



GUADALUPE OVERSIGHT BOARD – FORMER CITY OF GUADALUPE
COMMUNITY REDEVELOPMENT AGENCY

AGENDA – REGULAR BOARD MEETING

**Thursday, August 22, 2013
at 3:00 p.m.**

Guadalupe City Hall Council Chambers
918 Obispo Street, Guadalupe, CA 93434 (805/356-3891)

MEMBERS:

Chandra Wallar
Frances A. Romero
William Gerald Tucker
Carolyn Galloway-Cooper, Secretary
Elizabeth Miller, Vice Chair
Hugo Lara, Chair
Dan Eidelson

STAFF:

Rob Schultz, Legal Counsel
Andrew Carter

1. **ROLL CALL.** Chandra Wallar, Frances A. Romero, William Gerald Tucker, Carolyn Galloway-Cooper, Elizabeth Miller, Hugo Lara, and Dan Eidelson.
2. **PLEDGE OF ALLEGIANCE.**
3. **COMMUNITY PARTICIPATION FORUM.** – *Public Comment period is set aside to allow public testimony on items not on today's agenda and that is within the subject matter of the Oversight Board. The time allocated to each speaker will be set at the discretion of the Chair. Total time allocated for public comment is 3 minutes.*
4. **ADMINISTRATIVE ACTIONS.**
 - a. Department of Finance (DOF) letters to Successor Agency granting a Finding of Completion, approving ROPS 13-14 A, approving Low and Moderate Income Housing Due Diligence Review and approving other funds Due Diligence Review.
 - b. Placement of specialized clean up equipment on site owned by the dissolved Guadalupe Redevelopment Agency at 995 Guadalupe Street (former Al's Union Gas Station) for immediate remediation of bordering property.

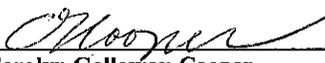
5. **LONG-RANGE PROPERTY MANAGEMENT PLAN (LRPMP) FOR THE CITY OF GUADALUPE SUCCESSOR AGENCY TO THE DISSOLVED GUADALUPE REDEVELOPMENT AGENCY.** That the Oversight Board approves the LRPMP for the City of Guadalupe Successor Agency to the Dissolved Guadalupe Redevelopment Agency and adopts Resolution No. OB 2013-06.
 - a. Written Staff Report (Carolyn Galloway-Cooper, Finance Director)
 - b. Oversight Board discussion and consideration.
 - c. It is recommended that the Oversight Board approves the LRPMP and adopts Resolution No. OB 2013-06
6. **FUTURE AGENDA ITEMS.**
7. **ADJOURNMENT.**

TELECONFERENCE LOCATIONS

County of Santa Barbara, 105 East Anapamu, Santa Barbara, CA 93101 (805) 568-3400

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City of Guadalupe at (805) 356-3891 at least 48 hours prior to the meeting to insure that reasonable arrangements can be made to provide accessibility to the meeting.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the City Hall display case, the Water Department, the City Clerk's office and Rabobank not less than 24 hours prior to the meeting. Dated this 19th day of August 2013.



Carolyn Galloway-Cooper
Finance Director
City of Guadalupe

REPORT TO THE GUADALUPE OVERSIGHT BOARD OF THE SUCCESSOR ENTITY TO THE
GUADALUPE REDEVELOPMENT AGENCY
Agenda of August 22, 2013



Prepared by:
Carolyn Galloway-Cooper
City of Guadalupe - Finance Director

SUBJECT:

Department of Finance (DOF) letters to Successor Agency granting a Finding of Completion, approving ROPS 13-14 A, approving Low and Moderate Income Housing Due Diligence Review and approving other funds Due Diligence Review.

RECOMMENDATION:

The Oversight Board receives and files the letters to the Successor Agency from the DOF.

BACKGROUND:

This updates the Oversight Board on the correspondence from the DOF since our last meeting.

FISCAL IMPACT:

The cost incurred relates to staff time and is covered under the administrative budget allocation to the City of Guadalupe.

Attachments:

Letters from DOF



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

March 18, 2013

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) received the City of Guadalupe's request for a Finding of Completion.

Finance has completed its review of your request, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance concurs that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

* This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mrs. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara
California State Controller's Office



April 18, 2013

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe Successor Agency
918 Obispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Guadalupe Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on March 5, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item No. 24 – Unfunded ROPS II (July through December 2012) administrative costs in the amount of \$122,417 is partially denied. Although the Agency requests \$122,417 for unfunded ROPS II administrative costs, HSC section 34171 (b) limits the Agency to receiving \$65,000.

HSC section 34171 (b) limits a successor agency's fiscal year administrative allowance to 3% of total RPTTF allocated to the agency or \$250,000, whichever is greater. The County Auditor-Controller did not distribute RPTTF for Finance-approved administrative costs totaling \$122,417 for the ROPS II period. However, the Agency received \$185,000 for administrative costs for the ROPS III period, January through June 2013. For fiscal year 2012-13 the Agency's administrative allowance is capped at \$250,000. Therefore, the Agency is limited to receiving \$65,000 in RPTTF for unfunded administrative expenses for fiscal year 2012-13. Therefore, the excess amount of \$57,417 is not eligible for funding on this ROPS.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (d). However, Finance notes the oversight board has approved an amount that appears excessive, given the number and nature of the other obligations listed in the ROPS. HSC section 34179 (i) requires the oversight board to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the oversight board to apply adequate "oversight" when evaluating the administrative resources required to successfully wind-down the Agency.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six-month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$203,209 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 399,807
Minus: Six-month total for items denied or reclassified as administrative cost Item No. 24	\$ 57,417
Total approved RPTTF for enforceable obligations	\$ 342,390
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	(264,181)
Total RPTTF approved for distribution:	\$ 203,209

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

The Agency self-reported estimated obligations funded by RPTTF for the ROPS II period in the amount of \$533,948. The CAC reported a distribution of \$536,377 for the ROPS II period. Therefore, the Agency's self-reported prior period adjustment was increased by \$2,429, the difference between the Agency's estimate and the actual CAC distribution for ROPS II.

