement with the Bonita Unified School District. Since the agreement only calls for statutory SB 211 pass-through payments we have treated the District as part of SB 211.

The Agency has a 30 year payment schedule to repay loans advance by the City. Additionally, the Agency annually pays the City for administrative expenses.

RECENT AGENCY ACTIVITIES

Since the adoption of these project areas, the San Dimas Redevelopment Agency has, in cooperation with the private sector, successfully completed several important projects, both public and private, including San Dimas Station, Ralph's Center, the San Dimas Business Park, Ride and Show Engineering, the Bonita Car Wash and Comfort Suites Motel, Extended Stay America, Target Commercial Center Puddingstone Shopping Center renovations, San Dimas Hardware Store historical renovation and creation of affordable apartments, the Lowes and Levitz Center, Costco and the Walker House renovation.. . The Agency has assisted in the development of several important housing projects including the Villa San Dimas Apartments, Sunnyside Senior Apartments, and Monte Vista Senior Apartments.

The results of these project areas have been the creation of over 5,000 permanent jobs. These project areas have generated additional tax revenues to the City of San Dimas, which is partially responsible for the City's ability to continue to deliver a high level of services to its residents.

The above referenced redevelopment projects accounts for roughly 68%, of its total retail sales tax and nearly all of its $675,000 in annual transient occupancy taxes.

Public improvements and facilities that have been assisted by the Agency's action include street improvements, sewer and storm drain improvements, sidewalk improvements and street lighting improvements.

The Agency's assistance in the completion of major infrastructure improvements has stimulated substantial investments by private and semi-private industry as evidenced by the selection of San Dimas as the site for Louis Vuitton, Kaiser Permanente, Gilead Sciences, Wescorp, Nextar Corporation, K.T.I. Engineering, ADP Systems, Golden State Water Company, and offices of Southern California Edison and the Gas Company. The Agency recognized the importance of these infrastructure improvements in recycling blighted property and enhancing the economic strength of the project areas and thus, the entire City of San Dimas.

The San Dimas Redevelopment Agency has been responsible for stimulating the provision of high quality affordable housing not only through construction of new housing units, but also via the rehabilitation of the existing housing stock.

Identification of Key Blighting Conditions

The definition of blight has changed significantly since the Creative Growth Redevelopment Project and the Rancho San Dimas Redevelopment Project were adopted. Although the San

Dimas Redevelopment Agency's project areas were adopted under previous definitions, the most recent definition was primarily relied upon to identify blighting conditions existing in the project areas for purposes of this plan. Following is an excerpt from the Health and Safety Code (Section 33030 and 33031) which contains the most recent blight definitions. Because a primary purpose of the implementation plan is to link the actions of the agency to the elimination of blight, these sections are being presented in their entirety, rather than being incorporated by reference.

According to CRL Section 33031(a), the following conditions are the physical characteristics that cause blight:

- Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Chapter 8.0 will show how the proposed Amendment Area is predominately affected by negative physical conditions.

In addition to having conditions of physical blight, redevelopment areas must also exhibit at least one condition of economic blight. According to CRL Section 33031(b), the following conditions are the economic characteristics that cause blight:

- Depreciated or stagnant property values.
- Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

- Serious residential overcrowding that has resulted in significant public health or safety problems.[1]
- An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant in public health, safety, or welfare problems.

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

ON-GOING CONDITIONS OF BLIGHT

The following conditions have been identified in the project areas.

Unsafe and Unsightly Buildings

Both project areas contain numerous buildings, both commercial and residential, which do not meet current public safety codes due to lack of fire sprinklering and other obsolete and unsafe construction methods. In addition, properties exist within the project areas which contain poorly maintained structures necessitating a large amount of code enforcement oversight. Other buildings are in need of seismic safety reinforcement such as those with unreinforced masonry construction. Some commercial centers are in need of facade and common area renovations.

Physically Obsolete Building/Lots

Throughout the project areas small and/or irregularly sloped building lots under multiple ownership militates against optimum land use development absent agency intervention.

There exist within the project areas several instances of residential uses adjacent to industrial or commercials uses without sufficient buffering to serve as a transition area to adjacent uses.

Economically Obsolete Building/Lots

There are several examples of these, particularly in the Creative Growth second amendment area and the downtown core area.

Inadequate Public Improvements

The project areas have major infrastructure deficiencies, which have been identified and include the need for major street reconstructions, storm drain and sewer improvements, water capacity improvements, underground utility projects, and public parking improvements.

[1] Overcrowding means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.

PROPOSED AGENCY FIVE YEAR GOAL AND OBJECTIVES

Section 33490 (a) (1) states that the implementation plan shall contain the specific goals and objectives of the Agency for the project area.

The goals and objectives of the Creative Growth Redevelopment project are as follows:

- The Agency will assist in the preservation and enhancement of the economic health and stability of the community.

- The Agency will promote the new residential development at a variety of sites and costs, to preserve the availability of existing housing units now affordable to persons and families of low and moderate income, and to encourage the rehabilitation of existing residential units as necessary.

- The Agency had identified the vacant Canyon Shopping Center as obsolete and the site in need of rehabilitation. The Agency has assisted the property owner's to begin with new development of the site.

- The Agency will promote development of property located on the south side of Bonita Avenue between Cataract Avenue and Acacia Street with a commercial use that is compatible with the downtown.

- The Agency will assist with the development of the irregularly shaped Agency owned property on Bonita Avenue and Eucla Street adjacent to the bowling alley.

- The Agency acquired and restored the Historic Walker House building and will continue with its maintenance and preservation. Redevelopment of the property will create a need for additional parking, possibly involving acquiring the property immediately adjacent to the property.

- The Agency will provide guidance and or assistance in the preservation of the Machinery and Equipment building on the corner of Bonita Avenue and Cataract Street and conversion to a more appropriate commercial use.

- The Agency will provide guidance and or assistance with the development of the designated retail pads on the parameter of the Costco site.
- The Agency will identify underutilized property throughout the project area and will encourage redevelopment and reuse of the properties.

- The Agency will continue to preserve of the San Dimas Depot as a historically significant and/or cultural attraction.

The Agency will assist the Frontier Village through:

- The evaluation and possible creation of additional off-street parking facilities.
- Assistance in retrofitting unreinforced masonry buildings in the downtown core. This could be done via a combination of commercial loan guaranteesand housing production.
- Promotion and assistance in modifying building facades in a manner conforming to the historic early California theme via a rehabilitation loan program.
- Providing assistance to the City of San Dimas in providing hardscape and landscape improvements in the Frontier Village area.
- Assistance to the City of San Dimas in the modernization of the Bonita/Cataract Intersection.
- Facilitate a change of uses towards activities and development that is consistent with the objectives and the Specific Plan for the Village. Activity that encourages a complementary mix of retail uses, support for historical resources and projects that improve the appearance and appeal of the downtown area.

It is a goal of the San Dimas Redevelopment Agency to promote an increase in and quality of affordable housing in the community. The San Dimas Redevelopment Agency will accomplish this goal through a number of programs including:

- Housing rehabilitation loans and grants.
- Provisions of no or low interest loans to assist low- and moderate-income persons in meeting down payment requirements.
- Agency assistance to the San Dimas Housing Authority in constructing single- and multi-family low- and moderate-income housing.
- Participation in Federal, State and County programs designed to increase and improve the City's supply of low- and moderate-income housing.

It is the goal of the San Dimas Redevelopment Agency to provide for a balanced business community through the implementation of a comprehensive economic development strategy by:

- Developing and conducting programs aimed at the attraction of new business and industry to the community.
- Developing and conducting programs aimed at retaining and strengthening businesses already located in the City of San Dimas.

It is the goal of the San Dimas Redevelopment Agency to assist the City of San Dimas in improving public safety by:

- Various programs to rehabilitate residential and commercial structures.
- Programs to assist in seismically retrofit substandard but historically significant structures.
- Assisting in remediating toxic contaminated properties within the project areas.
- Assisting in the installation and or improvement of public infrastructures within the project areas.
- Implementing affordable housing programs within and outside of the project areas to eliminate residential overcrowding.

PROPOSED AGENCY PROGRAMS TO ELIMINATE BLIGHTING CONDITIONS

Below is a general description of each of the general categories of programs proposed to alleviate the blighting conditions identified.

Downtown Revitalization

This program, which has been underway for a number of years, provides for the revitalization of the City's historic downtown core and, in so doing, the alleviation of a number of blighting conditions. This is a multi-dimensional program that will invigorate the downtown by bringing people to the area to live, work, shop and recreate in a pleasant environment which truly reflects San Dimas' identity as an innovative, yet historically sensitive community. The City will develop a comprehensive master plan for revitalization and future development of the downtown core and the Agency will assist with the implementation of the plan. The components of this comprehensive revitalization strategy include stimulation of commercial/retail infill projects on Bonita Ave; construction of second-story low- and moderate-income senior citizen apartments in the Frontier Village; reuse of the historic Walker House, creation of additional public parking, and provide off site directional signage to downtown; enhancement of street lighting; and landscaping and hardscape improvements in the Frontier Village area pursuant to the downtown design guidelines. The San Dimas Redevelopments Agency, along with the Edison Company and GTE, has installed underground utility lines along Bonita Avenue between Arrow Highway and Cataract.

Commercial Rehabilitation Programs

This program, which has been in place for many years, will be enhanced to provide financial assistance to businesses to help them modify buildings facades to conform to the City's adopted downtown design guidelines.

Continued Specific Rehabilitation guidance will be directed at the Canyon Shopping Center.

The City may continue its program of loan guarantees to assist downtown businesses in seismically retrofitting unreinforced masonry buildings.

Capital Improvement Programs

The City's 10-year capital improvement budget identifies a number of infrastructure projects within the project areas, which include street improvements, storm drain improvements, underground utility projects, and public parking improvements.

Commercial/Industrial Economic Enhancement Programs

The Agency's efforts to enhance the commercial industrial sector of the City consist of a variety of programs designed to address the needs of San Dimas' existing businesses and to attract new businesses. These programs have included the development and adoption of a comprehensive economic development strategy. Specific programs include efforts to market the City, an ongoing survey of business needs, and regular site visits by the City Manager/Executive Director. Future efforts at business retention/attraction will be focused in the financing, training and educational areas.

Redevelopment of the 25 acre Costco site located at the southeast corner of Lone ill Avenue and Gladstone Street, has replaced a mixture of substandard and obsolete residential uses and undesirable industrial uses with a comprehensively planned retail development. The Agency assembled the multiple properties that were in private ownership, relocated existing residents to better housing and installed needed infrastructure enhancements.

Affordable Housing Programs

As previously mentioned, programs to increase the City's supply of affordable housing will be continued. Please refer to the section below entitled "Implementation of Affordable Housing Programs" for a more detailed description.

PROPOSED PROGRAM EXPENDITURES TO ELIMINATE BLIGHTING CONDITIONS

The Health and Safety Code further specifies in its discussion of implementation plan requirements that agency expenditures be linked to the alleviation of the blighting conditions identified in order to better demonstrate the linkage.

In 2008 the Agency retained the services of Hdl consultants to conduct Fiscal Impact Assessments for both project areas through the remainder of their existence. These reports project the debt capacity for each project area, indicating the availability of funds for future expenditures. Both reports are referenced and attached as exhibits to the implementation plan.

IMPLEMENTATION OF AFFORDABLE HOUSING PROGRAM

In addition to the programs described above, the implementation plan must also describe how the requirements of Sections 33334.2, 33334.4, 33334.6, and 33413 will be implemented. These sections of the Health and Safety Code refer to the agency's responsibility to increase, improve and preserve the community's supply of low- and moderate-income housing at an affordable housing cost as defined in Section 50093, and very low income households as defined in Section 50105.

As described in Section 33490(2), the implementation plan shall contain, for each of the five years, an annual housing program with sufficient detail to measure performance pursuant to the implementation plan; and the number of housing units developed, rehabilitated, price-restricted, otherwise assisted, or destroyed. If the implementation plan does not describe a project in which units will be destroyed, the plan shall identify proposed locations suitable for the replacement of those dwelling units.

The implementation plan must also contain a ten-year housing program for various lower-income groups, including very low-, low-, and moderate-income groups. The Affordable Housing Component of the Plan describes in detail the required elements.

Single Family Residential Rehabilitation Program

Housing rehabilitation loan and grant programs are offered and will continue to be offered through the Redevelopment Agency's Housing Set-aside funds

New Residential Construction Programs

The Agency has participated, and continues to participate, with the private sector to develop a mix of ownership and rental affordable and market-rate housing in the Agency's project areas as well as citywide.

The Agency enforces the inclusionary requirements under the California Redevelopment law. In Redevelopment project areas where residential construction takes place, the City, as part of its zoning entitlement, is required to set aside units for very low-, low-, and moderate-income individuals and families or is required to place a dollar contribution in the Agency's housing fund, used for the provision of an equivalent number of low- and moderate income housing units offsite.

Mobile Home Parks

Five mobile home parks currently operate in San Dimas. Many of the residents of these parks, generally those who purchased their coaches many years ago, benefit from the relatively low housing cost which their low or no mortgage and affordable space rent provide. In the past years, however, the economic structure, which once made mobile homes a source of affordable housing, has changed, causing escalating space rents and a situation of economic eviction for some residents.

The City of San Dimas has mediated a dispute between park owners and residents concerned about escalating rents. Through these efforts, a Mobile Home Accord has been developed and adopted by all parties. The Accord was renewed for another five year term in 2010. This Accord should moderate future Mobile Home Park rental increases.

Owners and renters of mobile homes are eligible for the rehabilitation assistance offered to others under the Community Development Block Grant program described above.

In 1998, the Agency purchased a 186-unit mobile home park (Charter Oak Mobile Home Estates) to maintain the affordability of the rental spaces for seniors. The Agency continues to explore opportunities for expansion of this park. In addition, in 2008 a space rent assistance program was created to assist eligible residents with temporary credit toward their monthly space rents.

