

Murrieta

City of Murrieta

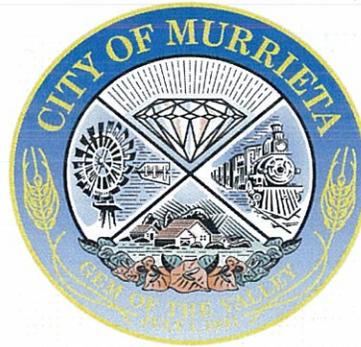
Redevelopment

City Hall

Agency

1 Town Center

24601 Jefferson Avenue



Five-Year Implementation Plan

2010 – 2014



Resolution No. ^{RDA} 09-91

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Prepared by:





I. INTRODUCTION

Section 33490 of the California Community Redevelopment Law ("Law") requires that a redevelopment agency administering a redevelopment plan prepare and adopt a five-year implementation plan for its project areas. The principal goal of the implementation plan is to guide an agency in implementing its redevelopment program to help eliminate blighting influences. In addition, the affordable housing component of the implementation plan provides a mechanism for a redevelopment agency to monitor its progress in meeting both its affordable housing obligations under the Law and the affordable housing needs of the community. In effect, the implementation plan is a guide, incorporating the goals, objectives, and potential programs of an agency for the five-year implementation plan period ("Planning Period"), while providing flexibility so the agency may adjust to changing circumstances and new opportunities.

This document constitutes the 2010 through 2014 Implementation Plan ("Plan") for the Murrieta Redevelopment Agency ("Agency"). This Plan outlines the programs of revitalization, economic development, and affordable housing activities for the Agency during the Planning Period.

The Affordable Housing Production Plan is included in the Housing Component of the Plan ("Housing Plan") and covers historical and projected housing production in the Project Areas, the Agency's affordable housing production obligation, and the Agency's plans to meet its housing production obligation.

A. Organization

Generally, the Plan must contain the following information:

- Specific goals and objectives for the next five years for both housing and non-housing activities.
- Specific programs and expenditures for the next five years for both housing and non-housing.
- An explanation of how the goals, objectives, programs and expenditures will assist in the elimination of blight and in meeting affordable housing obligations.
- Other information related to the provision of affordable housing, including the Agency's housing replacement plan, if applicable, and its housing production obligation throughout the life of the Project Areas.

Section I of the Plan provides a basic discussion of the requirements under the Law, Project Area description, background, and history.

Section II summarizes the Agency's goals and objectives for the Project Areas and the proposed non-housing activities and corresponding revenues and expenditures for the next five years. It also includes a description of the blighting conditions and how these conditions will be alleviated by the Agency's proposed activities.



Section III addresses the affordable housing activities and expenditures, and charts the Agency's progress in providing affordable housing, along with the Affordable Housing Production Plan.

Section IV discusses the responsibilities and regulations governing the administration of the Plan.

B. Requirements by Law

For redevelopment plans adopted prior to January 1, 1994, the first implementation plan for years 1995-1999 was required to be adopted by December 31, 1994. The first Five-Year Implementation Plan was adopted in May 1999 by the Agency for years 1999 through 2004, and in December 7, 2004 for the years 2005 through 2009. This Implementation Plan represents the third implementation plan prepared by the Agency, and will cover the planning period years 2010 through 2014 ("2010-2014").

Assembly Bill 1290 Requirements

Assembly Bill 1290 ("AB 1290") added Section 33490 to the Health and Safety Code. Beginning in 1994, Section 33490 requires agencies to produce implementation plans every five years. Section 33490 has been amended numerous times since its original adoption. In accordance with this section, the implementation plan must contain the following, if applicable to the Agency:

Redevelopment Requirements

- Specific goals and objectives for each project area.
- Specific programs, including potential projects, for each project area.
- Estimated expenditures to address the remaining blight in the project areas.
- Explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area.

Housing Requirements

An explanation of how the goals, objectives, and programs will achieve the required housing production, as well as an explanation of expenditures of the Low and Moderate Housing Set-Aside Fund ("Housing Funds") as set forth in the Law. This explanation must include a detailed annual implementation plan for each of the five years covered by the Plan in order for performance to be measured. In addition, the following must be included:

- The amount of money available in the Housing Fund, the amount of money expected to be deposited during the next five years, and how those annual deposits to the Housing Fund will be spent.



- The estimated number of units to be provided over the next five and ten years to meet the Agency's 15 percent inclusionary housing requirements, if applicable.
- The number of qualifying very low-, low-, and moderate-income units that have been produced in the project area, and the number of additional units that will be required to meet the inclusionary housing requirements.
- The number of units that will be developed by the Agency, if any, including the number of units that the Agency will make available for very low-, low- and moderate-income households.
- If a planned public improvement or development project will result in destruction of existing affordable housing, an identification of proposed locations for their replacement will be required (Health and Safety Code Section 33413).
- The affordable housing production plan (Health and Safety Code Section 33413(b)(4)).

Assembly Bill 637 Requirements

Assembly Bill 637 ("AB 637") created additional housing requirements for redevelopment agencies. It eliminated the sunset for most of the provisions in AB 1290, which had been in effect since January 1, 1994. AB 1290 contained a number of modifications to the inclusionary and housing production requirements contained in Section 33413(b) of the Health and Safety Code. The issues addressed by AB 637 include:

- Targeting housing funds to the different income and age groups.
- 100 percent of removed or destroyed affordable units need to be replaced instead of 75 percent.
- Agency must keep a list of those persons displaced and who are to be given priority in the replacement housing plan.
- Establishes regulations of how and where Housing Funds may be used for onsite or offsite improvements.
- Covenants increased from 10 to 45 years in the case of owner occupied units, and from 15 to 55 years in the case of rental housing.
- Housing Funds are to be used only to the extent other reasonable means of private or commercial financing is not reasonably available.



The Agency is required to spend the Housing Fund in at least the proportion of the total housing need for each of the income groups as determined for the City pursuant to Section 65584 of the Government Code (Regional Housing Needs Assessment). In addition, the Agency shall expend, over the duration of each redevelopment implementation plan period, the Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the low-income population under 65 years of age in relation to the total low-income population of the community as reported by the United States Census Bureau.

In accordance with Section 33490(a)(2)(A)(iii) of the Law, the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and each ten years thereafter.

Senate Bill 701 Requirements

Senate Bill 701 clarifies how AB 637 is to be implemented. The Agency will have until 2014 to comply with the legal requirements outlined in AB 637.

C. Project Area Background

In order to effectively plan for the future development and revitalization of the Murrieta Redevelopment Project Area ("Project Area"), it is important to first gain an understanding of its history. In addition to describing the location and physical condition, this section will also describe the Agency's goals, objectives, and activities for the Project Area.

History of the Agency

The Murrieta Redevelopment Agency ("Agency") was activated on July 7, 1992 through the adoption of City of Murrieta Ordinance No. 59. The Agency was formed to identify and eliminate blighting conditions and stimulate economic investment within the community. On June 15, 1999, the Agency created the Murrieta Redevelopment Project Area, and has since successfully amended the Project Area to add territory in 2006.

The Agency was created to address blighting influences within the City, create, maintain and attract private investment, foster job creation, maintain and increase the supply of housing for very-low-, low- and moderate-income households, and renovate, remove or replace deteriorated or dilapidated structures.