To the extent underfunded or unfunded items represent enforceable obligations; the Agency should request funding for those items in a future ROPS.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS_13-14A_Forms_by_Successor_Agency/

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have

Ms. Carolyn Galloway-Cooper
April 18, 2013
Page 3

received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara
California State Controller's Office



March 14, 2013

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

The Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on February 21, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Agency did not meet the October 15, 2012 submittal deadline pursuant to HSC section 34179.6 (c), Finance is not bound to completing its review and making a determination by the November 9, 2012 deadline pursuant to HSC section 34179.6 (d). However, Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, the Agency's LMIHF balance available for distribution to the affected taxing entities is \$1,076,470.

HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified above within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in

Ms. Carolyn Galloway-Cooper
March 14, 2013
Page 2

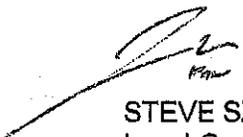
which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 31, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Wendy Griffe, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mrs. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara
California State Controller's Office



March 11, 2013

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Other Funds and Accounts Due Diligence Review

The City of Guadalupe successor agency (Agency) submitted an oversight board approved Other Funds and Accounts (OFA) Due Diligence Review (DDR) to the California Department of Finance (Finance) on February 7, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Since the Agency did not meet the January 15, 2013 submittal deadline pursuant to HSC section 34179.6 (c), Finance is not bound to completing its review and making a determination by the April 1, 2013 deadline pursuant to HSC section 34179.6 (d). However, Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

HSC section 34179.6 (d) authorizes Finance to adjust the DDR's stated balance of OFA available for distribution to the taxing entities. Based on our review of your DDR, the following adjustments were made:

- Non-cash assets balances in the DDR totaling \$2,413,342 are overstated. Included in this amount is \$56,616 that is due from the City and is not supported by a contract or agreement. This asset cannot be considered a non-cash asset and should be payable upon demand. Therefore, the OFA balance available for distribution to the taxing entities will be adjusted by \$56,616.
- Balances requested to be retained totaling \$63,861 should be adjusted by \$45,400. Specifically:
 - The Agency requested to retain \$22,548 for ROPS 1 obligations to be funded with bond proceeds. Because these obligations were approved to be bond funded, the Agency cannot restrict additional OFA balances because the unspent bond amounts are already restricted in the DDR under procedure 6. Therefore, in order to not double count the restriction, the OFA balances available for distribution to the taxing entities will be adjusted by \$22,548.
 - The Agency requested to retain \$41,313 for ROPS 1 RPTTF approved obligations. We identified that payments totaling \$22,852 were made for

obligations above the amounts that were approved in ROPS I. HSC 34177 states that only payments approved on the ROPS may be made. Therefore, the payments above the approved amount are not allowed, and the OFA balance available for distribution to the taxing entities will be adjusted by \$22,852.

To the extent these constitute enforceable obligations, the Agency should request funding for these in a future ROPS.

- Based on our review of your DDR, your request to retain OFA balances for ROPS II obligations totaling \$658,794 is partially denied. Although the Agency wishes to retain \$658,794, the County Auditor Controller only distributed \$536,377 on June 1, 2012. Therefore, the Agency is limited to retaining \$536,377 for ROPS II enforceable obligations. As such, the OFA balance available for distribution to the taxing entities will be adjusted by \$122,417.

To the extent these constitute enforceable obligations, the Agency should request funding for these in a future ROPS.

- Finance noted the county auditor controller adjusted the ROPS III January 2, 2013 distribution by \$27,022 pursuant to HSC section 34186 (a). Therefore, Finance is allowing the retention of these funds in order to adequately fund approved ROPS III expenditures.

If you disagree with Finance's adjusted amount of OFA balances available for distribution to the taxing entities, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's OFA balance available for distribution to the affected taxing entities is \$116,959 (see table below).

OFA Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ (80,454)
Finance Adjustments	
Add:	
Non-cash assets not supported:	\$ 56,616
ROPS I Request to retain balance not supported:	45,400
ROPS II Request to retain balance not supported:	122,417
HSC section 34186 (a) adjustment	(27,020)
Total OFA available to be distributed:	\$ 116,959

Absent a Meet and Confer request, HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, it is requested you provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Wendy Griffe, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mrs. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara
California State Controller's Office

**REPORT TO THE GUADALUPE OVERSIGHT BOARD OF THE SUCCESSOR ENTITY TO THE
GUADALUPE REDEVELOPMENT AGENCY
Agenda of August 22, 2013**



Prepared by:
Carolyn Galloway-Cooper
City of Guadalupe - Finance Director

SUBJECT:

Placement of specialized clean up equipment on site owned by the dissolved Guadalupe Redevelopment Agency at 995 Guadalupe Street (former Al's Union Gas Station) for immediate remediation of bordering property.

RECOMMENDATION:

The Oversight Board for the City of Guadalupe Successor Agency for the Dissolved Guadalupe Redevelopment Agency approves the placement of clean up equipment on the site.

BACKGROUND:

There is a history of environmental contamination caused by a release of petroleum products from underground fuel tanks associated with the former Al's Union gas station operations. Corrective action efforts have taken place since acquisition.

During fiscal year 2012-13, the State UST Fund allotted only a \$15,000 budget. The consultant has not yet billed for work required and performed during this period; however, they believe they have been able to keep expenditures to within \$20,000, and possibly within the \$15,000 fiscal year budget.

The UST Fund recently approved \$20,000 for fiscal year 2013-14. The consultant indicates that this budget is only enough to place required wells on the site, but is not enough to install required remediation equipment and implement remediation processes. The consultant has submitted a Budget Change Order request to the UST Fund for additional budget for this fiscal year, however, there has been no response received as yet.

The private property bordering the Redevelopment Agency's parcel has also had a similar petroleum release and has been approved for enough funding to initiate similar remediation services. As part of these activities, remediation equipment similar to what will be required on the Redevelopment Agency's parcel will be put in place on the property during the next few months. In an effort to reduce overall costs to the City and move remedial activities forward more quickly, the consultant (who is working on both sites and coordinating common efforts between them) is proposing to place the remedial equipment for the bordering parcel on, or

AGENDA ITEM NO.

directly adjacent to, the Redevelopment Agency's parcel, so that this equipment can be utilized to remediate both properties (first, bordering property as it has approved funding).