CONCLUSION

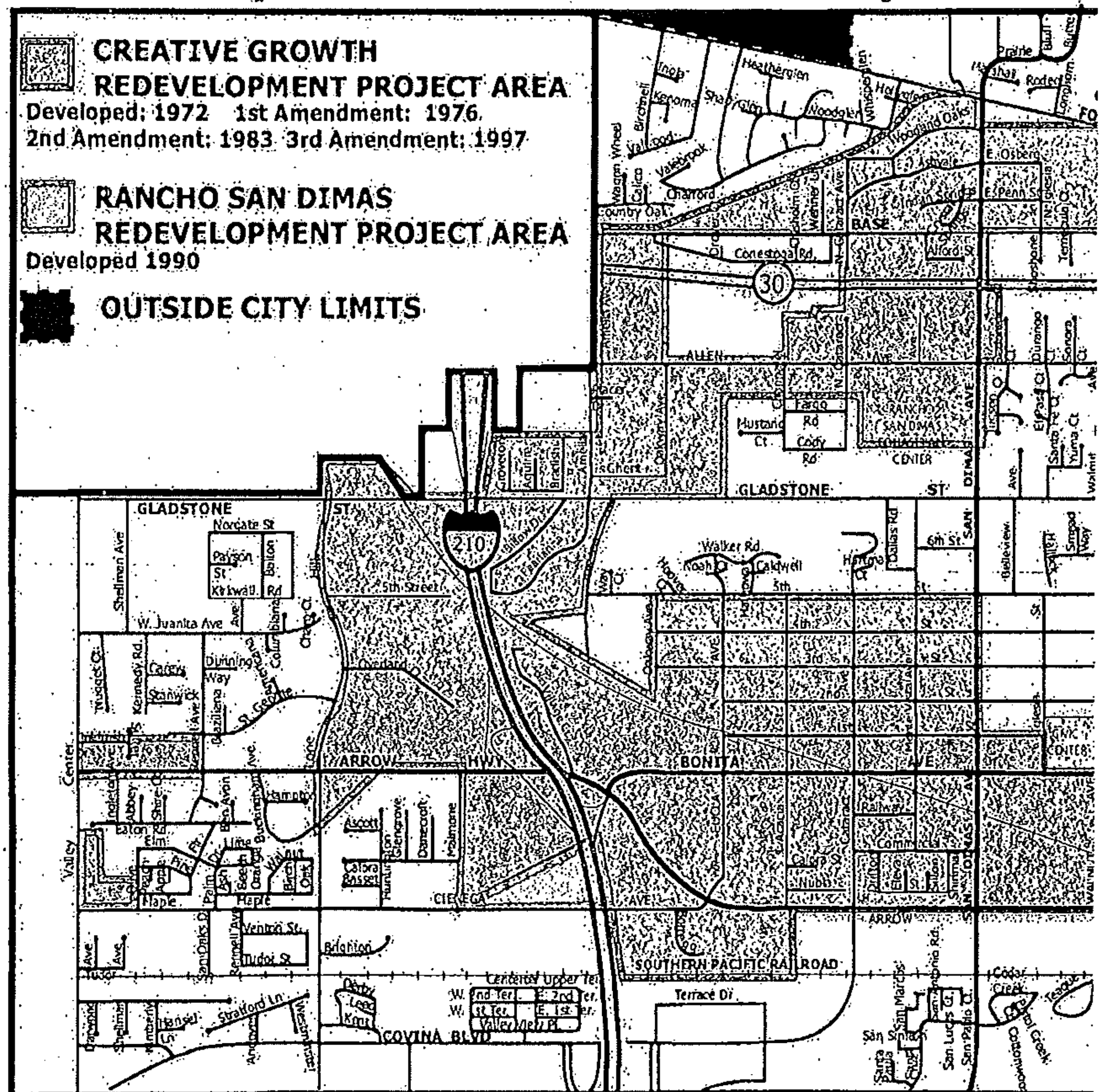
The implementation Plan for the San Dimas Redevelopment Agency, detailed above, describes the programs which are proposed to be undertaken during the next five years in order to assist in the alleviation of blighting conditions existing in the project areas and to increase the community's supply of affordable 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 is included in the requirements of Section 33490. The law requires that the plan be the subject of periodic public review. This review must be held in 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. In addition, to the mandated review, the Agency may review and amend the plan, goals, objectives and programs, and expenditures (following a noticed public hearing) at any time conditions require such an amendment.

<u>Attachments</u>

1. Map showing Creative Growth and Rancho San Dimas Project Area Boundaries

2. Creative Growth and Rancho San Dimas Fiscal Capacity Assessment Reports

City of San Dimas Redevelopment A



*Map not to scale.

AFFORDABLE HOUSING COMPONENT OF THE IMPLEMENTATION PLAN EXECUTIVE SUMMARY

AFFORDABLE HOUSING REQUIREMENTS

The California Redevelopment Law (CRL) requires the San Dimas Redevelopment Agency (Agency) to spend 20% of its gross property tax increment on affordable housing activities. The CRL also requires the Agency to fulfill the following requirements:[1]

1. The replacement housing requirements imposed by Section 33413(a)
2. The inclusionary housing production obligations imposed by Section 33413(b);
3. The monetary set-aside requirements imposed by Section 33334.6;
4. The expenditures proportionality requirements imposed by Section 33334.4;
5. The infrastructure/public improvements limitations imposed by Section 33334.2;
6. The leveraging requirements imposed by Section 33334.3; and
7. The excess surplus limits defined in Section 33334.12.

The Affordable Housing Plan presented in this report adheres to the requirements identified above.

AFFORDABLE HOUSING PROJECTS FOR THE NEXT 5-YEAR PERIOD

The projects that are proposed to fulfill the CRL requirements are:

1. **San Dimas Grove Station** - The Agency used property tax increment housing set-aside (Set-Aside) funds to acquire a 2.28-acre site on San Dimas Avenue. This site was originally approved to be developed with 100 market rate ownership units, 10 moderate income ownership units and 9,900 square feet of commercial space. The property was purchased by Grove Station, LLC. The commercial space and 24 of the residential units began construction in 2008. Prior to completion the developer filed for bankruptcy. The bank committed to complete the current construction, which should be completed in 2010 or 2011. The balance of the residential project is on hold..

[1] Throughout the Affordable Housing Section of this report, the CRL requirements will be identified by their "Section" numbers.

2. **Villa San Dimas Apartments** – The Villa San Dimas apartment project is located within a redevelopment project area. The tenants currently receive rental assistance through the Section 8 Rental Housing Assistance Program administered by the United States Department of Housing and Urban Development (HUD). However, the contract with HUD is scheduled to expire in November 2012.. The Agency has identified the 50 unit complex as a potential Agency sponsored affordable housing project.

3. **Future Affordable Housing Sites** – The Agency has identified the property on the southwest corner of San Dimas Avenue and Commercial Street as a potential site for the development of a mixed-use project, which could include a high-density senior citizen apartment project or a multi-family ownership component. The site is approximately 1.8-acres. The development of this site may be pursued if the Agency is unable to implement the proposed Villa San Dimas Apartments project.

4. **Inclusionary Housing Ordinance** – To facilitate opportunities for the development of affordable housing within the Creative Growth and Rancho San Dimas Project Areas, the Agency may consider increasing the minimum obligations imposed under California Health and Safety Code Section 33413(b).

AGENCY ACCOMPLISHMENTS IN THE PRIOR PLAN PERIOD

The Agency undertook the following affordable housing programs between fiscal year 2000 and 2005:

1. **San Dimas Grove Station** – In 2005, the Agency used $1.08 million in Set-Aside funds to acquire 2.28-acres within the Creative Growth Project Area for the development of a residential and commercial mixed-use project. The property was purchased by Grove Station, LLC in 2006. Grove Station, LLC has proposed to construct a project which will include 100 market-rate and 10 moderate-income restricted for-sale units.

2. **Community Development Block Grant (CDBG) Rehabilitation Program** – In addition to the City of San Dimas' (City) annual CDBG allocation, the Agency used Set-Aside funds to purchase excess CDBG allocations from other cities to increase the amount of funds available for rehabilitation loans and grants. Since 2005, the Agency has funded approximately five rehabilitation loans and provided an estimated 98 rehabilitation grants to very low, low and moderate income households for home repairs. The loans are offered at a zero or low

interest rate, with interest payments deferred until the property is sold or refinanced.

3. **San Dimas CRA Housing Rehabilitation Loan and Grant Program** – Over the past five years the Agency has funded low interest loans and grants to households with incomes at or below 120% of the Los Angeles County area median income (Median). From 2005 to 2010 the Agency funded 98 grants using Set-Aside funds.

4. **Mortgage Assistance Program** – A Mortgage Assistance Program has been offered by the Agency using Set-Aside funds. The program has been temporarily suspended until market conditions stabilize. The program is sustained through the use of revolving funds which are generated though the repayment of prior loans.

5. **Section 8 Rental Assistance** – The Section 8 program provides financial assistance to eligible very-low and low income households who spend more than 30% of their income on housing costs. Currently, the Villa San Dimas apartments receive assistance under this program under a contract with HUD. The contract is scheduled to expire in November 2012.. In the current Affordable Housing Plan, the Agency is considering the potential for providing financial assistance in return for the imposition of long-term income and affordability covenants on the project.

6. **Mobile Home Accord** – The Mobile Home Accord represents an agreement between the City and mobile home park owners that establishes the maximum amount of rent that can be charged to coach owners. The Accord was renewed in 2010 for an additional 5 years.

7. **Space Rent Assistance Program** – The Agency implemented a space rent assistance program within the Agency owned mobile home park in 2008. The program provides eligible households space rent credit while waiting to be processed through the Los Angeles County Section 8 rental assistance program. Thirteen households have been assisted by the program through June 2010.

AFFORDABLE HOUSING COMPONENT OF THE IMPLEMENTATION PLAN

INTRODUCTION

The Affordable Housing Component of the Implementation Plan (Affordable Housing Plan) explains how the Agency will fulfill the various CRL requirements pertaining to low and moderate income housing. Specifically, the Affordable Housing Plan demonstrates how the Agency will meet the statutory requirements for the set-aside and expenditure of property tax increment for affordable housing purposes.

IMPLEMENTATION PLAN REQUIREMENTS

The Affordable Housing Plan presents the Agency's intended funding plans and activities related to the production of affordable housing for persons and families of low and moderate income. The CRL definition of moderate income is provided in Section 50093, and the definitions of low income and very-low income are presented in Sections 50079.5 and 50105, respectively.

The CRL provides that the fundamental purpose of redevelopment is to expand the supply of low and moderate income housing (Section 33071). To accomplish this purpose, the CRL contains numerous provisions to guide redevelopment agency activities with regard to low and moderate income housing. These provisions divide a redevelopment agency's housing responsibilities into the following three major categories:

1. The production and/or replacement of low and moderate income housing;

2. The set-aside and expenditure of specified amounts of property tax increment revenue for the express and exclusive purpose of increasing, improving and preserving a community's supply of low and moderate income housing; and

3. Preparing reports on how the Agency has met, or how the Agency plans to meet, its responsibilities with regard to the first two items.

This Affordable Housing Plan is one of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Creative Growth Redevelopment Project Area and the Rancho San Dimas Redevelopment Project Area (Project Areas) will achieve the affordable housing requirements imposed by the CRL. The Affordable Housing Plan must address the following items:

1. Production of Affordable Housing Based on Activities in the Project Areas:

   a. If a project identified in the Implementation Plan results in the removal of units occupied by low or moderate income households, the Affordable Housing Plan must identify suitable locations for the replacement housing units to be developed or substantially rehabilitated (Section 33490(a)(3) and Section 33413(a)).

   b. At least 30% of all new and substantially rehabilitated dwelling units developed by the redevelopment agency shall be provided at affordable housing costs to low and moderate income households (Section 33413(b)(1)).

   c. Inclusionary housing production requirements are imposed on residential development occurring in the Project Areas adopted after January 1, 1976 (Section 33413(b)(2)). These requirements apply to the amended areas of the Creative Growth Redevelopment Project Area and the entire Rancho San Dimas Project Area. The applicable production requirements are:

      i. At least 15% of all new residential units developed in a redevelopment project area, by public or private entities other than the redevelopment agency, shall be provided at affordable housing costs to low and moderate income households.

      ii. At least 15% of all substantially rehabilitated units that have received agency assistance shall be provided at affordable housing cost to persons and families of low or moderate income.

2. Set-Aside and Expenditure of Property Tax Increment of Housing Purposes:

   a. Twenty-percent (20%) of the gross property tax increment must be placed in a separate Affordable Housing Fund to be used solely to increase, improve and preserve the community's supply of low and moderate income housing (Section 33334.2).

   b. Set-Aside funds must be spent on very-low, low and moderate income housing in proportion to the unmet need for housing as defined in Government Code Section 65584. The unmet need for housing is identified in the City's Regional Housing Needs Assessment (RHNA) which is prepared by the Southern California Association of Governments (SCAG) (Section 33334.4).

c. A cap is applied to the amount of Set-Aside funds that can be spent on housing that is subject to age restrictions. The limit is equal to the percentage that very-low and low income households over the age of 65 represents of the total very-low and low income population in San Dimas, based on the United States Census data (Section 33334.4).

d. Set-Aside funds can only be used to construct infrastructure and public improvements if the improvements are an integral part of the new construction or rehabilitation of housing units that are subject to long-term income and affordability covenants, and are directly benefited by the improvements (Section 33334.2).

e. Set-Aside funds can only be used to fill the gap between the amount of external financing that can be supported by a project, and the total project costs. If more than 50% of the project costs are funded by the redevelopment agency, a finding must be made that no other commercial funding sources can be reasonably obtained (Section 33334.3).

Article 16.5 additionally requires the Implementation Plan to include the following information:

1. An estimate of the balances and deposits into the Affordable Housing Fund created to hold the Set-Aside funds;
2. A housing program identifying expenditures from the Affordable Housing Fund;
3. A description of the housing activity that has occurred in the Project Areas; and
4. An estimate of the housing units that will be produced in the Project Areas for each of the various income categories.

All of this information is provided in this Affordable Housing Plan.

APPLICABLE AFFORDABLE HOUSING REQUIREMENTS

Applicable Housing Production Requirements

The affordable housing production requirements imposed on the Project Areas are discussed in the following sections of the Affordable Housing Plan.

Replacement Housing Obligation

The Agency must fulfill the replacement housing obligations imposed by Section 33413(a). The Agency must replace, on a one-for-one basis, all units removed from the low and moderate income housing stock as a result of Agency actions.