As required by Section 33490(a)(5) of the Law, the following table outlines the Project Area's main benchmarks and time limits, including date of adoption, timeframe to initiate eminent domain proceedings, timeframe to incur debt, effectiveness of the Project Area, and the time limit to collect tax increment.

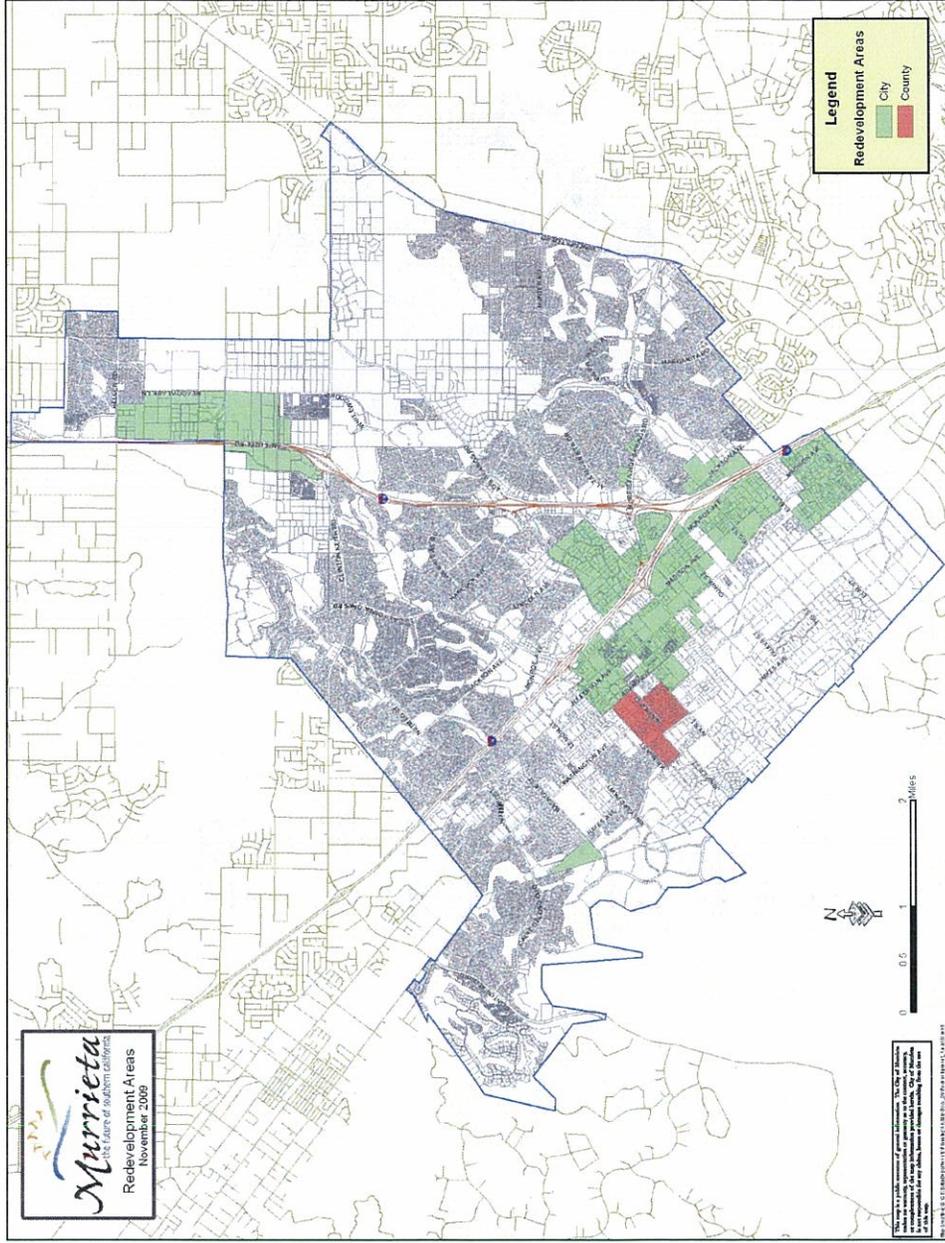


Redevelopment Project Area Time Limits					
Project Area	Date of Adoption	Eminent Domain Authority	Timeframe for Indebtedness	Effectiveness of Project Area	Timeframe to Collect Tax Increment
Murrieta Redevelopment Project Area	June 15, 1999	June 15, 2011	June 15, 2019	June 15, 2029	June 15, 2044
Added Area (2006)	July 5, 2006	July 5, 2018	July 5, 2026	July 5, 2036	July 5, 2051

The location and boundaries of the Project Area are shown in the Project Area map in the following page.



Murrieta Redevelopment Agency





SECTION II

FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT



II. FIVE-YEAR PLAN FOR THE ELIMINATION OF BLIGHT

A. Background

This section describes the five-year non-housing redevelopment program, including a summary of the deficiencies to be corrected, project and activity descriptions, and estimated revenues and expenditures. As they are implemented, these projects and activities may be modified over time to better serve the purposes of redevelopment and blight elimination. The cost estimates are preliminary and subject to refinement as the Agency's redevelopment activities, planning, and implementation proceed. Some of these projects and activities may not be completed within the next five years, and thus, related costs may not be incurred in the next five years.

B. Agency's Goals

The purposes and objectives of the Redevelopment Plan for the Project Area are to eliminate the conditions of blight existing in the Project Area and to prevent the recurrence of blighting conditions in the Project Area. The Agency proposes to eliminate such conditions and prevent their recurrence by providing for the planning, development, replanning, redesign, clearance, redevelopment, reconstruction and rehabilitation of the Project Area, and by providing for such structures and spaces as may be appropriate or necessary in the interest of the general welfare, including, without limitation, recreational and other facilities incidental to them.

The Agency further proposes to eliminate the conditions of blight existing in the Project Area and prevent recurrence by providing for the alteration, improvement, modernization, reconstruction or rehabilitation of existing structures in the Project Area, and by providing for open space types of uses, public and private buildings, structures, facilities, and improvements.

The Agency has identified the following general goals which are considered crucial to the success of the Project Area:

- Encourage employment opportunities through environmental and economic improvements resulting from redevelopment activities.
- Provide for the rehabilitation of commercial structures and residential dwelling units.
- Provide for participation in the redevelopment of property in the Project Area by owners who agree to so participate in conformity with this Redevelopment Plan.
- Provide for the management of property owned or acquired by the Agency.
- Provide relocation assistance where Agency activities result in displacement.



- Provide public infrastructure improvements and community facilities, such as the installation, construction and/or reconstruction of streets, utilities, public buildings, facilities, structures, street lighting, landscaping and other improvements which are necessary for the effective redevelopment of the Project Area.
- Increase and improve the community's supply of affordable housing.
- Acquire real property.
- Dispose of real property acquired by the Agency in the Project Area, except property conveyed to it by the City.
- Encourage the redevelopment of the Project Area through the cooperation of private enterprise and public agencies.