The environmental consultant estimates that the site contamination cleanup will require approximately two years of active remediation before it can be closed under the current Low-Threat Closure guidelines being promulgated by the State. However, as noted above, we do not yet know when that process will be funded to the extent required to get active remediation activities going at the site. If the Budget Change Order is approved, the consultant estimates active remediation can be started sometime this fiscal year. However, until a more significant funding is allotted to this site, the consultant can only take small steps toward this goal while keeping the site in minimum compliance.

Oversight Board approval is subject to reaching a contractual agreement between the Successor Agency, equipment contractor and the bordering property owner. Legal counsel will review the agreement.

FISCAL IMPACT:

The cost to the Successor Agency will be staff time only and is covered under the administrative budget allocation. Remediation costs are funded by the State UST fund.

Attachments:

Letter from DMI EMK to Central Coast Regional Water Quality Control Board
Water well permit application

DMI



Corporate Office

410 East Arrellaga Street, Santa Barbara, CA 93101
Phone (805) 568-0074; FAX (805) 965-3374

Ventura Office

1058 East Meta Street, Suite 101, Ventura, CA 93001
Phone (805) 653-0633; FAX (805) 653-0266

April 19, 2013

Mr. Chris Adair
Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Subject: Al's Union (Formerly Campodonico Realty Property)
995 Guadalupe Street, Guadalupe, California
LUFT Site #52010; SWRCB Global ID #T0608300730
**REQUEST FOR GENERAL WAIVER OF
WASTE DISCHARGE REQUIREMENTS**

Dear Mr. Adair:

DMI-EMK Environmental Services, Inc. (DMI-EMK) provides this *Request for General Waiver of Waste Discharge Requirements (WDR Waiver Request)* from the Central Coast Regional Water Quality Board (RWQCB), on behalf of the City of Guadalupe, the responsible party for the subject site located at 995 Guadalupe Street in Guadalupe, California (Figure 1). The *WDR Waiver Request* is made to allow for operation of an ozone sparge system for groundwater remediation at the subject site (Figure 2). The groundwater remediation is described in DMI-EMK's *Corrective Action Plan (CAP)* dated March 28, 2012. The *CAP* was conditionally approved by the County of Santa Barbara Fire Department, Fire Prevention Division (FPD) – Leaking Underground Fuel Tank Program (LUFT) in their letter dated May 16, 2012. These documents are available on the State Water Resources Control Board (SWRCB) GeoTracker Database as follows:

Corrective Action Plan dated March 28, 2012:

https://geotracker.waterboards.ca.gov/esi/uploads/geo_report/7194473206/T0608300730.PDF

LUFT approval letter dated May 16, 2012:

https://geotracker.waterboards.ca.gov/regulators/deliverable_documents/3098767936/52010%2005_12.pdf

Per the approved *CAP*, two nested ozone sparge wells (SP1A/B and SP2A/B; Figure 2) will be installed at the site. Ozone will be generated using an H2O Engineering, Inc., cabinet-mounted, self-contained ozone sparge system (Model OSU20-52) rated to produce up to 2.7 pounds per day of ozone at up to 6% concentration by weight (equipment specification sheet attached). Common piping trenches with subsurface conduit will be installed to allow for connection of the OSU20-52 sparge system to the remediation wells using ½" diameter Teflon® tubing.

To establish baseline field parameters prior to starting ozone sparging, DMI-EMK proposes to conduct the following:

- Measure the depth to groundwater, temperature, electrical conductivity (EC), pH, dissolved oxygen (DO), and oxidation/reduction potential (ORP) of the groundwater in monitoring wells MW2 and MW3.
- Collect groundwater samples from monitoring wells MW2 and MW3 and submit the groundwater samples to a State-certified laboratory for analysis of: total petroleum hydrocarbons as gasoline (TPH-G), full list volatile organic compounds (VOCs), ferrous iron, total and hexavalent chromium, nitrate, sulfate, and alkalinity.

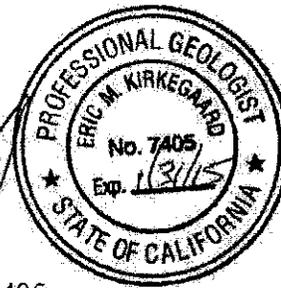
DMI-EMK requests that the RWQCB review the remedial actions approved by LUFT and the proposed groundwater monitoring schedule, and provide approval to conduct these activities at the subject site under the RWQCB's General Waiver of Waste Discharge Requirements. Construction and operation of the ozone remediation system will begin following approval by the RWQCB and issuance of LUFT well permits and City of Guadalupe construction permits. Once implemented, ozone sparging is estimated to be conducted for approximately 24 months.

If any further information is required, please contact our office at (805) 653-0633.

Respectfully submitted,
DMI-EMK Environmental Services, Inc.