1. **Past Removal of Low and Moderate Income Units** - The Implementation Plan for 2000 – 2005 indicated that the planned construction of a commercial center anchored by Costco would lead to the demolition of 19 units occupied by low or moderate income households. In compliance with the Article 16.5 requirements, the Agency prepared a replacement housing plan within the mandated time frame.[2] By September 2009, all 19 units had been demolished.

2. **Future Removal of Low and Moderate Income Units** - This Implementation Plan does not include projects or programs that would result in the removal of housing units from the low and moderate income housing stock. Therefore, there is no requirement to identify locations for replacement housing units.

Agency Developed Housing Production Obligation/Fulfillment

Section 33413(b)(1) requires at least 30% of all housing units developed by the Agency to be set aside for low and moderate income households. In 1996, the Agency developed the 12-unit Monte Vista senior citizen apartment project. This resulted in the requirement to provide four income restricted units, of which at least two units must be provided to very-low income households. The Agency fulfilled the requirement in the following manner:

1. The project includes two very-low income units, two low income units and eight moderate income units.

2. The project is subject to covenants that run for 50 years with an option to extend the affordability restrictions for successive 10 year periods indefinitely.

3. Until January 1, 2002, Section 33413(b) required the minimum covenant period to be set at the life of land use controls imposed by the redevelopment plan. The 50-year covenant period satisfied that requirement.

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[2] Replacement Housing Plan: Costco San Dimas Center Project, prepared by Overland, Pacific & Cutler, Inc.; November 18, 2005.

The project provides the Agency with credit for eight inclusionary housing production units, which can be used to fulfill the obligations created by any units developed by the Agency in the future. However, the Agency does not have any plans to develop units in the future. As such, the Agency has already fulfilled the requirements imposed by Section 33413(b)(1) over the life of the Project Areas.

Privately Developed Housing Production Obligation/Fulfillment

Section 33413(b)(2) requires at least 15% of all privately developed housing in post-1976 redevelopment project areas to be provided to low and moderate income households.[3] This requirement is imposed in rolling 10-year cycles, rather than on a project-by-project basis.

The residential development that has occurred within the post-1976 portions of the Creative Growth Redevelopment Project Area and all of the Rancho San Dimas Project Area is detailed in Housing Table 1. The resulting inclusionary housing production obligations are quantified in Housing Table 2. The following sections of the Affordable Housing Plan identify the manner in which the Agency plans to fulfill the defined inclusionary housing production obligations between January 1, 2010 and December 31, 2014; ; and throughout the remaining life of the Project Areas.

Housing Development 1976 - 1999

According to City records, private parties constructed 259 residential units within the Project Areas between the Project Areas' inception and the end of fiscal year 1999. These developments triggered the requirement to produce 40 low and moderate income units, of which at least 17 units must be set-aside for very-low income households.

Housing Development January 1, 2000 Through December 31, 2004

Between 2000 and 2004, 19 units were developed in the Project Areas. These units generated an inclusionary housing production obligation for three units, of which at least two units must be provided to very-low income households.

[3] Privately developed housing includes housing developed by private entities with Agency assistance.

Housing Development January 1, 2005 through December 31, 2009

Between 2005 and 2009, 12 units were developed in the project areas. Theses units generated an inclusionary housing production obligation for 2 units, of which at least 1 unit must be provided to a very low income household.

Projected Housing Development January 1, 2010 Through December 31, 2014

1. One new unit was constructed by private parties with no Agency assistance in 2010.

2. Twenty Four of the 110 unit San Dimas Grove Station project is anticipated to be completed in 2010 – 2011. The balance of the project is on hold..

3. The Section 8 Housing assistance contract for the 50 unit Villa San Dimas project terminates in November 2012. The Agency has identified this "At-Risk" project as a potential substantial rehabilitation project to be undertaken during this Affordable Housing Plan period.

The projected 161 units of new development and Agency assisted substantial rehabilitation projects generates an inclusionary housing production requirement for 25 income restricted units. Of this total, at least 10 units must be allocated to very-low income households.

Projected Housing Development Through the Project Areas' Termination

The City's Planning Department has indicated that 15.8 acres of residentially zoned land will remain in the Project Areas after the San Dimas Grove Station project is completed. The City's General Plan allows for a maximum of 81 residential units to be developed on these parcels. If 83 units are developed, the Agency will incur an obligation for 13 income restricted units, of which at least six units must be provided to very-low income households.

Inclusionary Housing Production Obligation

The current outstanding inclusionary housing obligation and the anticipated future obligations total 81 units. The time frame under which these obligations must be fulfilled is detailed in Housing Table 2, and can be summarized as follows:

Timing	Production Obligation		
	Very-Low Income	Low/Mod Income	Total
By December 31, 2004	17	23	40
January 2005 – December 2014	12	16	28
January 2015 – Project Areas Termination	7	8	15
Total	36	47	83

Inclusionary Housing Production

Housing Table 3 identifies the inclusionary housing units that have been produced to date, as well as the units projected to be produced in the future. Housing Table 4 illustrates the current deficit in inclusionary housing production units and the projected future surplus in inclusionary housing production units. The results of these analyses are summarized in the following table:

Timing	Production Obligation Surplus/(Deficit)		
	Very-Low Income	Low/Mod Income	Total
Current Deficit	(1)	(6)	(7)
Cumulative Surplus as of December 31, 2009	19	31	50
Cumulative Surplus - Project Areas Termination	2	8	10

The San Dimas Grove Station project will provide 10 moderate income units to reduce the current inclusionary housing production deficit. The balance of the deficit is proposed to be eliminated with the substantial rehabilitation of the Villa San Dimas project. It is further assumed that given the "At Risk" status of the Villa San Dimas project, the transaction can be structured in a manner to allow the project to fulfill the City's current RHNA goals for 370 low and moderate income units.

APPLICABLE DEPOSIT AND EXPENDITURE PROVISIONS

Set-Aside of Gross Property Tax Increment

The Project Areas are subject to the Section 33334.2 requirement to allocate 20% of the gross property tax increment to affordable housing activities. The projections of the required deposits into the Affordable Housing Fund are discussed in the following sections of the Affordable Housing Plan.

Resolution No. 99

In August 1986, the Agency adopted and filed a resolution with the California Department of Housing and Community Development (HCD) establishing a statement of existing programs and statement of existing obligations. The resolution determined that setting aside 20% of the Agency's property tax increment would interfere with the Agency's ability to meet existing debt obligations and the Agency's ability to complete the projects and programs approved prior to January 1, 1986. The Agency was not required to set-aside 20% housing funds from 1986 through 1996.

Housing Table 5 presents a detailed reconciliation between the actual Set-Aside contributions per Resolution No. 99 and the Agency's Set-Aside obligation based on the Section 33334.4 requirements. The results of this analysis are summarized below:

	Creative Growth	Rancho San Dimas
Actual Set-Aside Contributions	$9,618,000	$239,000
20% Set-Aside Obligation	8,884,000	266,000
Set-Aside Surplus/(Deficit) By Project Areas	$734,000	($26,000)
Total Set-Aside Surplus		$708,000

Proportional Expenditures of Affordable Housing Fund Monies

The Project Areas are subject to the Section 33334.4 requirement that the Agency expend Affordable Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 31, 2014, and then again through the termination of the Project Areas. The results of the proportionality tests are presented in Housing Table 6, and described in the following sections of the Affordable Housing Plan.

Income Proportionality Test

The income proportionality test requires the Agency to expend Affordable Housing Fund monies in proportion to the unmet housing needs that have been identified for the community pursuant to Government Code Section 65584. The proportionality test used in this Affordable Housing Plan is based on the 2000 RHNA figures prepared by SCAG. The RHNA established the following unmet need for affordable housing in San Dimas:

Category	Total Units	% of Total
Very-Low Income:	162	44%
Low Income:	101	27%
Moderate Income:	107	29%
Total	370	100%

To comply with the Section 33334.4 requirements, the Agency must spend at least 44% of its Affordable Housing Fund monies on projects and programs dedicated to very-low income households, and no more than 29% of the Affordable Housing Fund monies on projects and programs dedicated to moderate income households. Section 33334.4 provides the Agency with the flexibility to allocate Affordable Housing Fund monies in any way that complies with the defined minimum for very-low income expenditures and the defined cap for moderate income expenditures.

As shown in Housing Table 6, this Affordable Housing Plan allocates 41% of the Affordable Housing Fund's project and program expenditures to very-low income households, 38% of the funds to low income households and 21% of the funds to moderate income households. These expenditures comply with the income targeting standards imposed by Section 33334.4.

Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency cap assistance to age restricted housing based on the percentage of which the very-low and low income households over the age of 65 represent of the total very-low and low income population in San Dimas. Based on 2000 United State Census data, the very-low and low income senior citizen population represents 49.7% of the very-low and low income population in San Dimas.

The Affordable Housing Plan allocates 25% of the Affordable Housing Fund monies to senior citizen housing projects. Thus the Agency is anticipated to fulfill the age restricted expenditure test imposed by Section 33334.4.

Excess Surplus Calculation

The Project Areas are subject to the "excess surplus" requirements imposed by Section 33334.12. Excess surplus is defined as any unexpended and unencumbered funds in the Affordable Housing Fund that exceeds the aggregate amount deposited into the Affordable Housing Fund during the preceding four fiscal years. Section 33334.12 provides the Agency with three years to encumber any excess surplus funds.

As illustrated in Housing Table 7, based on the beginning balance and projected deposits into the Affordable Housing Fund, the Agency does not currently have an excess surplus balance. Moreover, given the activities proposed in this Affordable Housing Plan, the Agency is not anticipated to incur an excess surplus balance at any point through December 31, 2014.

AFFORDABLE HOUSING PLAN GOALS AND OBJECTIVES

The CRL requires that certain housing requirements be fulfilled during five- and 10-year increments; and over the remaining Project Areas life. Specifically, the inclusionary housing production requirement must be met every ten years, and over the life of the Project Areas. Comparatively, the proportionality tests must be achieved between January 1, 2002 and December 31, 2014, and then again in 10-year increments throughout the Project Areas life.

The Agency's primary goal is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. The affordable housing activities identified in the Affordable Housing Plan will be undertaken over the duration of the Redevelopment Plan for the Project Areas, and will explicitly assist in accomplishing the intent of the CRL in regards to the provision of low and moderate income housing.

Affordable Housing Fund Resources and the Housing Program

This section of the Affordable Housing Plan discusses the Agency's affordable housing activities planned for the Implementation Plan period, and throughout the remaining Project Areas life. Housing Table 7 projects the Affordable Housing Fund deposits and expenditures anticipated to occur during each year of the Implementation Plan period, through fiscal year 2014/15. These expenditures are then tied to estimates of the number of affordable housing units projected to be assisted by the Agency.

Affordable Housing Fund Revenues

Housing Table 7 presents the estimated beginning balance in the Affordable Housing Fund, and the projected future deposits into the Fund. The deposits for fiscal years 2007/08 through 2011/12 were projected by HdL Companies; projections for fiscal years 2012/13 and 2014/15 assume a 2% annual increase in the Creative Growth Project Area and a 4% annual increase in the Rancho San Dimas Project Area.

The Affordable Housing Fund revenues shown in Housing Table 7 include the following:

1. Property Tax Increment - Twenty percent (20%) of the estimated gross property tax increment generated within the Project Areas will be deposited into the Affordable Housing Fund throughout the projection period.

2. Land Sales – In fiscal years 2005/06 and 2006/07, the Agency received proceeds from the sale of land that had been purchased with Affordable Housing Fund monies.

3. Loan Repayments – As part of an Owner Participation Agreement (OPA), the Agency provided a loan to the owner of property located at 201 West Bonita Avenue. The final debt service payment on the loan was made in fiscal year 2006/07.

4. Rental Property - Proceeds are generated from the Monte Vista Senior Apartment project, which is owned and operated by the Agency.

5. Other - Proceeds are derived from the Sunnyside Trustee Fees and the Charter Oak Mobile Home Park project improvement reimbursements.

6. ERAF Loan Repayment -

The projected revenue streams for the Affordable Housing Fund can be summarized as follows:

Beginning Balance Fiscal Year 2005/06	$141,000
Projected Revenues Fiscal Years 2006/07 – 2014/15	14,482,000
Total Revenues	$14,623,000

The Housing Program and Affordable Housing Fund Expenditures

The Agency is projected to incur the following costs throughout the projection period:

1. Administrative Expenses – This category includes costs such as salaries; overhead; consultant and legal fees; and supplies costs incurred to implement the Affordable Housing Program. The expenditures amounts necessary to implement the Affordable Housing Program will be determined each year. This Affordable Housing Affordable Housing Plan includes expenditures projections through fiscal year 2014/15.

2. Rental Property – The Agency incurs costs to operate and maintain the Monte Vista Senior Citizen project.

3. Projects – The actual cost for San Dimas Grove Station and an order of magnitude cost estimate for the Villa San Dimas are included in the cash flow projections.

4. Rehabilitation Loans/Grants – The Agency provides rehabilitation loans and grants to very-low and low income home owners. These loans are funded with Affordable Housing Fund monies.

5. Bond Debt Service – The Agency is obligated to make debt service payments on existing bonds through fiscal year 2010/11. The share of the debt service attributable to affordable housing activities is included in the cash flow projection.

As shown in Housing Table 7, the Affordable Housing Fund expenditures are projected to total $11.3 million between fiscal years 2005/06 and 2014/15. The projected expenditures can be broken down as follows:

	Projected Cost	% of Total Cost
Projects and Programs	$8,426,000	75%
Administration	1,639,000	14%
Bond Debt Service	1,237,000	11%
Total Costs	$11,302,000	100%

Revenue and Cost Reconciliation

The projected cash flow generated by the Affordable Housing Fund is detailed in Housing Table 7, and summarized in the following table:

Total Revenues	$14,623,000
Total Costs	11,302,000
Remaining Revenue	$3,321,000

This Affordable Housing Plan provides an illustrative example of how the Affordable Housing Program could be financed on an annual basis until fiscal year 2014/15. However, the timing and specific amounts of the expenditures may be adjusted over time. Specific decisions on each of these items will be made as part of the Agency's annual budget process.

Summary of Planned Affordable Housing Activity

Given the successful implementation of the proposed housing program, the Agency will have accomplished the following:

1. The Agency will have fulfilled the replacement housing obligations imposed by Section 33413(a).

2. The Agency will have fulfilled the Project Areas' Section 33413(b) inclusionary housing production obligations throughout the remaining life of the Project Areas.