C. Blight in the Project Area

The redevelopment tools contained in the Law are granted for use in a project area in order to eliminate and prevent the prevalence of blighting conditions. A blighted area is one that necessitates the creation of a redevelopment project area because the combination of conditions in an area constitute a burden on the community and cannot be alleviated by private enterprise, governmental action, or both. Section 33031 of the Law defines blight as follows:

Physical Conditions that Cause Blight

- Unsafe, unhealthy and/or deteriorated buildings - Buildings and structures in which it is unsafe or unhealthy for people to live or work. Deferred maintenance that results in serious dilapidation and deterioration, faulty or, inadequate utilities, serious building code violations, and construction that is vulnerable to serious damage from seismic or geologic hazards.
- Physical conditions that substantially hinder the economic viability, use of Lots and/or buildings - Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards
- Incompatible land uses - Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the Project Area.
- Lots of irregular shape, inadequate size and under multiple ownerships - The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and developments that are in multiple ownership, given present general plan and zoning standards and present market conditions.



Economic Conditions that Cause Blight

- Depreciated, stagnant and/or impaired property values - Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority as specified in Article 12.5 (commencing with Section 33459 of the Law).
- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots - Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots.
- Lack of neighborhood commercial facilities - A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Overcrowding - Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard reference in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.
- Excess of bars, liquor stores and/or excess of adult businesses - An excess of bars, liquor stores, or adult-oriented business that has resulted in significant public health, safety, or welfare problems.
- High crime rates - A high crime rate that constitutes a serious threat to the public safety and welfare of Project Area residents.

D. Blighting Conditions Present in the Project Area

Physical Blight Conditions Present in the Project Area

The Agency has been actively addressing all those physical blighting conditions as identified in the initial Report to Council at the time of the Project Area adoption and the Amendment to the Project Area; however, some physical blighting conditions remain. Those remaining blighting conditions present in the Project Area include deteriorated buildings that are considered unsafe and unhealthy for persons to live, or work, serious building code violations, dilapidated and deteriorated buildings caused by long-term neglect, faulty and inadequate construction and inadequate public infrastructure. Other physical deterioration includes hazardous electrical wiring, deteriorated roofing materials, and other major structural deterioration that are deemed to be unhealthy and unsafe.



Economic Blight Conditions Present in the Project Area

Similarly, the Agency has been actively addressing all those economic blighting conditions as identified in the initial Report to Council at the time of the Project Area adoption and the Amendment to the Project Area; however, some economic blighting conditions remain. Conditions of economic blight addressed by the Agency include depreciated or stagnant property values, and low lease rates. Economic blight can lead to an environment that creates diminished economic opportunities to be undertaken by private entities or local government agencies.

E. Redevelopment and Economic Development Activities during the Previous Planning Period (2004-2009)

The Agency was active during the previous planning period implementing a wide range of programs and projects throughout the Project Area aimed at addressing blighting conditions in the Project Area.

Economic Development Activities

The Agency has been focused on the attracting new businesses to the Project Area and supporting the revitalization of existing businesses. Efforts have included participation in the International Conference of Shopping Centers events to actively reach retailers, promotion of sites within the Project Area, and preparation of marketing materials.

Sale of Agency-owned Land

The Agency worked with the Developer (Hemacinto Commonwealth Opportunity Fund) of the proposed 29-acre Cascada del Sol mixed use project to sell 9.8 acres of Agency-owned land to complete the land assemblage for the project. The Agency-owned land would be combined with the Developer's property, which is comprised of approximately 19.12 acres of land area, located on the block bounded by Interstate 15 and Madison Avenue. The project is to be built on a 29-acre site east of Madison Avenue, west of Interstate 15, between Murrieta Hot Springs Road, and Guava Street, and consist of an approximately 13-acre auto dealership, two hotel sites, and approximately 51,000 square feet of retail space. The sale of the land was approved via a Disposition and Development Agreement on September 16, 2008 for a sales price of \$5,200,000.

Improvements to Murrieta Core Area

The Murrieta Core is a primary focus for revitalization and elimination of blight. Town Square Park expands the park opportunities within the Project Area. Completion of the park will provide a focal point for further private investment in Town Square and the ultimate completion of the entire Murrieta core area development program. Phase I of the park and surrounding infrastructure have been completed. Phase II is in the planning stages.

Infrastructure Improvements

The Agency has been active in implementing infrastructure improvements to eliminate blight and promote economic development within the Project Area.



Improvements commenced and completed during the previous Planning Period are identified below:

- Design for the I215 and Clinton Keith overpass is completed.
- Completion of Linnel Lane Bridge.
- Monroe Avenue precise alignment study was completed to facilitate development within the Golden Triangle north. The study provided preliminary design information to be utilized for future planning and construction design

F. Redevelopment and Economic Development Activities over the Planning Period (2010-2014) and how these will Eliminate Remaining Blight in the Project Area

The Agency's proposed goals, objectives, programs and expenditures are designed to eliminate blighting influences in the Project Area.

The ongoing economic development and redevelopment activities will signal to the private sector the Agency's commitment to improving the Project Area, and its commitment to enhancing their economic vitality by identifying the needs of existing businesses and attracting new ones. These activities will assist in reversing the physical and economic blight remaining in the Project Area.

The following specific activities and programs to be undertaken by the Agency to address the physical and economic blighting conditions remaining in the Project Area:

Economic Development Activities

The Agency will continue to pursue economic development activities throughout the Project Area to attract new businesses while supporting the revitalization of existing businesses. The cost to the Agency over the Planning Period is estimated to be \$ 1.3 million.

The Agency will continue to support private investment efforts to directly address some of the more serious blighting conditions within the Project Area including deteriorated and obsolete buildings, underutilized and/or vacant properties as well as the historic preservation of historic buildings. New or expanded commercial activity will enhance the economic vitality and generate jobs within the Project Area and focused efforts will be dedicated to improve the continued economic viability of the business community and minimize the impact the sharp downturn of the economy could have on them. Economic development efforts geared towards improving tenancy and vacancy rates will be utilized during the Planning Period to curb the emergence of economic blight in the Project Area.

Additionally, in 2010, the Agency will provide \$200,000 to the California State University San Marcos at Temecula to assist with the renovation of a former elementary school facility, to accommodate larger lecture classrooms, and creation of laboratory spaces. The proposed campus will be approximately 14,395 square feet. The primary focus area of programming will initially be nursing.



However, the CSUSM expects to expand curriculum significantly at this location to include Teacher Credentialing, Masters in Educational Administration and Leadership, Master of Science in Nursing, Registered Nurse Refresher, Osher Lifelong Learning, and Human Resource Management Certificate.

The Agency finds that the CSUSM will contribute to elimination of blight by contributing to the following Agency's goals and objectives:

- Encourage employment opportunities through environmental and economic improvements, resulting from the redevelopment activities in accordance with the Redevelopment Plan by creating four-year university-level education opportunities that will contribute to an enhanced and sustainable workforce of skilled and professional health care workers, seeking employment at medical and educational facilities located within the Murrieta Redevelopment Project Area.
- Redevelopment of land by private enterprise or public agencies, for uses in accordance with the Amended Redevelopment Plan and Implementation Plan, will be attractive to research and development firms, professional businesses, and the commercial services industry that will benefit from sustainable workforce opportunities generated within the community, by the availability of university-level educational and employment opportunities.
- Providing Agency assistance for regional university-level educational and sustainable workforce opportunities will generate economic development and infrastructure within the project area. This will enhance the Agency's ability to increase and improve the community's supply of affordable housing by private investors of affordable rental and ownership housing, due to increased amenities and infrastructure necessary for California Tax Credit Allocation Committee funding.
- The opportunity for the Agency to provide loan and grant programs for business rehabilitation and low- and moderate-income households within the Redevelopment Area, may increase with the potential of additional tax increment anticipated by the attraction of new business opportunities.