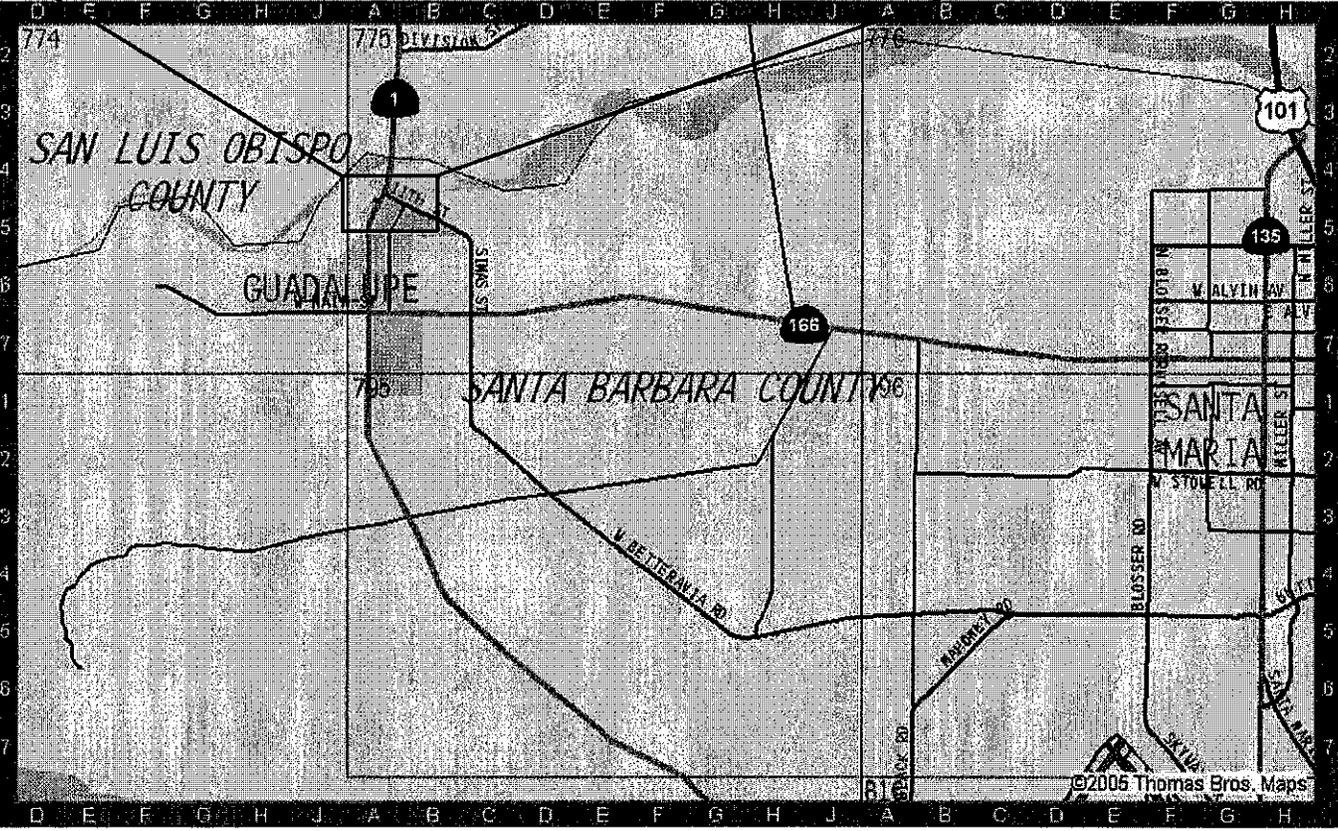
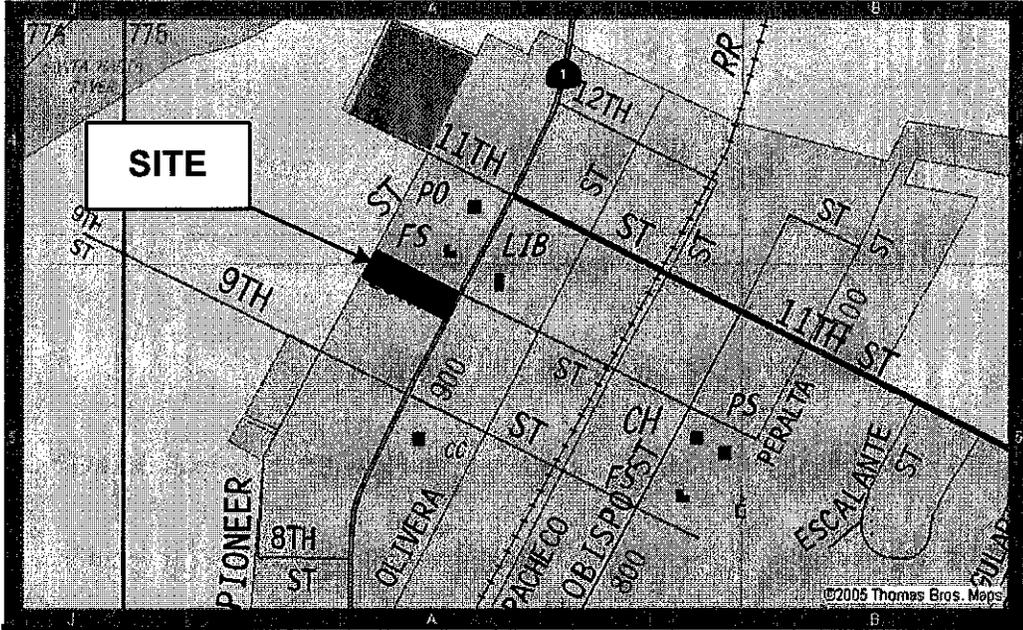