3. The Agency expenditures of Affordable Housing Fund monies will have complied with the proportionality tests imposed by Section 33334.4.

4. The Affordable Housing Fund will not experience excess surplus in any fiscal year between 2006/07 and 2014/15.

HOUSING – TABLE 1

HOUSING DEVELOPMENT ANALYSIS THROUGH END OF THE PROJECT AREA LIFE
IMPLEMENTATION PLAN – CREATIVE GROWTH AND RANCHO SAN DIMAS PROJECT AREAS
SAN DIMAS, CALIFORNIA

	Construction Type	Units Built in Project Area	Completion Year
I. Housing Developed 1976 – 1994[1]			
Sunnyside	New Construction	164	1984
Villa San Dimas	New Construction	50	1976 - 1993
Total Housing Units Developed		**214**	
II. Housing Developed 1995 – 1999[1]			
Habitat	New Construction	1	1998
Paladin	New Construction	44	1994-1999
Monte Vista	Agency Developed	12	1998
Total Housing Units Developed		**57**	
III. Housing Developed 2000 - 2004[1]			
West Baseline Road	New Construction	7	2000
West Baseline Road	New Construction	1	2001
West Baseline Road	New Construction	4	2002
West First Street	New Construction	1	2002
West Second Street	New Construction	1	2002
West Second Street	New Construction	1	2003
Railway Street	New Construction	1	2004
West First Street	New Construction	1	2004
West Second Street	New Construction	2	2004
Total Housing Units Developed		**19**	
IV. Housing Developed 2005 – 2009			
Railway Street	New Construction	1	2005
Railway Street	New Construction	1	2007
Railway Street	New Construction	1	2006
Railway Street	New Construction	1	2007
Railway Street	New Construction	1	2006
Iglesia Street	New Construction	1	2006
Commercial Street	New Construction	1	2007
Iglesia Street	New Construction	1	2007
Ashvale Drive	New Construction	1	2008
Allen Avenue	New Construction	1	2010 (2nd Unit)
Baseline Road	New Construction	1	2009
Ghent Street	New Construction	1	2009
Total Housing Units Developed		**12**	

[1] Based on data provided by the City Planning Department; the 1994-1999 Implementation Plan, Resolution #137, adopted January 24, 1995; and the 2000-2005 Implementation Plan, Resolution #167, adopted June 13, 2000 and 2005 – 2010 Implementation Plan, Resolution #186, adopted July 7, 2007.

		Construction Type	Units Built in Project Area	Completion Year
V.	Housing Projected to Be Developed 2010 – 2015			
	Grove Station	New Construction	110	?
	Villa San Dimas	Agency Assisted Sub Rehab	50	2013
	Total Housing Units Projected to be Developed		**165**	
VI.	**Housing Projected to Be Developed Through the Project Areas Termination[2]**	**New Construction**	**81**	**Unknown**

[2] Based on the assumption that private development reaches the residential buildout allowed by the General Plan.

HOUSING – TABLE 2

INCLUSIONARY HOUSING OBLIGATION
IMPLEMENTATION PLAN – CREATIVE GROWTH & RANCHO SAN DIMAS PROJECT AREAS
SAN DIMAS, CALIFORNIA[1]

	Total Obligation	Very-Low Income Units	Low/Moderate Income Units
I. Privately Developed and Agency Assisted Units[2]			
2004	33	14	19
2005	7	3	4
2009	3	2	1
2014	25	10	15
2015 – Project Areas Termination	15	7	8
Total Units	**83**	**36**	**47**
II. Agency Developed Units[3]			
2004	0	0	0
2005	4	2	2
2009	0	0	0
2014	0	0	0
2015 – Project Areas Termination	0	0	0
Total Units	**4**	**2**	**2**

[1] The inclusionary housing obligation is calculated on a rolling 10-year period basis.

[2] See HOUSING – TABLE 1: At least 15% of the units must be income restricted; at least 40% restricted to very-low income, and the balance restricted to low and moderate income. The inclusionary housing obligation is calculated on a rolling 10-year period basis.

[3] See HOUSING – TABLE 1: At least 30% of the units must be income restricted; at least 50% restricted to very-low income, and the balance restricted to low and moderate income. The inclusionary housing obligation is calculated on a rolling 10-year period basis.

HOUSING – TABLE 3

INCLUSIONARY HOUSING FULFILLMENT ANALYSIS
IMPLEMENTATION PLAN – CREATIVE GROWTH AND RANCHO SAN DIMAS PROJECT AREAS
SAN DIMAS, CALIFORNIA

	Fulfillment Projects	Year	Project Type	Covenant Terms	Total Units Produced	Total Countable Units[2]	Very L Income
I.					Agency Developed		
	Monte Vista Senior Apartments[1]	1998	Apartments	50 Years	12	12	
II.					Agency of City Covenants		
	A. Inside a Redevelopment Project Area						
	Sunnyside Senior Apartments[1]	1984	Apartments	2021	164	33	
	Grove Station[1]	2014	Ownership	45 Years	110	10	
	Villa San Dimas (Substantial Rehab)[2]	2013	Apartments	55 Years	50	50	
	B. Outside a Redevelopment Project Area[3]						
	None						
	Total Agency or City Covenants					**93**	

[1] Based on data provided by the City's Planning Department and Administration Department.
[2] Proposed as a part of the 2005 – 2010 Affordable Housing Plan. No agreement has been negotiated at this time.
[3] Units constructed outside of the Project Area are counted on a 1 for 2 basis.

HOUSING – TABLE 4

INCLUSIONARY HOUSING OBLIGATION SURPLUS/(DEFICIT) CALCULATIONS[1]
IMPLEMENTATION PLAN – CREATIVE GROWTH AND RANCHO SAN DIMAS PROJECT AREAS
SAN DIMAS, CALIFORNIA

		Very-Low Income	Low/Moderate Income Units	Total
I.	**Privately Developed and Agency Assisted Units**			
A.	Current Inclusionary Housing Surplus/(Deficit)[2]			
	Total Inclusionary Housing Fulfillment	16	17	33
	(Less) Inclusionary Housing Obligation	17	23	40
	Total Surplus/(Deficit)	(1)	(6)	(7)
B.	Housing Surplus/(Deficit) 2005 – 2009			
	Total Inclusionary Housing Fulfillment	22	38	60
	(Less) Inclusionary Housing Obligation	2	1	3
	Total Surplus/(Deficit)	20	37	57
C.	Housing Surplus/(Deficit) 2010 – Project Area Termination			
	Total Inclusionary Housing Fulfillment	0	0	0
	(Less) Inclusionary Housing Obligation	17	23	40
	Total Surplus/(Deficit)	(17)	(23)	(40)
D.	**Total Surplus/(Deficit)**	2	8	10
II.	**Agency Developed Units**			
A.	Current Inclusionary Housing Surplus/(Deficit)[2]			
	Total Inclusionary Housing Fulfillment	2	10	12
	(Less) Inclusionary Housing Obligation	2	2	4
	Total Surplus/(Deficit)	0	8	8
B.	Housing Surplus/(Deficit) 2005-2009			
	Total Inclusionary Housing Fulfillment	0	0	0
	(Less) Inclusionary Housing Obligation	0	0	0
	Total Surplus/(Deficit)	0	0	0
C.	Housing Surplus/(Deficit) 2010 – Project Area Termination			
	Total Inclusionary Housing Fulfillment	0	0	0
	(Less) Inclusionary Housing Obligation	0	0	0
	Total Surplus/(Deficit)	0	0	0
D.	**Total Surplus/(Deficit)**	0	8	8

[1] See HOUSING – TABLE 3 for the fulfillment; and HOUSING – TABLE 2 for the obligation.
[2] Comprised of the 2004 and 2005 requirements.

San Dimas Redevelopment Agency
Consolidated Redevelopment Project

FISCAL CAPACITY ASSESSMENT
October 3, 2008

Introduction

We have been engaged by the San Dimas Redevelopment Agency to assess the fiscal capacity of the Consolidated Redevelopment Project (the Project Area). Our objective is to provide an estimate of the financial resources available over the remaining life of the Project Area. The Project Area, like all redevelopment project areas in California, is restrained by the prospect of the growth of assessed values within the Project Area, the requirements of its existing obligations, and the California Redevelopment Law.

For the most part the Project Area is a mature project area with three of its four component areas approaching the end of their life. The Original Area was adopted in 1973 and is set to expire by June 2015. Amendment Area No. 1 and Amendment Area No. 2 are set to expire in November 2017. These three components of the Project Area may continue to collect tax increment ten years after the expiration of their portion the Plan, but only to repay then existing indebtedness. Amendment Area No. 6 was adopted in 2000, after the enactment of AB 1290 discussed below. It is set to expire by November 2030, and receive tax increment for 15 additional years.

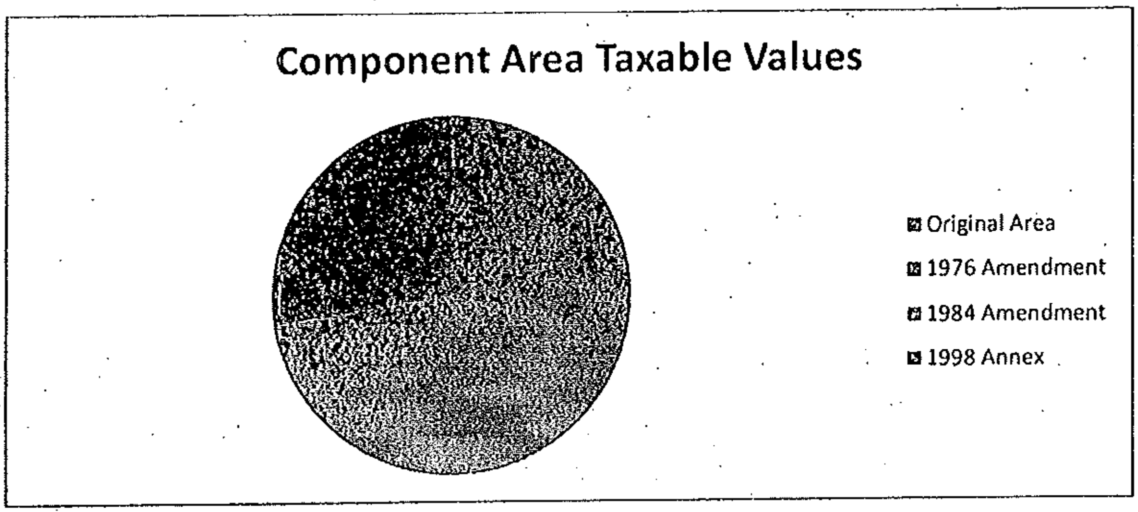
Three components of the Project Area were adopted prior to the enactment of AB 1290 in 1993. AB 1290 was reform legislation that established time limits and financial limits on new redevelopment plans adopted beginning in 1994. For redevelopment plans adopted prior to 1994 (pre-AB 1290 plans), AB 1290 imposed similar but different limitations. These limitations were in addition to limitations already existing with these older project areas

Project Area Description

A. Creative Growth Project Area

In 1972 the Agency adopted the Creative Growth Project Area (the Original Area) including the downtown core area and Frontier Village. The Original Area was amended in 1976 to include land generally located east of the 210 Freeway along Arrow Highway (the 1976 Amendment). The 1976 Amendment area includes the Puddingstone Shopping Center, Sunnyside Senior Citizen apartments and the San Dimas Station retail complex. The Project Area was amended a second time in 1983 (the 1983 Amendment) to add land east of Walnut Avenue which includes the Canyon Road Shopping Center, and the San Dimas Post Office. The amendment in 1997 (the 1997 Amendment) added territory north of Foothill Boulevard between Valley Center Boulevard and San Dimas Canyon. This are consists of single family residential, commercial, industrial land uses, and various public services and utilities.

In terms of assessed value, the Original Area reflects 17.6% of the Project Area; the 1976 Amendment comprises 22.3%, the 1984 Amendment Area, 32.6% and the 1998 Annex, 27.5%.



B. Land Use

The following table represents the breakdown of land use in the Project Area by assessed value for fiscal year 2008-09. The land uses shown below are taken from the land use categories on the tax roll data supplied by the Los Angeles County Assessor. Unsecured values and possessory interest values are tax bills that are assigned to secured parcels and are accounted for in other categories. As a result these values are not listed as part of the total number of parcels. It should be noted that the figures in the table below are net taxable values and exempt parcels owned by the City, Agency, State or other governmental agencies do not carry any taxable value and are not reflected in table.