Capital Improvements

The City of Murrieta has developed a Five-Year Capital Improvement Program ("CIP") which includes certain improvement to the Project Area at a cost of \$12,918,567 over the Planning Period. The CIP includes the following public improvements:



Public Improvement	Cost to the Agency
Linnel Street Bridge over Interstate 215	\$ 410,977
Interstate 215 Interchange at Clinton Keith Avenue	\$ 2,363,672
Los Alamos Street Bridge over Interstate 215	\$ 4,288,259
Town Square Improvements	\$ 372,232
Jackson Avenue and Warm Spring Creek Street Improvements	\$ 1,010,281
Town Square Park Phase I	\$ 194,866
Vista Murrieta Alignment Study	\$ 169,102
Town Square Enhancements	\$ 309,178
Meadowlark Lane Improvements	\$ 3,000,000
General Plan Update/Redevelopment Area Land Use Analysis and Economic Development Study	\$ 800,000
Total	\$ 12,918,567

Housing Component

The Agency will continue to utilize Housing Funds to increase and preserve affordable housing for very low-, low-, and moderate-income households. Section III describes the planned housing activities by the Agency.

G. Five-Year Financial Plan

Over the next five years, the Agency will undertake those activities that can be financially supported by its revenue stream. The Agency must make statutory pass through payments pursuant to the Law. The estimated cost of the non-housing activities and projects for the planning period which includes FY 2009-10 to FY 2013-14 will be approximately \$49,265,372.

The funds will be spent on activities to alleviate blighting conditions including public infrastructure and facilities, economic development activities, and community beautification and visual blight removal projects. The nature and scope of the activities and expenditures have been shaped primarily by the Agency's goals and objectives for the Project Area, available revenues for funding projects and activities, and blighting factors to be eliminated within the Project Areas.

The projects and activities proposed in this Plan are in part based in certain assumptions made by the Agency relating to revenues, market conditions, community needs and priorities and developer interest. Consequently, should the Agency assumptions not be realized or should unforeseen circumstances arise, modifications in projects and activities may be required.



The Agency projects revenues equaling approximately \$46,460,067 for the Planning Period from three revenue sources:

- Annual tax increment revenues,
- Bond issuance proceeds, and
- Other Agency and non-Agency revenues



The available revenues for non-housing projects and activities are summarized in the following table:

Murrieta Redevelopment Agency 2009-2014 Revenues and Expenditures						
	- 1 - 2009-10	- 2 - 2010-11	- 3 - 2011-12	- 4 - 2012-13	- 5 - 2013-14	Total
GENERAL TAX INCREMENT FUNDS						
Beginning Cash Balance	\$ 13,195,281	\$ 11,243,475	\$ 12,197,222	\$ 13,218,478	\$ 14,224,120	
Revenue						
Tax Increment Revenue	\$ 8,571,780	\$ 8,715,466	\$ 8,802,621	\$ 8,890,647	\$ 8,979,553	\$ 43,960,067
Other Revenue	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000
Total Revenue	\$ 9,071,780	\$ 9,215,466	\$ 9,302,621	\$ 9,390,647	\$ 9,479,553	\$ 46,460,067
Total Funds Available	\$ 22,267,061	\$ 20,458,941	\$ 21,499,843	\$ 22,609,125	\$ 23,703,674	
Expenditures/Fees						
Pass Through Payments	\$ 1,714,356	\$ 1,743,093	\$ 1,760,524	\$ 1,778,129	\$ 1,795,910	\$ 8,792,013
County Administration Fees	\$ 99,314	\$ 200,000	\$ 204,000	\$ 208,080	\$ 210,161	\$ 921,555
ERAF Pass Through	\$ 2,550,969	\$ 524,696	\$ -	\$ -	\$ -	\$ 3,075,665
Housing Set Aside (20%)	\$ 1,714,356	\$ 1,743,093	\$ 1,760,524	\$ 1,778,129	\$ 1,795,910	\$ 8,792,013
Debt Service	\$ 2,885,271	\$ 2,886,072	\$ 3,333,661	\$ 3,337,232	\$ 3,333,120	\$ 15,775,356
Administration and Professional Services	\$ 1,138,212	\$ 1,164,765	\$ 1,222,656	\$ 1,283,434	\$ 1,347,244	\$ 6,156,311
Capital Improvements	\$ 921,108	\$ -	\$ -	\$ -	\$ -	\$ 921,108
Total Expenditures	\$ 11,023,586	\$ 8,261,719	\$ 8,281,365	\$ 8,385,004	\$ 8,482,346	\$ 44,434,020
Ending Cash Balance	\$ 11,243,475	\$ 12,197,222	\$ 13,218,478	\$ 14,224,120	\$ 15,221,328	

Source: Murrieta Redevelopment Agency FY 09-10 Budget



Tax Increment Revenues Available for Non-housing Projects and Activities

Tax increment revenues generated in the Project Area before payment of pass-through payments, Agency administration, debt service, and excluding housing fund obligations during the next five-year period are projected to be approximately \$46,460,067.

Other Agency and Non-Agency Revenues

Whenever possible, the Agency has been and will continue to leverage other funds in connection with its redevelopment efforts including the targeting local, State, and federal funding sources to assist in financing eligible projects. As permitted by law, possible funding sources include government grants and assistance programs, as well as private sector sources.

In addition, the City's development impact fees generated from new development will be a source of public infrastructure and facilities funding when feasible. The Agency will also pursue funds from federal programs including CDBG and HOME, in addition to State and county programs.



SECTION III

HOUSING COMPONENT



III. HOUSING COMPONENT

Pursuant to the Law, agencies must adopt an affordable housing compliance plan that identifies how the Agency will meet the affordable housing requirements for a redevelopment project area. This section of the Plan addresses certain requirements in the Law regarding previous affordable housing activities and the housing program proposed for the current ten year planning period ("Compliance Period"). Currently, the Compliance Period represents fiscal years 2004-05 through 2013-14. This Housing Component amends the Housing Component originally proposed for the Compliance Period in the Implementation Plan for years 2004 through 2009 by updating the Agency's Housing Goals and proposed work program for the Compliance Period as well as evaluating the Agency's progress towards meeting the requirements set forth in the Law.

This section of the Plan describes the obligations the Agency will undertake pursuant to requirements under the Law. This housing component of the Plan contains the following:

- **Housing Program** - Estimates the number of new, rehabilitated, and restricted units to be assisted during the next five years by the Agency and provides estimates of Housing Fund expenditures for the next five years. Also assesses the Agency's requirement to provide replacement housing units for units removed or destroyed.
- **Housing Funds** - An account of available Housing Funds and the estimated amounts to be deposited in the Housing Fund during the next five years.
- **Expenditures** - A description of how the housing program will implement the requirements to spend the Housing Funds over a ten year period for very-low income households, low-income households, and housing for residents under the age of 65.

The Agency is also guided by the City of Murrieta's Housing Element as part of the General Plan. The goals, policies, and strategies described in this section are intended to be implemented by the Agency.

A. Requirements

Agency's Statutory Affordable Housing Obligations

The Agency must allocate no less than twenty percent of its gross tax increment to the Housing Fund for the purpose of increasing, improving, and preserving the supply of housing available to very-low, low- and moderate-income households.