Alan R. Nelsen
Senior Project Manager



Eric M. Kirkegaard, PG #7405
Senior Geologist

Attachments



NO SCALE

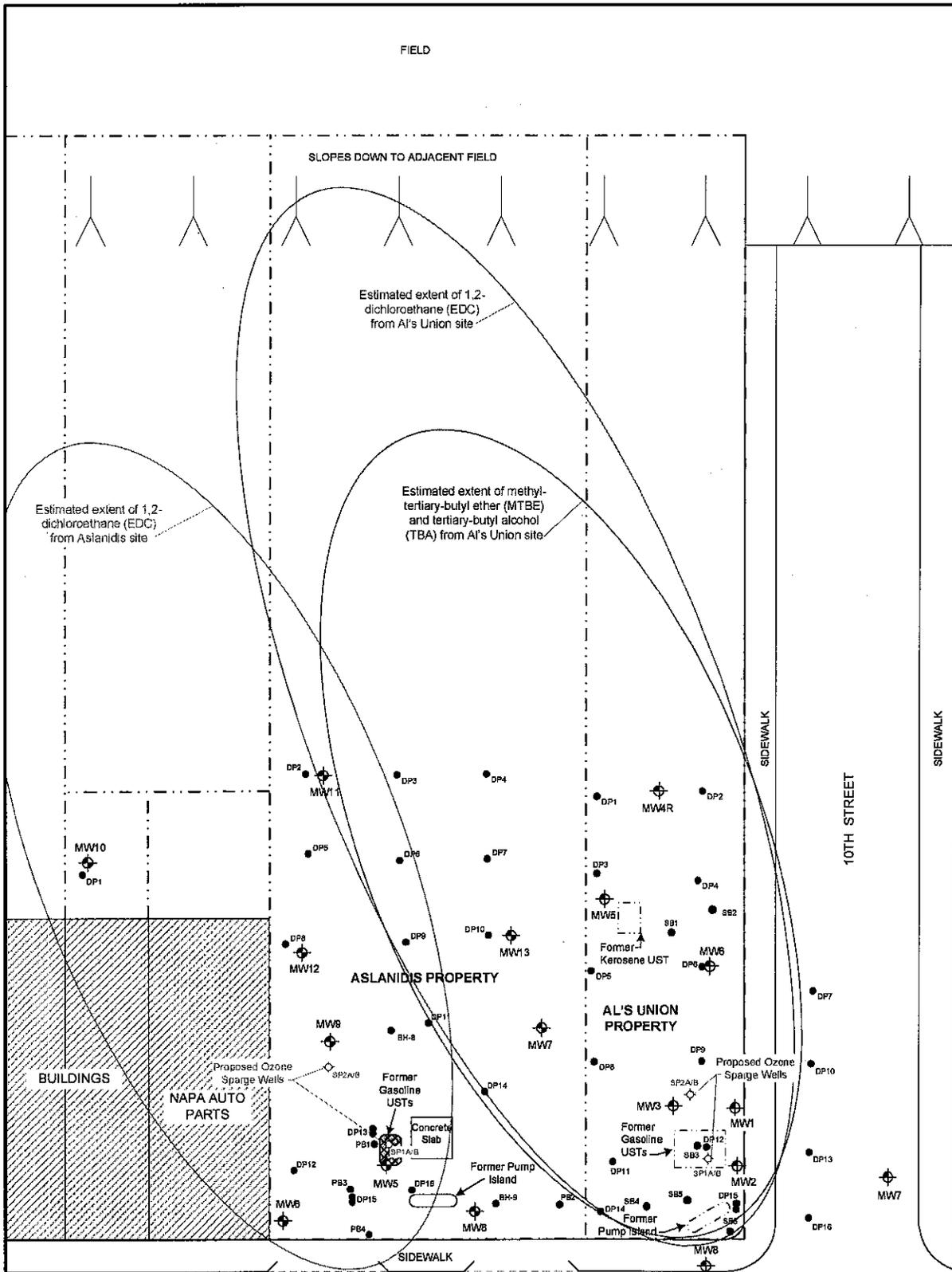
SITE LOCATION MAP

AL'S UNION
 995 GUADALUPE STREET
 GUADALUPE, CALIFORNIA

**DMI-EMK Environmental
 Services, Inc.**

FIGURE 1

DATE: 4/19/13



KEY	
UST	Underground Storage Tank
●	Approximate Location of Direct Push Boring (May & June 2011)
DP1	Approximate Location of Direct Push Boring (May & June 2011)
⊕	Approximate Location of Groundwater Monitoring Well at Aslanidis Site
MW5	Approximate Location of Groundwater Monitoring Well at Aslanidis Site
⊕	Approximate Location of Groundwater Monitoring Well at Al's Union Site
MW1	Approximate Location of Groundwater Monitoring Well at Al's Union Site
PB3 SB8	Approximate Location of Previous Borings by Other Consultants (1988, 1990, and 1991)
---	Approximate Property Lines Based on County Assessor's Parcel Map



SITE PLAN WITH PROPOSED OZONE SPARGE WELLS
 AL'S UNION
 995 GUADALUPE STREET
 GUADALUPE, CALIFORNIA

DMI-EMK Environmental Services, Inc. **FIGURE 2**

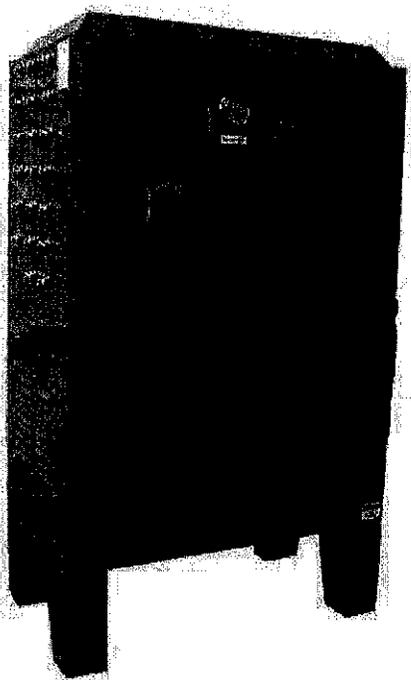
DATE: 4/10/13

Ozone Sparge Systems



H2O Engineering's ozone sparge technology delivers the highest concentration of ozone gas directly to the contaminated subsurface. Ozone is released in controlled time duration sequences via in-situ oxidation points. This feature can be programmed and recorded by the logic controller.

Effective for short-term "hot spot" remediation or full scale site clean ups, H2O Engineering's ozone sparge units are completely self-contained and are available in trailer and cabinet enclosures. While we have designed our standard units to handle most field conditions, we also offer custom systems to meet extraordinary site demands. Our systems are successfully oxidizing petroleum hydrocarbons and chlorinated solvents such as TPHg, TPHd, BTEX, TCE, and PCE in both groundwater and soil applications.