Table B
Project Area Land Use Category Summary

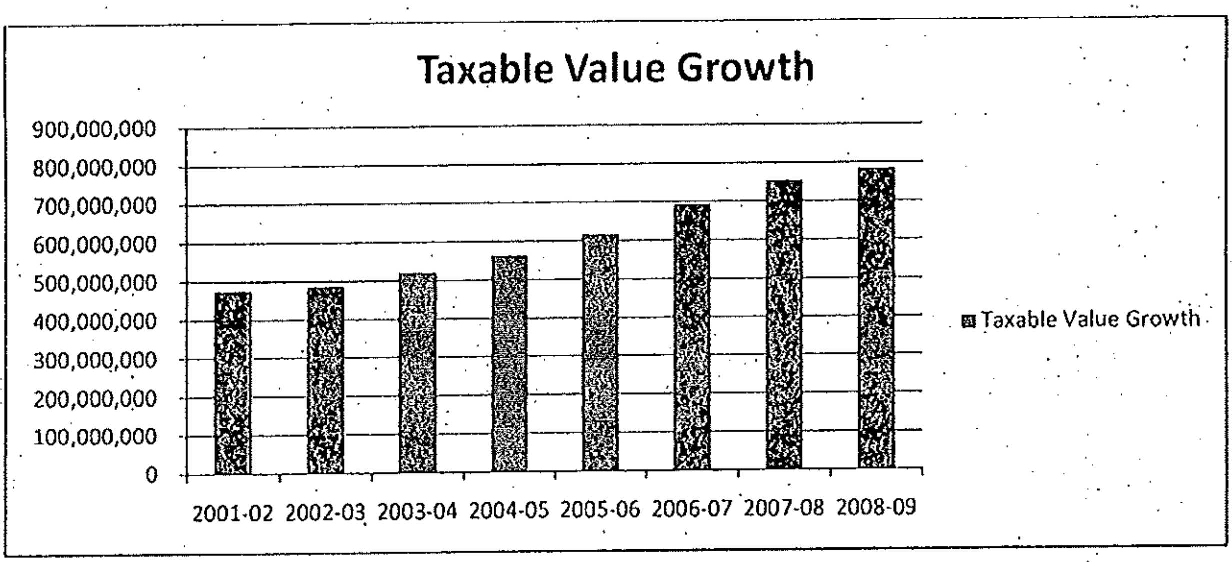
Category	# Parcels	Net Taxable Value	% of Net Taxable Value
Residential	1,176	$304,285,058	38.8%
Commercial	201	301,533,909	38.5%
Industrial	55	100,641,652	12.8%
Institutional	10	4,891,770	0.6%
Irrigated Farm	3	533,916	0.1%
Recreational	3	4,049,923	0.5%
Vacant Land	130	22,025,383	2.8%
Miscellaneous	4	88	0.0%
Exempt	86	0	0.0%
	175		
Possessory Interest	[2]	93,295	0.0%
Unsecured	[656]	46,102,900	5.9%
Totals:		**$784,157,894**	**100.00%**

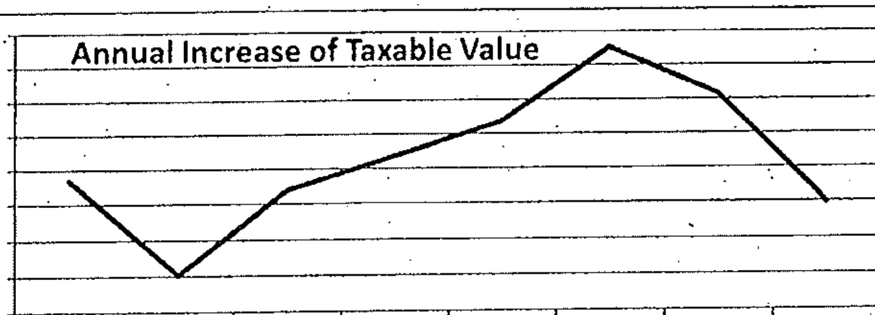
The vacant parcels represent approximately 59 acres of land within the Project Area, of which approximately 38 acres are privately owned. The taxable value of residential and commercial properties have increase as a percentage of total property have both increase about three percent since 2001-02.

In general, the Project Area contains a diversity of land uses and is not overly dependent upon a single type of economic activity.

C. Project Area Assessed Values

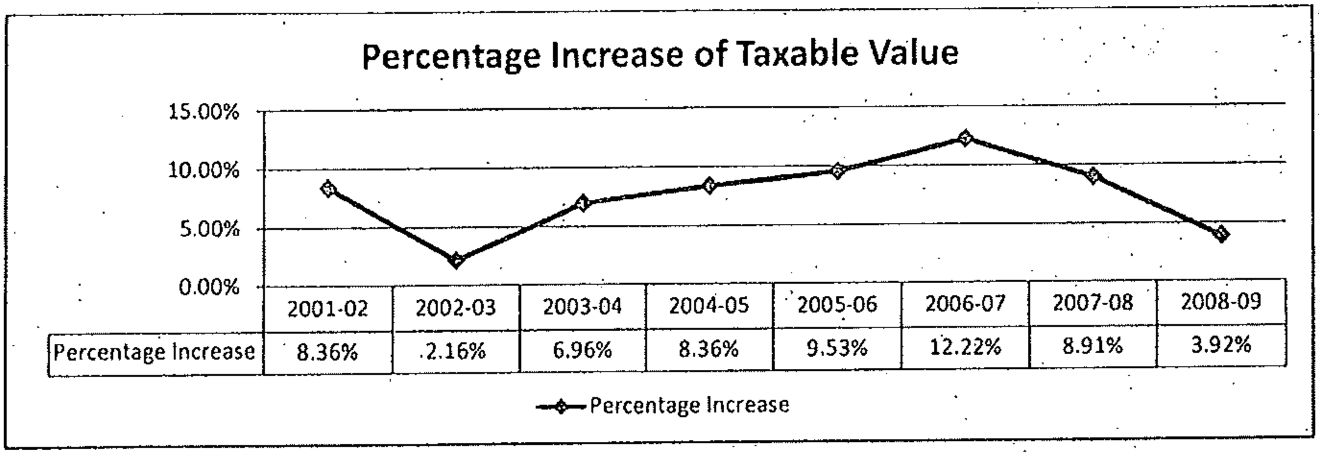
The historic reported taxable values for the Project Area were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent eight fiscal years beginning with 2001-02. The Project Area has shown growth in every year since 2001-02. Growth peaked in 2006-07, and has moderated since. We have assumed that the Project Area will continue to grow at a 3.58% for the remainder of its receipt of tax increment.





	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Annual Increase	36,711	10,287	33,838	43,485	53,709	75,469	61,756	29,613

000s Omitted



D. Top Ten Taxable Property Owners

A review of the top ten taxable property owners in the Project Area for fiscal year 2007-08 was conducted. Within the Project Area, the aggregate taxable value for the ten largest taxpayers totaled $172,555,985. The top ten taxpayers totaled 28.42% of the Project Area's incremental value. The Table below details the valuations of the top ten taxpayers. As the largest property owner represents just 5.27% of the Project Area incremental value, and the top ten property owners reflect 28.42% of the incremental value, there does not appear to be an excessive concentration of ownership that would impact the issuance of tax allocation bonds.

Project Area Top Ten Property Owners				
		Assessed Value	% Total Value	% Incremental Value
	Project Area Total & Incremental Values		784,206,809	607,227,559
1	Galileo San Dimas Limited Partnership	$32,028,000	4.08%	5.27%
2	Western Corporate Federal Credit Union	28,833,820	3.68%	4.75%
3	PK III San Dimas Marketplace LP	20,815,000	2.65%	3.43%
4	FG Sunnyside Senior Apartments LP	16,281,000	2.08%	2.68%
5	New Albertsons Inc.	15,007,619	1.91%	2.47%
6	Lowes HIW Inc.	14,646,033	1.87%	2.41%
7	San Dimas Commerce Center	11,855,414	1.51%	1.95%
8	BRE ESA Properties LLC	11,153,284	1.42%	1.84%
9	VCH San Dimas Company LLC	11,029,260	1.41%	1.82%
10	Peer Properties 2	10,906,555	1.39%	1.80%
	Totals	**$172,555,985**	**22.00%**	**28.42%**

E. Redevelopment Plan Limits

The Redevelopment Law has changed over the time of existence of the Project Area. Among the changes are the requirements of different limitations of the receipt of tax increment, the time to issue debt, and the life of redevelopment plans. In 1993 the legislature enacted a series of redevelopment reforms, commonly referred to as AB 1290 that applied some limitations to existing redevelopment plans and different limitations to redevelopment plans and plan amendments adopted beginning in 1994. In addition, redevelopment agencies were required to make deposits to the Educational Revenue Augmentation Fund for 1993, 1994, 1995 and 1996. These payments funded schools and reduced the State's contribution to fund education. Legislation enabled redevelopment agencies to extend the time of the effectiveness of their redevelopment plans and the time to collect tax increment by one to three years. The Agency has made three year extensions for the Original Area, the 1976 Amendment, and the 1984 Amendment, and a one year extension for the 1997 Amendment.. The 1997 Amendment is not eligible for the additional two years of extensions. In 2001 the legislature enacted SB 211 which allowed amendments of existing limitations under some circumstances for the pre-AB 1290 redevelopment project areas including the time allowed to incur indebtedness. For pre-AB 1290 plans, pursuant to AB 1290 the time limit to incur indebtedness is 20 years from the date of adoption of the redevelopment plan or January 1, 2004, whichever is later.

Table below illustrates general information regarding the Project Area and its amendment areas.

Project Area General Information

Project Name	Adoption Date	Plan Expiration	Last Date to Incur Debt	Last Date to Repay Debt	Tax Increment Limit	Limit on Outstanding Bond Debt
Original Area	27-Nov-72	27-Nov-15	n/a	27-Nov-25	$205 million starting with 1986	$30 million
1976 Amendment	14-Dec-76	14-Dec-19	n/a	14-Dec-29		
1983 Amendment	22-Nov-83	22-Nov-26	n/a	22-Nov-36		
1997 Amendment	25-Nov-97	25-Nov-32	25-Nov-17	25-Nov-42	n/a	n/a

The tax increment limit of $205 million applies collectively to tax increment received since 1986 from the Original Area, the 1976 Amendment, and the 1983 Amendment. To date, $44.7 million has been collected from the three Areas per the Los Angeles County Auditor-Controller. The 1997 Amendment is a post AB 1290 area and has no tax increment limit. The last date to incur debt for the 1997 Amendment is November 25, 2017.

F. Tax Sharing Obligations

1. Statutory Tax Sharing

a. AB 1290

The 1998 Amendment was adopted after January 1, 1994 and is obligated to make statutory tax sharing payments pursuant to Section 33607.5 of the Redevelopment Law. The statutory tax sharing occurs in three tiers. The first tier of tax sharing begins in the first fiscal year that the Merger Annex receives tax revenue and is 25% of Gross Revenue net of the Housing Set-Aside Requirement. This amount is paid on a prorated basis to all taxing agencies within the project area including the City if it makes the election to receive its share. This first tier of statutory tax sharing continues for as long as the Merger Annex may receive tax revenue for the repayment of indebtedness.

Beginning in the eleventh fiscal year after the project area receives tax revenue (fiscal year 2014-15) of the project's life and using the project area assessed value of fiscal year 2013-14 as an adjusted base value for calculation of the second tier of incremental value, 21% of the revenue derived from the incremental difference between the current year assessed value and the adjusted base value less 20% for housing set-aside is passed through to the taxing agencies, except the City, in addition to the initial pass through amount. The City may not elect to receive its prorated share of the second tier of statutory tax sharing.

Beginning in the thirty first fiscal year after the project area receives tax revenue (fiscal year 2034-35) of the project's life and using the project area assessed value of fiscal year 2033-34 as a second adjusted base value for calculation of the third tier of incremental value, 14% of the revenue derived from the incremental difference between the current year assessed value and the second adjusted base value less 20% for housing set-aside is passed through to the taxing agencies, except the City, in addition to the first and second tier pass through amounts. The City may not elect to receive its prorated share of the third tier of statutory tax sharing.

The AB 1290 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments.

2. SB 211

Until April 2005, the Original Area, the 1976 and 1984 Amendment Areas were not authorized to incur new indebtedness after January 1, 2004. In 2001 the Legislature enacted SB 211 which, among other things, allowed pre-AB 1290 project areas to eliminate the time limit on incurring indebtedness. The City Council adopted Ordinance 1152 to eliminate the January 1, 2004 time limit. As a consequence of the three pre-AB 1290 Areas are subject to statutory tax-sharing beginning the year after the former time limit expired.

The statutory tax-sharing under SB 211 is similar to the provisions of AB 1290 described above except that the first adjusted base year is the year in which the former limit expired. Also, SB 211 tax-sharing payments only continue through the life of the redevelopment plan, not the full period that an agency can receive tax increment.

The SB 211 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments.

3. Negotiated Agreements

Prior to the enactment of AB 1290 redevelopment agencies were authorized under Section 33401 to negotiate tax-sharing agreements with taxing entities impacted by a proposed redevelopment project area to alleviate the fiscal burden the redevelopment project area may impose on the taxing entity. The Agency entered a Section 33401 agreement with Los Angeles County and the Los Angeles County Fire Protection District. Pursuant to the agreement the Agency is to pay the County 53 percent of the general levy tax increments less the County's proportionate contribution to the Low and Moderate Income Housing Fund. After June 30, 2019, the Low and Moderate Income Housing proportion is no longer deducted from the County payments.

4. Developer Obligations

The Agency has entered into agreements to assist the development of Costco and Lowes. An additional agreement is anticipated to be entered to provide assistance for Walker House.

5. City Obligations

The Agency has a 30 year payment schedule to repay loans advance by the City. Additionally, the Agency annually pays the City for administrative expenses.

G. Future Capacity

On the basis of its diversified land use and property ownership, and strong though moderating growth of assessed values, the Project Area is well positioned to issue new tax allocation bonds. Its potential financial capacity is restrained by the limitations of its Redevelopment Plan. The Gross tax increment that can be received for the Original Area, the 1976 Amendment, the 1983 Amendment, and the 1997 Amendment is limited by the Redevelopment Plan to $205 million. Although the Agency can continue to receive tax increment from the 1997 Annex through 2041-42, new debt cannot be established after November 25, 2017 (the 2017-18 fiscal year). These limitations have guided this assessment of financial capacity of the Project Area.

The Original Area, the 1976 Amendment and the 1983 Amendment (the Pre-AB 1290 Area) is limited by the duration of the time to receive tax increment and a $205 million tax increment beginning with revenues collected since 1986. On Table 1 we have calculated that at a 3.58% growth rate the Pre-AB 1290 Area would reach its tax increment limit it the last year the 1983 Amendment would be eligible to receive tax increment. Should the Pre-AB 1290 Area grow at a slower rate less that the $207 million of tax increment will be realized. Should the Pre-AB 1290 Area grow at a faster rate, the time span for realizing the full amount of revenue will be shortened.

The 1997 Amendment has no dollar limit on tax increment and can receive tax increment for 45 years.

Table 2 reflects Available Revenues for Debt Service. Typically Available Revenues to be pledged to new debt service consist of Gross Revenues less housing set-aside, superior tax-sharing agreements and existing bond debt service. We have shown the Available Revenues separately for the Pre-AB 1290 Area and the 1998 Amendment to distinguish the different superior obligations for the different components. All estimated of bonding capacity are base on an assumed interest rate of five percent. The maximum assumed term of the bonds is 30 years when 30 years remain to collect increment. Where there is less than 30 years, we assume the term to be the number of years remaining to collect tax increment.