In addition, Senate Bill 211 approved by the legislature in 2001 requires agencies, on or after January 1, 2001, to require housing units assisted with Housing Funds to remain affordable for the longest feasible time, but no less than 45 years for owner-occupied units and not less than 55 years for rental units.



B. Policy Declaration Regarding Targeting of Monies from the Housing Fund according to Income Need

As of January 1, 2002, there are additional restrictions on the use of monies from the Housing Fund. Redevelopment agencies are now required to spend Housing Funds in proportion to the community's need as defined in the City's Housing Element.

Pursuant to Section 33334.4 of the Law, Housing Fund monies are required to be spent over the ten year planning period of the Plan in at least the same proportion to the total number of housing units needed for very-low, low, and moderate-income groups within the community, as determined for the City pursuant to Section 65584 of the Government Code.

In accordance with Section 33490(a)(2)(A)(iii) of the Law, the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and each ten years thereafter.

According to the Final Regional Housing Allocation Plan ("RHNA"), for the planning period between January 1, 2006 and June 30, 2014, the housing for very-low and low-income households represents 69.2% percent of the City's total housing need. The following table shows the fair share allocation for the different income groups.

Regional Housing Need Allocation¹		
Income Level	RHNA Allocation (Units)²	Targeting Requirement (% of Total)
Very-Low Income	1,568	41.2%
Low Income	1,067	28.0%
Moderate Income	1,171	30.8%
Total	3,806	100.0%

¹ Source: SCAG Final RHNA Plan, Planning Period Jan. 2006 - June 30, 2014. Approved 7/12/07

² Excludes 2,497 above moderate-income units

As illustrated in the table above, the Agency is required to spend 41.2% of its Housing Funds on very-low income households, and 28% and 30.8% on low- and moderate-income households, respectively. The above table excludes the above moderate-income unit allocation of 2,497 since Housing Funds are only to be spent on housing units available to very-low, low- and moderate-income households.

As permitted under the Law, agencies are able to shift or reduce their income targeting requirement if other locally controlled funds are available for those targeted income groups. These additional funds; however, must not be used in combination with Housing Fund monies, and long term affordability must be met, 45 years for owner-occupied and 55 years for rental housing. Such locally controlled funds include CDBG, HOME, and fees received by the city pursuant to inclusionary housing programs.



In addition, the Agency is to spend a defined minimum of Housing Fund monies during this same period of time to assist persons regardless of age. This minimum is defined as those persons under the age of 65, and the Agency must spend housing funds proportionally based upon the percentage of low-income households representing residents above and below 65 years of age. Based on the U.S. Census 2005-2007 American Community Survey, the City of Murrieta's proportion is identified in the following table:

Housing Fund Expenditures Age Proportionality Requirement		
Age	Population ¹	Percentage
Less Than 65 Years	87,939	91%
65 Years and Over	9,090	9%
Total	97,029	100%

¹ Source: 2005-2007 American Community Survey

As a result, the Agency is required to make 90% of its housing production available to households under the age of 65.

C. Replacement Housing

The Agency must replace any housing units that have been demolished or removed from the affordable housing stock as a result of a redevelopment project or program, the Agency must do so within four (4) years after they are removed from the market. The replacement housing obligation is triggered when units are destroyed or removed by a redevelopment project, which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency. Vacant units that could reasonably be expected to be occupied by low- or moderate-income households, if occupied, must be replaced within four (4) years of their removal and may be located anywhere within the territorial jurisdiction of the City.

When dwelling units are destroyed or removed after January 1, 2002, Section 33413(a) of the Law requires that all the replacement units be available at affordable housing cost to the same household income level as the households that were displaced from the destroyed or removed units. Income limits for replacement units are equivalent to those for inclusionary units.

Pursuant to Section 33413(f)(1)(2) of the Law, the Agency may replace destroyed or removed dwellings with fewer units if the replacement units have a greater or equal number of bedrooms and are affordable to households of the same income level as the destroyed or removed units.

The Agency did not remove or destroy any housing units from the affordable housing stock during the 2005-2009 Planning Period and therefore has not replacement housing obligation. The Agency anticipates removing one (1) housing unit during the 2010-2014 Planning Period and will replace the unit as required by the Law through the construction of Phase II of the Monte Vista Apartments expected to be completed during the Planning Period.



D. Housing Production Requirements

Redevelopment project areas adopted on or after January 1, 1976 and territory added to project areas by amendments adopted on or after January 1, 1976 must meet the affordable housing production requirements. As part of the Plan, agencies must adopt a plan showing how the Agency intends to meet its housing production requirement ("Housing Production Plan").

Prior to the time limit on the effectiveness of a redevelopment plan, at least 30 percent of the new or substantially rehabilitated housing developed by the Agency in the Project Area must be restricted for low- and moderate-income households, with 50 percent of the total restricted units reserved for very-low income households.

Not less than 15 percent of the housing units developed by public or private entities other than the Agency within the Project Area must be restricted for low- and moderate-income households, with 40 percent of the total restricted units reserved for very-low income households.

Prior to January 1, 2002, the units must be price restricted for the longest feasible time but not less than the period of time the land use controls of the redevelopment plan remain in effect. For owner-occupied housing, current law provides a limited exception to this covenant requirement by allowing a non-qualifying sale of an affordable production unit provided that the Agency replaces the unit within three (3) years at the same income level as the original. After January 1, 2002, units must remain affordable for the longest feasible time, but no less than 55 years for rental units and 45 years for the homeownership unit.

The Plan must include the following information regarding the Agency's housing production obligations for its Project Area:

- The number of units of very-low, low- and moderate-income housing which have been developed within the project area which meet the production requirements.
- An estimate of the number of new, substantially rehabilitated, or price restricted residential units to be developed or purchased within the project area, both over the life of the redevelopment plan and during the next ten years.
- An estimate of the number of units of very-low, low-, and moderate-income housing required to be developed within project area in order to meet the production requirements.
- An estimate of the number of Agency developed residential units which will be developed during the next five years.
- An estimate of the number of Agency developed units for very-low, low-, and moderate-income households during the next five years.

As of 2009, the end of the previous Planning Period, the Agency incurred an inclusionary housing requirement of 201 affordable housing units or 15% of the 1,340 housing units produced. As a result, 40% of the 201 units, or 80 units, must be made available to very-low income households while the remaining 121 must be made available to low- and moderate-income households.



The Agency produced 91 units for low and/or moderate income households within the Project Area and 24 for very-low income households. Additionally, the Agency may count, pursuant to Section 33413(b)(2)(II) of the Law, affordable units produced outside of a project area at 50% inclusionary housing credit. Grand Isle Senior Apartments was completed outside of the Project Area in 2008. The project added 88 affordable units restricted to moderate income households to the housing stock. Applying the 50% inclusionary housing credit methodology pursuant to Section 33413(b)(2)(II) of the Law results in 44 units becoming available to be counted towards the Agency's affordable housing obligation.

During the 2010-2014 Planning Period the Agency expects to complete an additional 130 affordable units with 69 units available to low- and moderate-income households and 61 for very-low, households. At the end of the 2005-2014 Compliance Period the Agency will have a surplus of 72 units for low- and moderate-income households and a 3 unit deficit for very-low income households. The Agency anticipates addressing its affordable housing deficit by constructing 60 affordable housing units at a 6 acre site located at 24960 Adam Avenue currently zoned for Village Mixed Use MF 1 with a density of 10 units per acre which will allow for a maximum of 60 housing units. In addition, approximately 10 affordable units will be created through the purchase of covenants in multifamily complexes, and approximately 20 low- and/or moderate-income households are expected to be assisted by the First Time Homebuyer Program. The Agency anticipates that these units will be available to very-low, low- and moderate-income households and will therefore contribute to the Agency's housing obligations.