OSU20-52

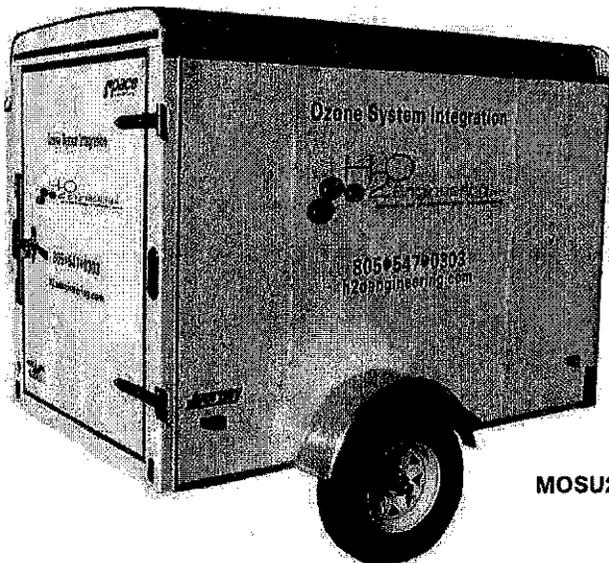
Standard Features

- Featuring Intelo-zone™ Control Technology
- Ozone Generator Output: 1.3 to 43.8 lbs/day, up to 6% concentration by weight
- PSA oxygen concentrator delivers 90% purity
- Ozone delivery pump features all ozone-resistant components
- Maximum ozone sparge pressure of 50 PSI
- Maximum air / breakthrough sparge pressure of 90 PSI
- Automatic regression from ozone to air / breakthrough mode upon high pressure detection
- Programmable Logic Controller (PLC) with Human Machine Interface (HMI)
- Selectable mode for ozone, ozone/air, oxygen, oxygen/air or air per sparge port
- Independent time duration control for each sparge port (programmable from 1 to 120 minutes)
- Independent time accumulators for tracking ozone vs. oxygen vs. air / breakthrough time per valve
- User configurable valve sparge sequence ordering
- Variable ozone output can be individually configured for each valve
- Lag time between sparge cycles (programmable from 1 to 480 minutes)
- Suspend mode for planned nonoperational periods
- Delivery flow and pressure displayed and logged via PLC, viewable from HMI
- Automated maintenance notifications
- Ozone sparge port manifold includes ozone compatible solenoid valves, 1/2" Kynar® compression fittings and analog pressure transmitter
- 10, 20, 30 or 40 port manifolds available
- Distinctive built-in safety features:
 - Ambient ozone alarm/shutdown sensor
 - High pressure alarm/shutdown
 - Built-in thermal protection, high / low temperature alarms
 - Sensor failure alarm
- Remote shutdown interface signal
- Remote ozone sensor connections
- PLC controlled air conditioning and heating in trailer version
- H2O Telemetry Packages (optional)
- Full one-year warranty includes materials and workmanship
- Service contracts and start-up assistance available
- Start-up Service Kit included

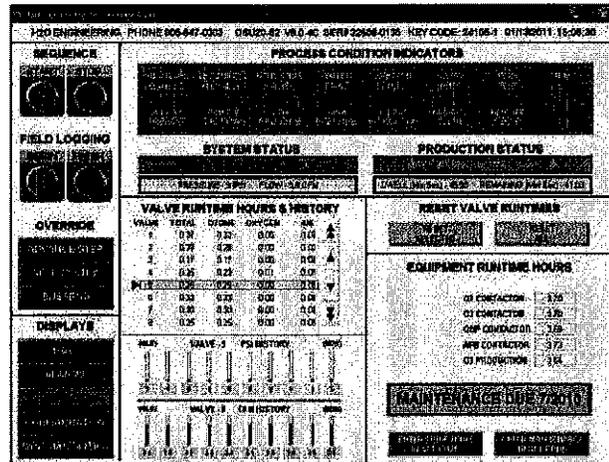
Ozone Sparge Systems

Model ¹	Delivered Ozone Output (lbs/day)	Ozone Gas Concentration (ppmv)	Enclosure	Electrical Requirement ² (VAC)	Power Consumption ³ (kW)	Maximum Operating Flow (CFM)	Max Operating Pressure ⁴ (PSI)
OSUX-26	1.4	2250	Cabinet	240	2.31	3.8	50
OSUX-52	2.7	3570	Cabinet	240	2.82	3.8	50
OSUX-104	5.5	4160	Cabinet	240	4.81	4.2	50
MOSUX-26	1.4	2250	Trailer	240	2.31	3.8	50
MOSUX-52	2.7	3570	Trailer	240	2.82	3.8	50
MOSUX-104	5.5	4160	Trailer	240	4.81	4.2	50
MOSUX-208	11.0	11900	Trailer	240	9.12	4.7	50
MOSUX-520	27.4	22180	Trailer	280/3Ø	25.56	7.3	50

- Notes:
1. XX in model number denotes the amount of sparge valves.
 2. Electrical requirement: 60 Hz, Single Phase (unless otherwise noted); All 240 VAC systems require a true neutral.
 3. Air conditioning unit in mobile products consumes 1.69 kW during operation.
 4. Maximum well breakthrough pressure = 90 PSI.



MOSU20-52



TELEMETRY SOFTWARE PACKAGE (OPTIONAL)



225 Camino Del Remedio, Santa Barbara, CA 93110 ♦ (805) 681-4900
 2125 S. Centerpointe Pkwy., #333 ♦ Santa Maria, CA 93455-1340 ♦ (805) 346-8460

WATER WELL PERMIT APPLICATION

SP1A/B

TYPE OF PERMIT (Please check the appropriate box below)

<input checked="" type="checkbox"/> Construction or Modification	\$740 (3 hrs.) *	[4669]	"Modification" means the deepening of a well, reoperation, sealing or replacement of well casing - construction of one completed well
<input type="checkbox"/> Well Inactivation	\$615 (2.5 hrs.) *	[4667]	Not used for a period of one year
<input type="checkbox"/> Well Destruction	\$495 (2 hrs.) *	[4668]	Abandonment - Complete filling of the well

FOR OFFICE USE ONLY

Rec'd Date: _____

Rec'd By: _____

SR# _____

District # _____

* An hourly rate fee of \$136 will be added for those projects that require staff time in excess of that noted above. Final project approval will not be issued until all fees are paid.