In Table 3 we attempt to estimate the maximum amount of bond proceeds the Agency could realize from the Project Area if we consider Available Revenues as defined above without deductions for the other obligations of the Agency that may be subordinated to debt service on tax allocation bonds. For the Pre-AB 1290 Area, $24 million of new debt could be created in 2017-18. It appears that the Agency could issue up to $19 million of tax allocation bonds in the current fiscal year, in which case the Agency would have additional capacity to issue another $5 million by 2017-18. For the 1997 Amendment, the Agency could issue $10.5 million in the current fiscal year and realize an additional $1.5 million in 2017-18, the last year to incur debt from this Area. The total estimated bonding capacity for the Agency is reflected on the following Table:

	Pre-AB 1290 Areas	1997 Amendment	Total
Current Year Bond Capacity	$19.0 million	$10.5 million	$29.5 million
2017-18 Additional Bond Capacity	$5.0 million	$1.5 million	$6.5 million
Total Bond Capacity	$24.0 million	$12.0 million	$36.0 million

For purposes of Table 4 we have assumed that the Agency would only incur new debt to the extent it would continue to be able to timely pay all its existing debt. We have assumed City would be willing to subordinate its repayment which is utilized to meet the bond coverage requirements. Given these assumptions, as shown on Table 4, when the remaining obligations of the Agency are taken into consideration (See Table 5) the Agency's near term capacity to issue new debt is reduced to $2 million. By 2017-18 the currently existing bond debt service is paid off and the Agency's bonding capacity increases to $31 million.

Under either scenario, it is anticipated that the Agency's revenues will continue to grow after its ability to incur new debt ends. This opens the possibility of structuring the debt to the City more heavily toward the end of the time to receive tax increment and free some additional capacity in the near term.

It is possible that the Pre-AB 1290 Areas could be amended to extend their life, and time to collect tax increment by an additional ten years. In order to accomplish such an amendment, the Agency would need to determine that significant blight remains within the Project Area, and the blight could not be eliminated without extending the effectiveness of the plan and the receipt of property taxes. The use of new tax increment generated after the old limit expired would be required to be spent specifically on the blighted parcels and the necessary and essential parcels identified in the plan adoption process. The Low and Moderate Income Housing Requirement would be increased to 30 percent from 20 percent, and the new Housing Funds could be spent only on low, very low, or extremely low income housing.

San Dimas Redevelopment Agency 1-Aug-08
Creative Growth Redevelopment Project and Amendments 3-Oct-08

Table 1

GROSS REVENUES UNDER LIMITATIONS

(000s Omitted)

		Gross Tax Revenue (1)						
		Pre-AB 1290 Area Limit - $205 Million						
Yr		Original Area	1976 Amend.	1983 Amend.	Subject to TI Limit	1997 Amend.		Combined
	To Date	15,213	18,353	11,133	44,698			
1	2008-09	1,082	1,349	1,977	4,409	1,714		6,123
2	2009-10	1,123	1,398	2,051	4,571	1,832		6,403
3	2010-11	1,164	1,450	2,126	4,740	1,954		6,694
4	2011-12	1,207	1,503	2,205	4,914	2,080		6,995
5	2012-13	1,252	1,557	2,286	5,095	2,211		7,306
6	2013-14	1,298	1,614	2,370	5,282	2,346		7,629
7	2014-15	1,346	1,673	2,457	5,476	2,486		7,963
8	2015-16	1,396	1,734	2,547	5,677	2,632		8,309
9	2016-17	1,447	1,797	2,641	5,885	2,782		8,667
10	2017-18	1,500	1,863	2,737	6,100	2,938	(3)	9,038
11	2018-19	1,555	1,930	2,837	6,323	3,099		9,422
12	2019-20	1,612	2,001	2,941	6,554	3,266		9,820
13	2020-21	1,671	2,073	3,049	6,793	3,439		10,232
14	2021-22	1,732	2,148	3,160	7,041	3,618		10,659
15	2022-23	1,796	2,226	3,275	7,297	3,803		11,101
16	2023-24	1,861	2,307	3,394	7,563	3,996		11,558
17	2024-25 (2)	1,929	2,391	3,518	7,838	4,194		12,032
18	2025-26		2,477	3,646	6,123	4,400		10,523
19	2026-27		2,567	3,778	6,345	4,614		10,959
20	2027-28		2,659	3,915	6,575	4,835		11,410
21	2028-29 (2)		2,756	4,058	6,813	5,063		11,877
22	2029-30			4,205	4,205	5,300		9,506
23	2030-31			4,357	4,357	5,546		9,903
24	2031-32			4,515	4,515	5,800		10,316
25	2032-33			4,678	4,678	6,063		10,741
26	2033-34			4,848	4,848	6,335		11,183
27	2034-35			5,023	5,023	6,618		11,641
28	2035-36 (2)			5,204	5,204	6,910		12,114
29	2036-37					7,213		7,213
30	2037-38					7,526		7,526
31	2038-39					7,851		7,851
32	2039-40					8,187		8,187
33	2040-41					8,535		8,535
34	2041-42					8,895		8,895
		24,973	41,474	93,798	204,943	158,081		318,326

(1) Assumed Annual Growth 103.56% Real
103.56% Other

(2) Last year to receive tax increment.

(3) Last year to incur debt for the 1997 Annex.

Table 2

AVAILABLE REVENUES FOR DEBT SERVICE

(000s Omitted)

Superior Obligations

		Pre-AB 1290 Area					No Tax Increment Limit				
Yr	Subject to TI Limit	Housing Set-Aside	SB 2557	Tax Sharing	SB 211 Tax Sharing (1)	Available For Debt Svc.	98 Annex	Housing Set-Aside	SB 2557	AB 1290 Tax Sharing	Available For Debt Svc.
1	4,409	(882)	(60)	(835)	(233)	**2,399**	1,714	(343)	(23)	(343)	**1,005**
2	4,571	(914)	(63)	(866)	(327)	**2,402**	1,832	(366)	(25)	(386)	**1,054**
3	4,740	(948)	(65)	(898)	(361)	**2,469**	1,954	(391)	(27)	(431)	**1,105**
4	4,914	(983)	(67)	(931)	(395)	**2,538**	2,080	(416)	(28)	(477)	**1,158**
5	5,095	(1,019)	(70)	(965)	(431)	**2,610**	2,211	(442)	(30)	(526)	**1,213**
6	5,282	(1,056)	(72)	(1,000)	(469)	**2,685**	2,346	(469)	(32)	(575)	**1,270**
7	5,476	(1,095)	(75)	(1,037)	(532)	**2,737**	2,486	(497)	(34)	(627)	**1,328**
8	5,677	(1,135)	(78)	(1,075)	(440)	**2,948**	2,632	(526)	(36)	(680)	**1,389**
9	5,885	(1,177)	(81)	(1,115)	(490)	**3,023**	2,782	(556)	(38)	(736)	**1,452**
10	6,100	(1,220)	(83)	(1,155)	(540)	**3,101**	2,938	(588)	(40)	(793)	**1,517**
11	6,323	(1,265)	(67)	(1,198)	(593)	**3,181**	3,099	(620)	(42)	(852)	**1,584**
12	6,554	(1,311)	(90)	(1,552)	(352)	**3,249**	3,266	(653)	(45)	(914)	**1,654**
13	6,793	(1,359)	(93)	(1,609)	(382)	**3,351**	3,439	(688)	(47)	(977)	**1,727**
14	7,041	(1,408)	(96)	(1,667)	(413)	**3,456**	3,618	(724)	(49)	(1,043)	**1,802**
15	7,297	(1,459)	(100)	(1,728)	(445)	**3,566**	3,803	(761)	(52)	(1,112)	**1,879**
16	7,563	(1,513)	(103)	(1,791)	(478)	**3,678**	3,996	(799)	(55)	(1,182)	**1,960**
17	7,838	(1,568)	(107)	(1,856)	(512)	**3,794**	4,194	(839)	(57)	(1,256)	**2,043**
18	6,123	(1,225)	(84)	(1,924)	(548)	**2,343**	4,400	(880)	(60)	(1,331)	**2,129**
19	6,345	(1,269)	(87)	(1,994)	0	**2,996**	4,614	(923)	(63)	(1,410)	**2,218**
20	6,575	(1,315)	(90)	(2,066)	0	**3,104**	4,835	(967)	(66)	(1,491)	**2,311**
21	6,813	(1,363)	(93)	(2,141)	0	**3,217**	5,063	(1,013)	(69)	(1,575)	**2,406**
22	4,205	(841)	(57)	(2,219)	0	**1,088**	5,300	(1,060)	(72)	(1,663)	**2,505**
23	4,357	(871)	(59)	(2,299)	0	**1,127**	5,546	(1,109)	(76)	(1,780)	**2,581**
24	4,515	(903)	(62)	(2,382)	0	**1,168**	5,800	(1,160)	(79)	(1,902)	**2,658**
25	4,678	(936)	(64)	(2,468)	0	**1,210**	6,063	(1,213)	(83)	(2,029)	**2,739**
26	4,848	(970)	(66)	(2,558)	0	**1,254**	6,335	(1,267)	(87)	(2,159)	**2,823**
27	5,023	(1,005)	(69)	(2,650)	0	**1,299**	6,618	(1,324)	(90)	(2,295)	**2,909**
28	5,204	(1,041)	(71)	(2,746)	0	**1,348**	6,910	(1,382)	(94)	(2,435)	**2,998**
29							7,213	(1,443)	(98)	(2,580)	**3,091**
30							7,526	(1,505)	(103)	(2,731)	**3,187**
31							7,851	(1,570)	(107)	(2,887)	**3,287**
32							8,187	(1,637)	(112)	(3,048)	**3,390**
33							8,535	(1,707)	(117)	(3,215)	**3,496**
34							8,895	(1,779)	(121)	(3,388)	**3,607**
	204,943	(32,049)	(2,191)	(46,723)	(7,941)	**71,340**	158,081	(31,616)	(2,158)	(50,831)	**73,475**

(1) SB 211 tax sharing obligations end at the termination of the redevelopment plan.

San Dimas Redevelopment Agency
Creative Growth Redevelopment Project and Amendments

Table 3

POTENTIAL BOND SIZE

(000s Omitted)

	Pre-AB 1290 Area Components: $30 Million Bond Limit								1997 Annex: Time to Incur Debt Limit				
Yr	Available For Debt Svc.	Coverage @ 1.3	Bond Debt Service	Eligible For New Debt Svc.	Potential Bond Size (1)	Principal Left	Yrs Left	Net Proceeds @ 85%	Available For Debt Svc.	Coverage @ 1.3	Yrs Left	Potential Bond Size (1)	Net Proceeds @ 85%
Outstanding					750								
1	2,399	1,845	(410)	1,435	19,000	410	24	16,150	1,005	773	30	12,000	10,200
2	2,402	1,848	(435)	1,413	18,500	435	23	15,725	1,054	811	30	12,500	10,625
3	2,469	1,899	(455)	1,444	18,500	455	22	15,725	1,105	850	30	13,000	11,050
4	2,538	1,953	(480)	1,473	18,000	480	21	15,300	1,158	891	30	13,500	11,475
5	2,610	2,008	(570)	1,438	17,000	570	20	14,450	1,213	933	30	14,500	12,325
6	2,685	2,065	(615)	1,450	17,000	615	19	14,450	1,270	977	29	15,000	12,750
7	2,737	2,105	(660)	1,445	16,000	660	18	13,600	1,328	1,022	28	15,000	12,750
8	2,948	2,268	(695)	1,573	17,000	695	17	14,450	1,389	1,068	27	15,500	13,175
9	3,023	2,326	(830)	1,496	15,500	830	16	13,175	1,452	1,117	26	16,000	13,600
10	3,101	2,385	0	2,385	**24,000**	0	15	20,400	1,517	1,167	25	16,500	14,025
11	3,181	2,447	0	2,447	23,500	0	14	19,975	1,584	1,167	24		
12	3,249	2,500	0	2,500	22,500	0	13	19,125	1,654	1,167	23		
13	3,351	2,578	0	2,578	22,000	0	12	18,700	1,727	1,167	22		
14	3,456	2,659	0	2,659	21,500	0	11	18,275	1,802	1,167	21		
15	3,565	2,742	0	2,742	20,500	0	10	17,425	1,879	1,167	20		
16	3,678	2,829	0	2,829	19,500	0	9	16,575	1,960	1,167	19		
17	3,794	2,919	0	2,919	18,000	0	8	15,300	2,043	1,167	18		
18	2,343	1,802	0	1,802	9,500	0	7	8,075	2,129	1,167	17		
19	2,996	2,304	0	2,304	11,000	0	6	9,350	2,218	1,167	16		
20	3,104	2,388	0	2,388	9,500	0	5	8,075	2,311	1,167	15		
21	3,217	2,474	0	2,474	8,000	0	4	6,800	2,406	1,167	14		
22	1,088	837	0	837	1,500	0	3	1,275	2,505	1,167	13		
23	1,127	867	0	867	1,000	0	2	850	2,581	1,167	12		
24	1,168	899	0	899	0	0	1	0	2,658	1,167	11		
25	1,210		0	0					2,739	1,167	10		
26	1,254		0	0					2,823	1,167	9		
27	1,299		0	0					2,909	1,167	8		
28	1,346		0	0					2,998	1,167	7		
29	0		0	0					3,091	1,167	6		
30	0		0	0					3,187	1,167	5		
31	0		0	0					3,287	1,167	4		
32	0		0	0					3,390	1,167	3		
33	0		0	0					3,496	1,167	2		
34	0		0	0					3,607	1,167	1		
	73,475		(5,150)						73,475	37,615			

(1) Bonds assumed interest rate of 5%. All assumed bonds through 2012-13 have a term of 30 years. Thereafter final maturity is 2041-42.