A total of 1,523 units are expected to be constructed throughout the life of the Project Area.

The following tables outline the production of affordable housing units within the City of Murrieta:



Inclusionary Housing Requirements Summary

	1999 to 2004	2004 to 2009 ¹	(through 2009) Total	2010 to 2014 ²	(through 2014) Total	2014 - Lifetime ³	Lifetime Total
Total Construction in the Project Area	284	1,059	1,343	120	1,463	60	1,523
Affordable Units Required (15% of units constructed in the Project Area)	43	159	201	18	219	9	228
Low/Mod Income	26	95	121	11	132	5	137
Very Low-Income	17	64	81	7	88	4	91
Affordable Units Constructed Inside Project Area							
Low/Mod Income	0	91	91	69	160	30	190
Very-Low Income	0	24	24	61	85	30	115
Affordable Units Constructed Outside Project Area							
Low/Mod Income	0	44	44	0	44	0	44
Very-Low Income	0	0	0	0	0	0	0
Total Affordable Housing Production (Inside and outside the Project Area)							
Low/Mod Income	0	135	135	69	204	30	234
Very-Low Income	0	24	24	61	85	30	115
Total	0	159	159	130	289	60	349
Affordable Units Surplus (Deficit)							
Low/Mod Income	(26)	40	14	58	72	25	97
Very Low-Income	(17)	(40)	(57)	54	(3)	26	24

Source: City of Murrieta Redevelopment Agency

(1) Total units resulting from the construction of Monte Vista Apt. (64), Ambenwalk II (93), The Reserves at Madison Park (248), Madison (284), Silverado Apt. (492), Silverado Senior Apts (88/2=44)

(2) Projection based upon maximum build out at Jefferson and Juniper, Monte Vista I Apartments and Juniper, Monte Vista II Apartments and Monte Vista II Apartments

(3) Projection based upon maximum build out at 24960 Adams Avenue



Inclusionary Housing Requirement/Affordable Housing Production (Inside Project Area)									
Total Housing Production in the Project Area ¹ (1999-2009)	Location	Year Built	Affordability Period (years)	Units Subject to Inclusionary Requirement	Cost to Agency	Low/Mod	Very Low		
Madison Park	S.W. Corner of Madison and Los Alamos	2003	N/A	284	N/A	0	0		
Monte Vista Apartments	24740 Jefferson Avenue	2004	55	64	\$1,321,594	58	6		
Amberwalk at Ivy	Corner of Ivy and Jefferson Avenues	2006	45	93	N/A	9	5		
The Reserves at Madison Park	Between Jefferson and Madison Avenues	2006	45	248	N/A	24	13		
Meadowlane	25161 Cresthaven Street	2005	N/A	159	N/A	0	0		
Silverado Apartments	S.E. Corner of Los Alamos & Vista Murrieta	2007	N/A	495	N/A	0	0		
Total				1,343		91	24		
Affordable Units Required				201		121	81		
Anticipated Housing Production in the Project Area (2010-2014) ¹									
Monte Vista Apartments II	24740 Jefferson Avenue	2010	55	40	\$1,331,252	12	28		
Adams Avenue	24960 Adams Avenue	2012	55	60	\$3,515,664	30	30		
First Time Homebuyer Program	N/A	2010-2014	45	20	\$1,000,000	20	0		
Acquisition of Multifamily Housing Covenants	N/A	201-2014	55	0	\$300,000	7	3		
Total				120		69	61		
Affordable Units Required				18		11	7		
Total Affordable Housing Units Required				219		132	88		
Total Housing Production				1,463		160	85		
Affordable Housing Surplus (Deficit)						28	(3)		

Source: City of Murrieta Redevelopment Agency
¹ 15% of all units built within the project area must be available to low and moderate income households with 40% of the 15% available to very low income households



Affordable Housing Production (Outside Project Area)						
Total Housing Production outside the Project Area ¹	Location	Year Built	Affordability Period (years)	Cost to Agency	Low/Mod	Very Low
Grand Isle Senior Apartments (88 Units)	24405 Village Walk Place	2008	55	N/A	44	0
Anticipated Housing Production outside the Project Area (2010-2014) ¹	None Planned				0	0
Total Housing Production					44	0

Source: City of Murrieta Redevelopment Agency

¹ Units constructed outside of the Project Area may only be counted on a 2-for-1 (50%) basis. 15% of all units built must be available to low and moderate income households with 40% of the 15% available to very low income households



E. Agency Housing Activities/Use of Monies in the Housing Fund

During the previous Planning Period, the Agency and the City of Murrieta targeted homeowners and renters. The City used housing set-aside funds to implement affordable housing programs. The City addressed its housing goals and requirements through housing activities outlined in the table below:

Program/Project	Type of Assistance	Accomplishments
Monte Vista Apartments	Housing Set-Aside Funds \$1,321,594	64 affordable multifamily units, including 58 for low- and moderate-income households and 6 for very low-income households
Amberwalk II	Inclusionary Units Seven (7) Homebuyers Received Down Payment Assistance	14 affordable single family homes, including 9 for low- and moderate-income households and 5 for very low-income households
Acquisition of Multi-Family Properties (24960 Adams and Jefferson and Juniper)	Housing Set-Aside Funds \$4,820,000	Acquisition of two (2) multi-family properties within the Project Area for future development.
The Reserves at Madison Park	Inclusionary Units	37 affordable single family homes, including 24 for low- and moderate-income households and 13 for very low-income households

F. Housing Fund Deposits during the Planning Period (2010-2014)

The Agency is projected to receive approximately \$9.7 million in tax increment to be deposited in the Housing Fund over the next five years. The Agency will have approximately \$12.8 million over the next five years to implement housing activities. The Agency intends to spend most of its available funds within the planning period.

Additionally, the Agency is required to report the proposed amount from the Housing Set-Aside Funds to be spent on each of the income categories in relation to the need as identified by the RHNA. As a result, the Agency proposes to spend 41.2% of its Housing Funds on very-low income households, and 28% and 30% on low- and moderate-income households respectively. The tables below show the housing need identified by the RHNA plan and the plan expenditures for each income group for the next five years.