Required Attachments: Plot plan indicating the location of the well with respect to the following items:

- Property lines
- Drainage pattern of the property
- Access roads and easements (water, sewer, utility, roadway)
- Existing and/or proposed structures.
- Existing wells within a one hundred foot radius of the proposed well
- Animal or fowl enclosure, pens, paddocks, stockyards within a one hundred foot radius of proposed well site
- Sewage disposal systems or works carrying or containing sewage or industrial wastes within a two hundred foot radius of the proposed well
- All perennial, seasonal, natural, or artificial water bodies or watercourses, including location of one hundred year floodplain, if applicable

APPLICANT: Property Owner Licensed Well Drilling Contractor Owner's Agent (Authorized in writing)

Property Owner CITY OF GUADALUPE Telephone No. (805) 356-3902
 Mailing Address: 918 OBISPO STREET GUADALUPE CA 93434
 Street Street Name City State/Zip Code

(If applicant is other than Property Owner):

Applicant's Name CITY OF GUADALUPE Phone: (805) 356-3902 Cell: _____ Email: _____ Fax: _____

Applicant's Address: 918 OBISPO STREET GUADALUPE CA 93434
 Street Direction Street Name City State/Zip Code

Site Location: 995 GUADALUPE AVENUE GUADALUPE CA 93434
 Street Direction Street Name City State/Zip Code

Assessor's Parcel Number 115-071-001 Start: ____/____/____ Finish: ____/____/____

Well Use: Domestic Water Agriculture Water Cathodic Test Other OZONE INJECTION

Drilling Method: Rotary Cable Other _____

Other Water Sources: Public Private None

Proposed Depth <u>37</u> ft.	Casing Information Type: <input type="checkbox"/> Steel <input checked="" type="checkbox"/> PVC <input type="checkbox"/> Other _____ Wall / Gage <u>SLT 80</u> Diameter <u>1</u> in. Annular Seal Depth _____ ft. Additional Work Description <u>SEAL AT 0-29 FEET AND</u> <u>31.5-35 FEET.</u>
Well Bore Diam. <u>10</u> in.	
Sealing Material (Check) <input type="checkbox"/> Neat Cement <input checked="" type="checkbox"/> Clay <input checked="" type="checkbox"/> Cement Grout <input type="checkbox"/> Concrete	Note: A 50 ft. annular seal is required for wells serving multiple connections.

LEGAL DECLARATION

LICENSED CONTRACTOR DECLARATION

I hereby affirm that I am licensed under the provisions of Chapter 9 (commencing with Sec. 7000) of Division 3 of the Business and Professions Code (B. & P.C.) as a well drilling contractor (C-57 license) and such license is in full force and effect.

W Randall Glaze [Signature] 8/7/13
Print Name of Driller Signature of Driller Date

Lic. No.: W11394 Office Telephone 805 7353454 Cell Phone: 805-717-0937

Business Name: S/G Drilling Address 308 N. 1st St. Compton Ca 93436

(Complete 'A' or 'B')

A. WORKERS' COMPENSATION DECLARATION

I hereby affirm one of the following:

I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

I have and will maintain workers' compensation insurance, as provided for by Section 3700 of the Labor Code, for the performance of work for which this permit is issued. My insurance carrier and policy number are:

Carrier Statefund Policy No. 9027835-12

Applicant Signature [Signature] Date 8/7/13

B. CERTIFICATION OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I certify that in the performance of work for which this permit is issued, I shall not employ any person in a manner so as to become subject to the Worker's Compensation Laws of California.

Applicant Signature _____ Date _____

Notice to Applicant: If, after making this Certificate of Exemption, you should become subject to the Worker's Compensation provisions of the Labor Code, you must forthwith comply with such provisions or this permit shall be deemed revoked.

When signed by the Environmental Health Specialist, this application shall be deemed a permit only for the work described and is not a "permit for development" as that term is used in the California Subdivision Map Act. Please note additional permits (e.g., electrical installation, waste discharge requirements, land use clearance, grading) may also be required from other agencies. THIS PERMIT SHALL EXPIRE upon completion of the task authorized or one year from date of issuance, whichever occurs first. No changes from the approved plan are permitted without prior written approval by Environmental Health Services. Final clearance will not be issued until all fees are paid and a copy of the drillers log is submitted to Environmental Health Services.

I hereby agree to comply with all regulations of the County of Santa Barbara pertaining to well construction, repair, modification, destruction and inactivation. The property owner, well driller, or agent will furnish Environmental Health Services a copy of a completed well log upon completion of well construction.

I certify that I have read this application and declare under penalty of perjury that the information contained herein is true, correct and complete. I hereby authorize representatives of Environmental Health Services to enter the premises for the purpose of inspecting the site and work described herein for compliance with county requirements.

REQUIRED INSPECTIONS/FINAL CLEARANCE: After permit approval, and prior to covering any components, an inspection must be scheduled directly with the approving Environmental Health Specialist at least two (2) business days in advance for:

1. The sealing of the annular space on a well;
2. The destruction of wells;
3. Any operation stipulated on the permit to address special or unusual conditions;
4. Final clearance of the well will be issued upon receipt of the driller's well log.

Signed Andrew Carter [Signature] 8/6/13
Applicant (Print Name) Applicant's Signature Date

APPLICATION DISPOSITION: Approved Denied

Signed _____ Environmental Health Specialist Date _____

FOR DEPARTMENT USE ONLY

Fixed Fee Rec'd by: _____ Date/Am't: _____ \$ _____ Credit Card: Check/Receipt/Trans. No.: _____

_____ Hourly Billing: Applicant notified of amount due by Plan Checker (Initials): _____ Date: _____

Rec'd by: _____ Date/Am't: _____ \$ _____ Credit Card: Check/Receipt/Trans. No.: _____ # _____

Date plans resubmitted (1) _____ (2) _____ (2) _____

Permit Conditions: _____

Final Construction Approved by: _____ Date: _____

Final Clearance by: _____ Date: _____

WATER WELL PERMIT APPLICATION

SP2A/B

TYPE OF PERMIT (Please check the appropriate box below)

<input checked="" type="checkbox"/> Construction or Modification	\$740 (3 hrs.) *	[4669]	"Modification" means the deepening of a well, reperforation, sealing or replacement of well casing - construction of one completed well
<input type="checkbox"/> Well Inactivation	\$615 (2.5 hrs.) *	[4667]	Not used for a period of one year
<input type="checkbox"/> Well Destruction	\$495 (2 hrs.) *	[4668]	Abandonment - Complete filling of the well

FOR OFFICE USE ONLY

Rec'd Date: _____

Rec'd By: _____

SR # _____

District # _____

* An hourly rate fee of \$136 will be added for those projects that require staff time in excess of that noted above. Final project approval will not be issued until all fees are paid.