Table 4

POTENTIAL BOND SIZE BASED UPON NET REVENUES

(000s Omitted)

Yr	Gross Revenue	Housing Set-Aside	SB 2557	Tax Sharing	SB 211 Tax Sharing (1)	AB 1290 Tax Sharing	Existing Debt Svc. Service	Development Obligations	City Payments	Available Revenue	Potential Bond Size
1	6,123	(1,225)	(84)	(835)	(233)	(343)	(668)	(1,485)	(1,160)	91	1,500
2	6,403	(1,281)	(88)	(866)	(327)	(386)	(668)	(1,527)	(1,163)	98	1,500
3	6,694	(1,339)	(92)	(898)	(361)	(431)	(668)	(1,486)	(1,167)	254	3,500
4	6,995	(1,399)	(96)	(931)	(395)	(477)	(668)	(1,471)	(1,171)	387	5,000
5	7,306	(1,461)	(100)	(965)	(431)	(526)	(668)	(1,510)	(1,175)	471	6,000
6	7,629	(1,526)	(104)	(1,000)	(469)	(575)	(668)	(1,547)	(1,179)	560	7,000
7	7,963	(1,593)	(109)	(1,037)	(532)	(627)	(668)	(1,587)	(1,183)	628	7,500
8	8,309	(1,662)	(114)	(1,075)	(440)	(680)	(668)	(1,629)	(1,187)	853	9,500
9	8,667	(1,733)	(119)	(1,115)	(490)	(736)	(668)	(1,674)	(1,192)	942	10,000
10	9,038	(1,808)	(124)	(1,155)	(540)	(793)	0	(1,721)	(1,196)	1,701	17,500
11	9,422	(1,884)	(129)	(1,198)	(593)	(852)	0	(1,771)	(1,201)	1,794	
12	9,820	(1,964)	(134)	(1,552)	(352)	(914)	0	(1,824)	(1,206)	1,874	
13	10,232	(2,046)	(140)	(1,609)	(382)	(977)	0	(1,881)	(1,211)	1,986	
14	10,659	(2,132)	(146)	(1,667)	(413)	(1,043)	0	(1,940)	(1,216)	2,102	
15	11,101	(2,220)	(152)	(1,728)	(445)	(1,112)	0	(2,004)	(1,221)	2,219	
16	11,556	(2,312)	(158)	(1,791)	(478)	(1,182)	0	(635)	(1,226)	3,776	
17	12,032	(2,406)	(165)	(1,856)	(512)	(1,256)	0	(635)	(1,232)	3,970	
18	10,523	(2,105)	(144)	(1,924)	(548)	(1,331)	0	(635)	(1,188)	2,649	
19	10,959	(2,192)	(150)	(1,994)	0	(1,410)	0	(635)	(1,193)	3,388	
20	11,410	(2,282)	(156)	(2,066)	0	(1,491)	0	(635)	(1,197)	3,582	
21	11,877	(2,375)	(162)	(2,141)	0	(1,575)	0	0	(1,202)	4,421	
22	9,505	(1,901)	(130)	(2,219)	0	(1,663)	0	0	(1,151)	2,442	
23	9,903	(1,981)	(135)	(2,299)	0	(1,780)	0	0	(445)	3,263	
24	10,315	(2,063)	(141)	(2,382)	0	(1,902)	0	0	(448)	3,378	
25	10,741	(2,148)	(147)	(2,468)	0	(2,029)	0	0	(452)	3,498	
26	11,183	(2,237)	(153)	(2,558)	0	(2,159)	0	0	(455)	3,621	
27	11,641	(2,328)	(159)	(2,650)	0	(2,295)	0	0	(459)	3,749	
28	12,114	(2,423)	(165)	(2,746)	0	(2,435)	0	0	(133)	4,212	
29	7,213	(1,443)	(98)	0	0	(2,580)	0	0	(68)	3,023	
30	7,526	(1,505)	(103)	0	0	(2,731)	0	0	(71)	3,117	
31	7,851	(1,570)	(107)	0	0	(2,887)	0	0	(73)	3,214	
32	8,187	(1,637)	(112)	0	0	(3,048)	0	0	(75)	3,315	
33	8,535	(1,707)	(117)	0	0	(3,215)	0	0	(77)	3,419	
34	8,895	(1,779)	(121)	0	0	(3,388)	0	0	(79)	3,527	
		(63,665)	(4,349)	(46,723)	(7,941)	(50,831)	(6,012)	(28,232)	(29,049)	81,523	

(1) SB 211 tax sharing obligations end at the termination of the redevelopment plan.

(2) Assumes City payments and administrative costs would serve as coverage.
Bonds assumed interest rate of 5%. All assumed bonds through 2012-13 have a term of 30 years.
Thereafter final maturity is 2041-42.

San Dimas Redevelopment Agency
Creative Growth Redevelopment Project and Amendments

3-Oct-08

Table 5

Existing Obligations

(000s Omitted)

							Development Agreements				
								Costco			
		Existing Bond Debt Service	City Admin Services	Legal Consultants Projects	City Loan	Total City Pymts	Lowe's Payment	Assistance	Legal, Cost Recovery Acquistion	Walker House Financing	Total Development Agreements
1	2007-08										
2	2008-09	668	120	330	710	1,160	100	500	250	635	1,485
3	2009-10	668	123	330	710	1,163	100	542	250	635	1,527
4	2010-11	668	127	330	710	1,167	50	551	250	635	1,486
5	2011-12	668	131	330	710	1,171		586	250	635	1,471
6	2012-13	668	135	330	710	1,175		625	250	635	1,510
7	2013-14	668	139	330	710	1,179		662	250	635	1,547
8	2014-15	668	143	330	710	1,183		702	250	635	1,587
9	2015-16	668	147	330	710	1,187		744	250	635	1,629
10	2016-17	668	152	330	710	1,192		789	250	635	1,674
11	2017-18		156	330	710	1,196		836	250	635	1,721
12	2018-19		161	330	710	1,201		886	250	635	1,771
13	2019-20		166	330	710	1,206		939	250	635	1,824
14	2020-21		171	330	710	1,211		996	250	635	1,881
15	2021-22		176	330	710	1,216		1,055	250	635	1,940
16	2022-23		181	330	710	1,221		1,119	250	635	2,004
17	2023-24		186	330	710	1,226				635	635
18	2024-25		192	330	710	1,232				635	635
19	2025-26		148	330	710	1,188				635	635
20	2026-27		153	330	710	1,193				635	635
21	2027-28		157	330	710	1,197				635	635
22	2028-29		162	330	710	1,202					0
23	2029-30		111	330	710	1,151					0
24	2030-31		115	330		445					0
25	2031-32		118	330		448					0
26	2032-33		122	330		452					0
27	2033-34		125	330		455					0
28	2034-35		129	330		459					0
29	2035-36		133			133					0
30	2036-37		68			68					0
31	2037-38		71			71					0
32	2038-39		73			73					0
33	2039-40		75			75					0
34	2040-41		77			77					0
35	2041-42		79			79					0
		6,012	4,519	8,910	15,620	29,049	250	11,532	3,750	12,700	28,232

San Dimas Redevelopment Agency
Rancho San Dimas Redevelopment Project Area

FISCAL CAPACITY ASSESSMENT
November 11, 2008

Introduction

We have been engaged by the San Dimas Redevelopment Agency to assess the fiscal capacity of the Rancho San Dimas Redevelopment Project Area (the Project Area). Our objective is to provide an estimate of the financial resources available over the remaining life of the Project Area. The Project Area, like all redevelopment project areas in California, is restrained by the prospect of the growth of assessed values within the Project Area, the requirements of its existing obligations, and the California Redevelopment Law.

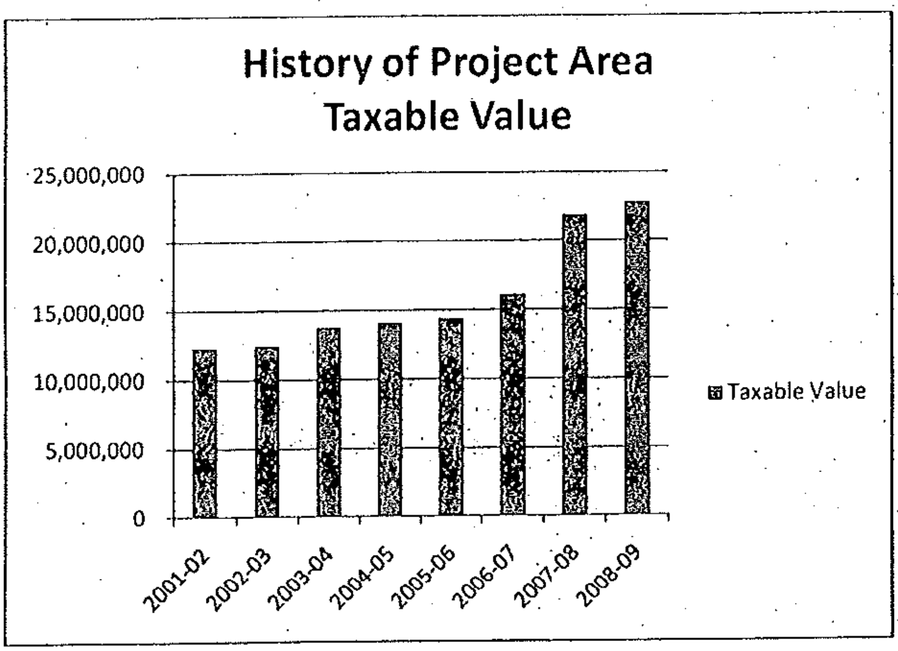
The Project Area was originally adopted in 1990 without provision for tax increment financing. At the time of the adoption of the Redevelopment Plan (the Plan), the Agency agreed with Los Angeles County (the County) to address potential financial burden to the County if and when the Agency decided to amend the Plan to add tax increment financing. The City adopted an amendment in 1995 to provide for the addition of tax increment financing provisions, and entered a tax-sharing agreement with the County in September 1996 (See Tax Sharing Obligations, below).

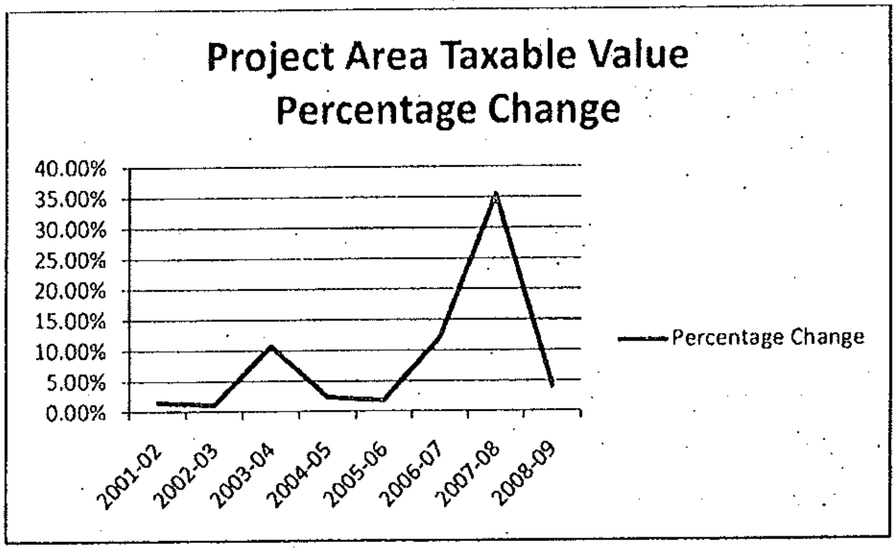
The Project Area was originally adopted prior to the 1993 enactment of AB 1290. AB 1290 was reform legislation that established time limits and financial limits on new redevelopment plans adopted beginning in 1994. The tax increment provisions were added to the Project Area after the effective date of AB 1290. The Agency, after legal review has determined to treat the Project Area as a pre-AB 1290 project area. For redevelopment plans adopted prior to 1994 AB 1290 imposed similar but different limitations. These limitations were in addition to limitations already existing with these older project areas. As discussed below, it appears that there is some confusion on the application of pre-AB 1290 limitations and post-AB 1290 limitations.

Project Area Description

The Project Area is located immediately north of Cienega Avenue and immediately west of the 57 Freeway, and consists of the San Dimas Market Place on two parcels and a Target store on the third parcel. The three commercial parcels total nine plus acres of land. Although the incremental assessed value of the Project Area is significant, its small size and concentration of ownership are limitations to long term financing.

The historic reported taxable values for the Project Area were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent eight fiscal years beginning with 2001-02. The Project Area has shown growth in every year since 2001-02. Growth peaked in 2007-08, and moderated for 2008-09. Due to the limited number of parcels secured values are not expected to increase in unless there is a change in ownership or new construction. On that basis we have assumed that the Project Area will continue to grow at a 2.0% for the remainder of its receipt of tax increment.





Top Ten Taxpayers

A review of the top ten taxpayers owners in the Project Area for fiscal year 2008-09 was conducted. Within the Project Area, the aggregate taxable value for the ten largest taxpayers totaled $22,701,651 representing 99.56% of the total value of the Project Area. In fact, the top ten taxpayers represent 108.67% of the incremental value of the Project Area. The effect of this concentration of ownership limits the financing capability of the Project Area to the strength of its top taxpayers.
The Table below details the valuations of the top ten taxpayers.

Project Area Top Ten Taxpayers				
		Assessed Value	% Total Value	% Incremental Value
	Project Area Total & Incremental Values		22,802,992	20,891,286
1	PK III San Dimas Marketplace LP	$17,206,380	75.46%	82.36%
2	Dayton Hudson Corporation	3,957,665	17.36%	18.94%
3	Trader Joe's Company	544,030	2.39%	2.60%
4	Petco Animal Supplies Inc.	328,170	1.44%	1.57%
5	Hallmark Retail Inc.	163,324	0.72%	0.78%
6	Officemax Retail Inc.	156,774	0.69%	0.75%
7	Party City Corporation	141,347	0.62%	0.68%
8	Aaron Brothers Inc.	106,683	0.47%	0.51%
9	Shoe Pavilion Corporation	51,323	0.23%	0.25%
10	TGSE Corporation	46,000	0.20%	0.22%
	Totals	$22,701,651	99.56%	108.67%

Redevelopment Plan Limits

The Redevelopment Law has changed over the time of existence of the Project Area. Among the changes are the requirements of different limitations of the receipt of tax increment, the time to issue debt, and the life of redevelopment plans. In 1993 the legislature enacted a series of redevelopment reforms, commonly referred to as AB 1290, that applied some limitations to existing redevelopment plans and different limitations to redevelopment plans and plan amendments adopted beginning in 1994. In addition, redevelopment agencies were required to make deposits to the Educational Revenue Augmentation Fund (ERAF) for 1992-93 through 1994-95 and again for2002-03 through 2005-06. These payments funded schools and reduced the State's contribution to education funding. Legislation enabled redevelopment agencies that made ERAF payments to extend the time of the effectiveness of their redevelopment plans and the time to collect tax increment by one to three years. The Agency has made a three year extension for the Project Area.