Regional Housing Need Allocation		
Income Level	RHNA Allocation (Units) ¹	Targeting Requirement (% of Total)
Very-Low Income	1,568	41.2%
Low Income	1,067	28.0%
Moderate Income	1,171	30.8%
Total	3,806	100.0%

¹ Source: SCAG Final RHNA Plan, Planning Period Jan. 2006 - June 30, 2014. Approved 7/12/07

Projected Housing Fund Expenditures per Income Category				
FY 2009/10 - 2013/14				
Fiscal Year	Total Funds Available for Housing	Expenditure of Housing Funds for Very Low-Income Housing	Expenditure of Housing Funds for Low-Income Housing	Expenditure of Housing Funds for Moderate-Income Housing
Fund Balance				
FY 2009/10	\$ 6,067,292	\$ 2,499,610	\$ 1,700,946	\$ 1,866,736
FY 2010/11	\$ 3,390,471	\$ 1,396,810	\$ 950,508	\$ 1,043,153
FY 2011/12	\$ 3,790,388	\$ 1,561,568	\$ 1,062,623	\$ 1,166,197
FY 2012/13	\$ 4,212,140	\$ 1,735,322	\$ 1,180,860	\$ 1,295,958
FY 2013/14	\$ 4,656,303	\$ 1,918,309	\$ 1,305,380	\$ 1,432,615
<i>Subtotal</i>				
Total	\$ 22,116,595	\$ 9,111,619	\$ 6,200,317	\$ 6,804,659

Source: 2009-2010 Agency Budget



Anticipated Housing Revenues and Expenditures for the Planning Period are shown in the table below:

Projected FY 2009/10 - 2013/14 Revenues and Expenditures for Housing Programs and Activities						
	- 1 -	- 2 -	- 3 -	- 4 -	- 5 -	Total
	2009-10	2010-11	2011-12	2012-13	2013-14	
GENERAL TAX INCREMENT FUNDS						
Beginning Cash Balance	\$ 4,202,936	\$ 1,490,328	\$ 1,871,707	\$ 1,739,244	\$ 1,593,613	
Revenue						
Housing Set Aside Funds	\$ 1,714,356	\$ 1,743,093	\$ 1,760,524	\$ 1,778,129	\$ 1,795,910	\$ 8,792,013
Other Funds	150,000	175,000	150,000	153,000	156,060	784,060
Total Revenue	\$ 1,864,356	\$ 1,918,093	\$ 1,910,524	\$ 1,931,129	\$ 1,951,970	\$ 9,576,073
Available Funds	\$ 6,067,292	\$ 3,408,421	\$ 3,782,231	\$ 3,670,374	\$ 3,545,584	\$ 20,473,902
Expenditures						
Administration	\$ 657,278	\$ 617,235	\$ 648,097	\$ 680,502	\$ 714,527	\$ 3,317,638
Debt Service	\$ 919,686	\$ 919,479	\$ 1,394,890	\$ 1,396,259	\$ 1,391,601	\$ 6,021,915
Housing Projects	\$ 3,000,000	-	-	-	-	\$ 3,000,000
Total Expenditures	\$ 4,576,964	\$ 1,536,714	\$ 2,042,987	\$ 2,076,760	\$ 2,106,128	\$ 12,339,553
Ending Cash Balance	\$ 1,490,328	\$ 1,871,707	\$ 1,739,244	\$ 1,593,613	\$ 1,439,456	

*Source: Adopted 2009-2010 Agency Budget



G. Housing Production Plan

During the Planning Period, The Murrieta Redevelopment Agency will concentrate on activities that help the Agency meet its housing goals and objectives. The affordable housing activities planned to be undertaken by the Agency will advance and support the overall goals of the City of Murrieta's Housing Element as part of the City's General Plan. The City of Murrieta aims to ensure that all residents have decent, safe, sanitary and affordable housing regardless of income. In order to achieve this general goal, five specific goals have been established to guide the development, redevelopment and preservation of a balanced inventory of housing to meet the needs of present and future residents of the City.

The Housing Element addresses the following five major goals:

- Increased opportunities for affordable housing.
- Conservation of the City's existing housing stock.
- Removal of constraints to the construction of affordable housing.
- Equal housing opportunity.
- Identification of adequate sites to achieve a variety and diversity of housing.

Some of the key specific policy actions that aim at achieving the stated Housing Element's goals include:

- Provide a range of residential development types in Murrieta, including low density single-family homes, moderate density townhomes, higher density multi-family units, and residential/commercial mixed use in order to address the City's share of regional housing needs.
- Continue to use redevelopment set-aside funds, when possible, to purchase properties and land in order to construct affordable housing or to purchase covenants to create new affordable units.
- Facilitate development of senior and low-income housing through use of financial and/or regulatory incentives.
- Provide homeownership assistance to low- and moderate-income households.
- Design new higher-density residential projects at a scale, (number of units, height, etc.) that are compatible in design with adjacent residential areas.
- Monitor and more carefully plan residential development in the City, Murrieta will maintain, on an ongoing basis, the comprehensive land use database identifying parcels and/or structures suitable for residential development and/or redevelopment. This will allow the City to direct affordable housing developers to areas in the City with the appropriate zoning and acreage to develop an affordable housing project.



- Continue maintenance and preservation of the existing housing stock in Murrieta is crucial to ensure quality neighborhoods. Housing programs focused on the achievement of this goal include rehabilitation of single- and multi-family housing units, code enforcement, and efforts to preserve assisted housing units at risk of converting to market-rate housing. Through code enforcement, neighborhood, and home improvement programs, the City is able to maintain the condition of existing housing units.
- Using Redevelopment Agency funds continue and/or create programs to maintain or improve the character and quality of existing housing and neighborhood environments.
- Assist in the preservation of all units "at-risk" of converting from affordable housing to market rate.
- Encourage energy efficient design in existing and new residential units and promote sustainability upgrades in existing and proposed residential complexes.
- Encourage property owners to maintain and make improvements to their properties by taking advantage of programs offered by the City and County.
- Monitor affordable units in order to determine how effective the City's housing programs have led to the development and maintenance of affordable housing, the City will monitor these affordable units to ensure that the rent payments charged are consistent with levels appropriate for the identified income category. The City has posted their Redevelopment Agency AB 987 Affordable Housing Database on its website and will continue to track affordable housing units citywide through the annual certification process.
- Provide developer incentives, such as a density bonus or flexibility in development standards, to facilitate the development of quality housing that is affordable to lower and moderate-income households.
- Periodically review and revise the City's development standards, if necessary, to facilitate quality housing that is affordable to all income levels.
- When feasible, consider reducing, subsidizing, or deferring development fees and offering faster permitting time periods to facilitate the provision of affordable housing.
- Support innovative public, private and non-profit partnership efforts for the development of affordable housing.
- Encourage the development of rental units with three or more bedrooms to provide affordable housing for large families.
- Promote equal housing opportunity for all residents regardless of race, religion, family status, age, or physical disability. The City, through a partnership with



Riverside County Economic Development Agency, refers residents with fair housing concerns to the Fair Housing Council.

H. Agency-wide Low and Moderate Income Housing Fund Activities

The programs and projects set forth herein as part of the Five-Year Program, are goals of the Agency to achieve the Agency's goals and objectives outlined above in Section III.G. but may be modified by future budgetary considerations and development opportunities and constraints.

New Construction of Affordable Family and Senior Rental Units

The Agency aims to provide financial assistance to cause the construction of new affordable family and senior rental units for occupancy by very-low, low- and moderate-income households. The Agency has purchased a site located at 24960 Adam Avenue for the future development of a mixed use project that may potentially provide 60 affordable units as well as the Jefferson and Juniper Monte Vista II property that will potentially add 40 units. In addition, given the lack of existing vacant sites within the Project Area that are zoned for housing, the Agency will continue to provide housing units outside the Project Area. As part of the Draft 2008-2014 Housing Element the City has indentified seven (7) sites for rezoning that will allow the City and the Agency to expand the availability of multifamily housing. The sites identified may potentially provide 69.5 acres with estimated densities ranging from 18 to 50 units per acre which may result in up to 1,319 housing units. New construction projects that receive funds from the Agency will have long-term affordability covenants, generally 55 years or more. Anticipated Funding for these projects is expected to be \$3,000,000 over the Planning Period.