In 2001 the legislature enacted SB 211 which allowed amendments of existing limitations under some circumstances for the pre-AB 1290 redevelopment project areas including the time allowed to incur indebtedness. For pre-AB 1290 plans, pursuant to AB 1290 the time limit to incur indebtedness is 20 years from the date of adoption of the redevelopment plan or January 1, 2004, whichever is later. Under the provisions of SB 211 the Agency has eliminated the time limit to incur indebtedness. The elimination of the time limit to incur debt triggers a tax-sharing obligation to taxing agencies in the Project Area that do not have an existing tax-sharing agreement. The SB 211 tax-sharing (see Tax Sharing Obligations below) begins upon expiration of the original tax increment limit. Under AB 1290 that limit would have been 20 years from the adoption of the tax increment provision which we have assumed for our tax increment projections.

Pre-AB 1290 redevelopment plans were required to include a limit on tax increment and a limitation on the amount of tax allocation bonds that can be outstanding at one time. Post-AB 1290 redevelopment plans do not have these limitations. We are unaware that such limits have been established for the Project Area. The County is treating the Project Area as an AB 1290 project area without a limit on tax increment revenue.

The table below illustrates general information regarding the Project Area and its amendment areas.

Project Area General Information

Adoption Date	Plan Expiration	Last Date to Incur Debt	Last Date to Repay Debt	Tax Increment Limit	Limit on Outstanding Bond Debt
25-April 95 (1)	25 June 23	n/a	25 June 33	Unavailable	Unavailable

(1) Date of adoption of tax increment provisions.

Tax Sharing Obligations

The City Council adopted an SB 211 Ordinance eliminating the time limit for incurring debt for the Project Area. As a consequence of the Project Area is subject to statutory tax-sharing beginning the year after the former time limit expired. We are assuming that the existing time limit will expire on June 25, 2015 (20 years from the adoption of the tax increment provisions).

The statutory tax-sharing under SB 211 is similar to the provisions of AB 1290. The statutory tax sharing occurs in three tiers. The first tier of tax sharing begins in the first fiscal year after the previous limitation expires. The year the previous limitation expires in the adjusted base year. The tax agencies in the Project Area receives tax revenue are paid 25% of Gross Revenue net of the Housing Set-Aside Requirement from the growth of incremental assessed value above the adjusted base year. Taxing entities with pre-existing tax sharing agreements continue to receive their payments in accordance with the pre-existing agreement. The remaining amount is paid on a prorated basis to all taxing agencies within the project area including the City if it makes the election to receive its share. This first tier of statutory tax sharing continues through the life of the Plan.

Beginning in the eleventh fiscal year after the old limit expires a new adjusted base value (the tenth year) is established for calculation of the second tier of payments. The payments to tax agencies consist of 21% of the revenue derived from the incremental difference between the current year assessed value and the second adjusted base value less 20% for housing set-aside, except the City, in addition to the initial pass through amount. The City may not elect to receive its prorated share of the second tier of statutory tax sharing.

A similar process takes place for the 31st year. For the Project Area the Plan will expire prior to the 31st year.

The SB 211 payments may be subordinated to debt service by the taxing entities upon request of the Agency. In order to gain the subordination the Agency must demonstrate that it reasonably anticipates there will be sufficient funds to pay debt service that the tax-sharing payments. SB 211 payments stop with the termination of the Plan even though the Agency has ten more years to collect tax increment.

Prior to the enactment of AB 1290 redevelopment agencies were authorized under Section 33401 to negotiate tax-sharing agreements with taxing entities impacted by a proposed redevelopment project area to alleviate the fiscal burden the redevelopment project area may impose on the taxing entity. The Agency entered a Section 33401 agreement with Los Angeles County and the County Fire Protection District. Pursuant to the agreement the Agency annually is to pay the County 29.47% and the County Fire Protections District 15.45% of the general levy tax increments. The County agreed to defer the first $300,000 of its payment providing the Agency funded flood control or other projects of benefit to the County. To the extent the Agency and/or the city funded projects of benefit to the County the Agency's outstanding balance is to be reduced. According to the Agency the debt to the County has been extinguished due to the Agency's contributions to projects of benefit to the County.

The Agency also entered an agreement with the Bonita Unified School District. Since the agreement only calls for statutory SB 211 pass-through payments we have treated the District as part of SB 211.

The Agency has a 30 year payment schedule to repay loans advance by the City. Additionally, the Agency annually pays the City for administrative expenses.

Future Capacity

The Project Area has a very limited capacity to capitalize its tax increment revenues. The small size of the Project Area, the limited number of parcels, the existing obligations and the issuance costs do not leave the Agency with sufficient revenues to efficiently issue tax exempt unless a small accommodation can be reached with a private lender. We estimate that the Agency could borrow between $242,000 and $289,000. The attached Table 2 demonstrates the borrowing capacity of the Project Area. Should the Agency incur its maximum amount of debt there may not be sufficient revenue to repay the City obligations.

It is possible that the Pre-AB 1290 Areas could be amended to extend their life, and time to collect tax increment by an additional ten years. In order to accomplish such an amendment, the Agency would need to determine that significant blight remains within the Project Area, and the blight could not be eliminated without extending the effectiveness of the plan and the receipt of property taxes. The use of new tax increment generated after the old limit expired would be required to be spent specifically on the blighted parcels and the necessary and essential parcels identified in the plan adoption process. The Low and Moderate Income Housing Requirement would be increased to 30 percent from 20 percent, and the new Housing Funds could be spent only on low, very low, or extremely low income housing. Given that the Project Area is a fully developed shopping center the possibility of an extension seems remote.

Another possibility would be to merge the Project Area into the Creative Growth Redevelopment Project. This would create a larger, more diversified project area. However, under a merger the Rancho San Dimas Project Area would still be responsible for its existing obligations prior to providing any excess funds for the benefit of a merged project area. On the other hand a merger would allow funds from the Creative Growth Project Area to be utilized in the Rancho San Dimas Project Area.

San Dimas Redevelopment Agency
Rancho San Dimas Redevelopment Project #1

AVAILABLE REVENUES FOR DEBT SERVICE
000s Omitted

Yr.		Gross Revenue	SB 2557 Charge	Housing Set-Aside	Sect. 33401 Tax Sharing	SB 211 Tax Sharing	County Deferral Repayment	Available Tax Revenues	Years To Go	Potential Bond Size @ 1.3	Net (1) Proceeds	Revenu After Debt S
1	2008-09	210	(3)	(42)	(94)	0	(48)	**23**	24	**242**	205	
2	2009-10	214	(3)	(43)	(96)	0	(48)	**24**	23	**252**	214	
3	2010-11	219	(3)	(44)	(98)	0	(48)	**26**	22	**261**	222	
4	2011-12	223	(3)	(45)	(100)	0	(48)	**27**	21	**269**	229	
5	2012-13	228	(3)	(46)	(102)	0	(48)	**29**	20	**277**	235	
6	2013-14	233	(3)	(47)	(104)	0	(48)	**30**	19	**283**	241	
7	2014-15	237	(3)	(47)	(106)	0	(48)	**32**	18	**289**	245	
8	2015-16	242	(3)	(48)	(108)	(1)	(48)	**33**	17	**288**	245	
9	2016-17	247	(3)	(49)	(111)	(1)	(48)	**34**	16	**287**	244	
10	2017-18	252	(3)	(50)	(113)	(2)	(48)	**36**	15	**284**	241	
11	2018-19	258	(4)	(52)	(115)	(2)	(48)	**37**	14	**280**	238	
12	2019-20	263	(4)	(53)	(118)	(3)	(48)	**38**	13	**274**	233	
13	2020-21	268	(4)	(54)	(120)	(3)	(48)	**39**	12	**267**	227	
14	2021-22	274	(4)	(55)	(123)	(4)	(48)	**40**	11	**259**	220	
15	2022-23	280	(4)	(56)	(125)	(6)	(48)	**42**	10	**248**	211	
16	2023-24	285	(4)	(57)	(128)	0	(48)	**48**				
17	2024-25	291	(4)	(58)	(130)	0	(48)	**50**				
18	2025-26	297	(4)	(59)	(133)	0	(48)	**52**				
19	2026-27	303	(4)	(61)	(136)	0	(48)	**54**				
20	2027-28	310	(4)	(62)	(138)	0	(48)	**57**				
21	2028-29	316	(4)	(63)	(141)	0	(48)	**59**				
22	2029-30	322	(4)	(64)	(144)	0	(48)	**61**				
23	2030-31	329	(4)	(66)	(147)	0	(48)	**63**				
24	2031-32	336	(5)	(67)	(150)	0	(48)	**65**				
25	2032-33	343	(5)	(69)	(153)	0	(48)	**68**				
			(93)	(1,356)	(3,033)	(20)	(1,211)	**1,089**				

Plan Expiration
(1) 1.3 times coverage, 5% interest rate

RESOLUTION NO. 191

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIMAS, CALIFORNIA, ADOPTING AN IMPLEMENTATION PLAN FOR ITS CREATIVE GROWTH AND RANCHO SAN DIMAS PROJECT AREAS

WHEREAS, the Community Redevelopment Law requires that the San Dimas Redevelopment Agency ("Agency") adopt an implementation plan for the Creative Growth and Rancho San Dimas Redevelopment Project Areas; and

WHEREAS, said implementation plan must contain a statement of the specific goals and objectives of the agency for the project areas, and the specific projects and expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives will eliminate blight within the project areas, and implement the requirements of Section 33334.2, 33334.4, 33334.6 and 33413 the Housing Replacement Plan: and

WHEREAS, the Agency has prepared the required implementation plan and made it available for public view; and

WHEREAS, Publication and Posting notice was given in the manner required by law that the Agency would conduct a public hearing on the proposed implementation plan on June 8, 2010; and

WHEREAS, on June 8, 2010 the public hearing was opened and continued to June 22, 2010 and on June 22, 2010 the Agency conducted a continued public hearing and discussed the proposed implementation plan.

NOW, THEREFORE, the San Dimas Redevelopment Agency does find, determine and declare as follows:

1. The San Dimas Redevelopment Agency's Five Year Implementation Plan 2010 – 2015 is hereby adopted as the implementation plan for its Creative Growth and Rancho San Dimas project areas.

2. The Secretary of this Agency shall certify to the adoption of Resolution 191.

APPROVED AND ADOPTED this 22nd day of June, 2010.

CURTIS W. MORRIS, CHARIMAN
SAN DIMAS REDEVEOPMENT AGENCY

ATTEST:

INA RIOS, SECRETARY

8b (1)a

Agenda Item Staff Report

DATE: June 22, 2010

TO: Chairman and Board members

FROM: Blaine Michaelis, Executive Director

INITIATED BY: Ken Duran, Deputy Executive Director

SUBJECT: Adoption of the Agency's 2010 – 2015 Five Year Implementation Plan

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SUMMARY

California Redevelopment Law requires that each redevelopment agency adopt a five-year implementation plan that provides documentation for the link between the elimination of blight and the proposed actions of the redevelopment agency. The last plan that the Agency adopted was in July 2007 for the period 2005 - 2010. Therefore, this proposed plan is for the period of 2010 - 2015.

The Plan includes a description of the Agency's past actions, identifies blighted conditions, and proposes Agency goals and objectives and actions. The Plan includes a description of the affordable housing programs, and proposed actions necessary to accomplish Agency affordable housing goals and objectives.

Staff recommends that at the conclusion of the public hearing that the Agency Board adopt Resolution No. 191 approving the five year implementation plan.

8b (1)

OVERVIEW

California Redevelopment Law requires each Redevelopment Agency to adopt a five year implementation plan that provides documentation for the link between the elimination of blight and the proposed actions of the redevelopment agency. San Dimas first implementation plan was adopted in 2000 covering the five years from 2000 – 2005. The Agency was late in adopting the subsequent plan for the period 2005 – 2010, which was adopted in July 2007. Sine the last plan was adopted only three years ago, the proposed plan includes only minor updates and revisions. In 2007 Agency staff retained the services of Ernie Glover, GRC Redevelopment Consultants, to provide oversight over the development of the Plan and Kathe Head, Keyser Marston, to prepare the affordable housing section of the Plan. The proposed plan uses the same framework as the Plan previously prepared by the consultants with minor updates.

The proposed Plan meets the requirements of the Redevelopment Law and notice of the public hearing was provided in compliance with Law. The Plan is divided into two sections. The first section is the general background and Plan detail and the second section is the affordable housing component

The Plan describes the statutory requirement for the Plan and the history of both the Creative Growth and Rancho San Dimas Project Areas. The next section describes the recently updated Plan time and financial limits. Next it identifies the significant previous activities for each project area. It then provides the legal definitions for blight and identifies the on-going conditions of blight that still exist within the Project Areas.

The Plan goes on to identify the Agency's Goals and Objections and proposed programs to eliminate blight conditions for the five year period that the plan covers. Since many of these have been long term, most are similar to those identified in the last Plan. Some of the Goals are Objections are general in nature and some are site or project specific. Some of the site or project specific goals include:

- Continue to assist with the rehabilitation of the Canyon Center.
- Promote development of the agency owned property on Bonita Ave. between Cataract and Acacia.
- Promote development of the irregularly shaped Agency owned property on Bonita Ave. and Eucla.
- Continue with the maintenance and management of the Walker House.

- Assist, where appropriate, with the preservation of the Machinery and Equipment building.
- Assist with the development of the vacant retail pads on the Costco site.
- Continue to preserve the Depot.
- Assist with the preservation, enhancements and upgrades to the Frontier Village.
- Facilitate a change of uses for some properties in the Frontier Village to be more consistent with the objectives of the Specific Plan.

The next area addresses the financial resources available to the Agency to expend funds to eliminate the blight conditions. In 2008 the Agency retained the services of Hdl consultants to conduct Fiscal Capacity Assessments for the project areas. The reports project the debt capacity for each project area, indicating the availability of funds for future expenditures. The reports are referenced in the plan and are incorporated as exhibits.

The second half of the Plan is the affordable housing component which addresses the Agency's compliance with California Redevelopment Law. The first three pages of this section give an overview of the current status and the proposed projects to ensure compliance. The plan outlines how the Agency will spend its 20% housing set-aside funds, how it will meet its inclusionary housing requirements and how it will address other statutory requirements.

RECOMMENDATION

The proposed Plan updates recent activity by the Agency over the past three years, since the last adoption. For the most part the goals and objectives are the same. Per state law the Plan will be reviewed again mid way through the five year cycle.

Staff recommends that at the conclusion of the public hearing the Agency adopt Resolution 191 approving the 2010 – 2015 five year implementation plan.