Construction of New Affordable Homeownership Units for Families

The Agency intends to provide financial assistance to cause the construction of new homeownership units for low- and moderate-income families. In most cases, the creation of these units will be the result of an inclusionary obligation on a market-rate residential development outside the Project Area since single family zoning is not available inside the Project Area for the construction of new single family housing. It is estimated that the Agency will assist in the construction of 10 units during the five-year period. Affordable homeownership projects that receive funds from the Agency will have long-term affordability covenants of 45 years. The Agency anticipates expenditures of approximately \$1,000,000 during the Planning Period.

In addition to the programs and projects identified above, the Agency may sponsor or assist other programs or projects during the five-year planning period that the Agency finds are worthy of financial assistance and further the affordable housing goals and objectives set forth in this Plan and the Law. The following policies and programs have been identified as part of the City of Murrieta's Housing Plan contained within the Housing Element of the City's General Plan.



First-Time Homebuyer Assistance Program

In addition to the First-Time Home Buyer Program offered by the County of Riverside the City of Murrieta will establish and promote a City operated first-time homebuyer program. The City's program will provide up to 20 percent down payment assistance to qualified home buyers. The City may establish this program to coincide with Action 1.4, Land and Property Acquisition Program, so that as the City purchases properties and assists in the development of affordable housing, residents can seek assistance in purchasing the affordable units that are developed. The City anticipates allocating \$400,000 in redevelopment set-aside funds to the program throughout the planning period.

Land and Property Acquisition Program

The City of Murrieta recognizes that one of the most significant barriers to affordable housing is the acquisition of the property on which to construct affordable housing. The City has budgeted approximately \$4.8 million in redevelopment set-aside funds to purchase properties in and around the Historic Murrieta Specific Plan area in order to construct approximately 100 low-income units. The City recently purchased a 2 acre site at the corner of Jefferson Avenue and Juniper Avenue for approximately \$1.3 million. This site is expected to yield 44 affordable units, resulting in an approximate density of 27 units per acre. The City also recently closed on a 6.2 acre property on Adams Ave using \$3.5 million in redevelopment set-aside funds. The City is proposing to develop 66 affordable units on the site. To facilitate the development of the Jefferson and Juniper property, Murrieta planning and housing staff are currently negotiating a Disposition and Development Agreement (DDA) with Affirmed Housing Group for the project at Jefferson and Juniper. Development on the Adams Avenue property will be facilitated at a later date.

In addition to purchasing land the City of Murrieta Redevelopment Agency intends to provide gap financing and/or land write downs for the construction of multi-family developments that are constructed with established affordability covenants. Applications will be reviewed on a case by case basis to determine whether a developer qualifies for assistance from the Redevelopment Agency. The City will also provide information on affordable housing financing at City Hall.

Lot Consolidation Program

Parcels located in downtown Murrieta as well as the Historic Murrieta Specific Plan area tend to be smaller and in some cases, narrow and/or shallow in size, adding an additional constraint to the development of housing. In order to encourage the development of residential and mixed-use projects, the City will establish a lot consolidation program which offers incentives such as a reduction in development standards (i.e. lot size, parking, and open space requirements). The City, with assistance from Riverside County, may also offer to subsidize a portion of development fees to encourage lot consolidation and to promote more intense residential and mixed use development on vacant and underutilized sites within the downtown Murrieta region.



Purchase Housing Covenants

Existing housing units throughout the residential areas of the City are generally in good condition as most were constructed during or after the 1980's. The Redevelopment Agency plans to acquire 55 year affordability covenants on existing multi-family rental units, focusing on residences that may be in need of minor rehabilitation. The City of Murrieta Redevelopment Agency will dedicate approximately \$20,000 to \$30,000 in redevelopment set aside funds per unit, totaling \$200,000-\$300,000 during the planning period to purchase affordability covenants on 10 units in market rate multi-family developments. The Agency will target multi-family complexes with 4-16 units, located around or in the redevelopment area, but if necessary will also purchase covenants in developments outside of the redevelopment area.



SECTION IV

IMPLEMENTATION PLAN ADMINISTRATION



IV. IMPLEMENTATION PLAN ADMINISTRATION

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

A. Implementation Plan Review

At least once within this Plan's five-year term, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the adopted redevelopment plans, the corresponding Plan, and evaluating the progress of the redevelopment projects. The public hearing shall be held no earlier than two years and no later than three years after the date of adoption of this Plan. The Agency may choose to conduct a single public hearing applicable to all adopted project areas described in this Plan, or may conduct separate public hearing for each project area.

This Plan covers the Agency's activities in the redevelopment project areas from January 1, 2010 through December 31, 2014. Consistency of the information contained in the Plan, the Redevelopment Agencies Financial Transactions Report and the HCD Annual Report of Housing Activity of Community Redevelopment Agencies is important. Comparing the information reported each year to the State Controller's Office and to HCD to the information within the Plan will assist the Agency's Staff in monitoring the progress the Agency is making in achieving its goals and objectives for redevelopment and housing activities. This will make preparing the staff report for the mid-term review and efficient process.

Notice of the public hearing to review the redevelopment plans and this Implementation Plan shall be published pursuant Section 6063 of the Government Code and posted in at least four permanent places within each project area for a period of at least three weeks. Publication and posting of the notice shall be completed not less than 10 days prior to the date set for hearing.

B. Implementation Plan Amendment

Pursuant to Section 33490 of the Law, this Plan may from time to time be amended after holding a public hearing on the proposed amendment.

C. Financial Commitments Subject to Available Funds

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



reduce the amount or availability of the funding sources upon which the Agency relies.

D. Monitoring of Affordable Housing

Pursuant to Section 33418 of the Law, the Agency is required to monitor, on an ongoing basis, any housing affordable to persons and families of low- or moderate-income developed or otherwise made available through any provision of the Law.

As part of this monitoring, the Agency will require owners or managers of affordable housing units to submit an annual report to the Agency. The annual reports will include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Law states that only income and family size are the required information that is required to be reported by the tenant and shall be the only information on income or family sizes that owner or manager will be required to submit in the annual report to the Agency.

Section 33418(b) of the Law states that the information obtained by the Agency from owners and managers of affordable housing must be included in any reports required by law to be submitted to the California Housing and Community Development Department ("HCD") or the State Controller. In addition, Section 33418(c) of the Law finds the Agency must adequately fund its monitoring activities as needed to insure compliance of applicable laws and agreements in relation to affordable units. For purposes of defraying the cost of complying with these monitoring requirements and with the HCD Report required to be filed with the State Controller's Report, the Agency can establish and impose fees upon owners of properties monitored pursuant to the Law.

E. Prevailing Wage Issues

Since the Agency's approval of the last Implementation Plan, the California Legislature has amended Labor Code Section 1720 et seq. to require payment of prevailing wages for private improvements, which are financially assisted by the Agency or City whether for commercial, industrial, office, or housing uses. There is a very limited exception that applies to the construction or rehabilitation of affordable housing assisted by a redevelopment Agency using its Housing Fund which is the only source of public funding for such development. In order for qualify for the exception there can be no other federal or state assistance or mortgage credit certificates or state or federal low income housing credits.

F. Redevelopment Plans/Conflicts

If there is a conflict, which exists between this Plan and any one or all of, the respective Redevelopment Plans or any other City or Agency plan or policy, the applicable redevelopment plan shall control.