Required Attachments: Plot plan indicating the location of the well with respect to the following items:

- Property lines
- Drainage pattern of the property
- Access roads and easements (water, sewer, utility, roadway)
- Existing and/or proposed structures.
- Existing wells within a one hundred foot radius of the proposed well
- Animal or fowl enclosure, pens, paddocks, stockyards within a one hundred foot radius of proposed well site
- Sewage disposal systems or works carrying or containing sewage or industrial wastes within a two hundred foot radius of the proposed well
- All perennial, seasonal, natural, or artificial water bodies or watercourses, including location of one hundred year floodplain, if applicable

APPLICANT: Property Owner Licensed Well Drilling Contractor Owner's Agent (Authorized in writing)

Property Owner CITY OF GUADALUPE Telephone No. (805) 356-3902
 Mailing Address: 918 OBISPO STREET GUADALUPE CA 93434
Street Street Name City State/Zip Code

(If applicant is other than Property Owner):

Applicant's Name CITY OF GUADALUPE Phone: (805) 356-3902 Cell: _____ Email: _____ Fax: _____
 Applicant's Address: 918 OBISPO STREET GUADALUPE CA 93434
Street Direction Street Name City State/Zip Code
 Site Location: 995 GUADALUPE AVENUE GUADALUPE CA 93434
Street Direction Street Name City State/Zip Code

Assessor's Parcel Number 115-071-001 Start: ___/___/___ Finish: ___/___/___

Well Use: Domestic Water Agriculture Water Cathodic Test Other OZONE INJECTION

Drilling Method: Rotary Cable Other _____

Other Water Sources: Public Private None

Proposed Depth <u>37</u> ft.	Casing Information <u>SPARGE POINTS AT 30-31 FEET AND 36-37 FEET.</u> Type: <input type="checkbox"/> Steel <input checked="" type="checkbox"/> PVC <input type="checkbox"/> Other _____ Wall / Gage <u>SCH 80</u> <input checked="" type="checkbox"/> Diameter <u>1</u> in. Annular Seal Depth _____ ft. Additional Work Description <u>SEAL AT 0-29 FEET AND 31.5-35 FEET.</u> Note: A 50 ft. annular seal is required for wells serving multiple connections.
Well Bore Diam. <u>10</u> in.	
Sealing Material (Check)	
<input type="checkbox"/> Neat Cement <input checked="" type="checkbox"/> Clay	
<input checked="" type="checkbox"/> Cement Grout <input type="checkbox"/> Concrete	

LEGAL DECLARATION

LICENSED CONTRACTOR DECLARATION

I hereby affirm that I am licensed under the provisions of Chapter 9 (commencing with Sec. 7000) of Division 3 of the Business and Professions Code (B. & P.C.) as a well drilling contractor (C-57 license) and such license is in full force and effect.

W Randall Glaze 8/7/13
Print Name of Driller Signature of Driller Date

Lic. No.: W11394 Office Telephone: 805 7353474 Cell Phone: 805-717-0937
Business Name: S/G Drilling Address: 308 N. 1st St. Compo Ca 93436

(Complete 'A' or 'B')

A. WORKERS' COMPENSATION DECLARATION

I hereby affirm one of the following:

- I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
- I have and will maintain workers' compensation insurance, as provided for by Section 3700 of the Labor Code, for the performance of work for which this permit is issued. My insurance carrier and policy number are:
Carrier: State Fund Policy No.: 9027835-12

Applicant Signature: [Signature] Date: 8/7/13

B. CERTIFICATION OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I certify that in the performance of work for which this permit is issued, I shall not employ any person in a manner so as to become subject to the Worker's Compensation Laws of California.

Applicant Signature: _____ Date: _____

Notice to Applicant: If, after making this Certificate of Exemption, you should become subject to the Worker's Compensation provisions of the Labor Code, you must forthwith comply with such provisions or this permit shall be deemed revoked.

When signed by the Environmental Health Specialist, this application shall be deemed a permit only for the work described and is not a "permit for development" as that term is used in the California Subdivision Map Act. Please note additional permits (e.g., electrical installation, waste discharge requirements, land use clearance, grading) may also be required from other agencies. THIS PERMIT SHALL EXPIRE upon completion of the task authorized or one year from date of issuance, whichever occurs first. No changes from the approved plan are permitted without prior written approval by Environmental Health Services. Final clearance will not be issued until all fees are paid and a copy of the driller's log is submitted to Environmental Health Services.

I hereby agree to comply with all regulations of the County of Santa Barbara pertaining to well construction, repair, modification, destruction and inactivation. The property owner, well driller, or agent will furnish Environmental Health Services a copy of a completed well log upon completion of well construction.

I certify that I have read this application and declare under penalty of perjury that the information contained herein is true, correct and complete. I hereby authorize representatives of Environmental Health Services to enter the premises for the purpose of inspecting the site and work described herein for compliance with county requirements.

REQUIRED INSPECTIONS/FINAL CLEARANCE: After permit approval, and prior to covering any components, an inspection must be scheduled directly with the approving Environmental Health Specialist at least two (2) business days in advance for:

1. The sealing of the annular space on a well;
2. The destruction of wells;
3. Any operation stipulated on the permit or address special or unusual conditions;
4. Final clearance of the well will be issued upon receipt of the driller's well log.

Signed Andrew Carter Andrew Carter 8/6/13
Applicant (Print Name) Applicant's Signature Date

APPLICATION DISPOSITION: Approved Dealed

Signed _____ Date _____
Environmental Health Specialist

FOR DEPARTMENT USE ONLY

Filed Fee Rec'd by: _____ Date/Am't: _____ \$ _____ Credit Card: Check/Receipt/Trans. No.: _____

_____ Hourly Billing: Applicant notified of amount due by Plan Checker (Initials): _____ Date: _____

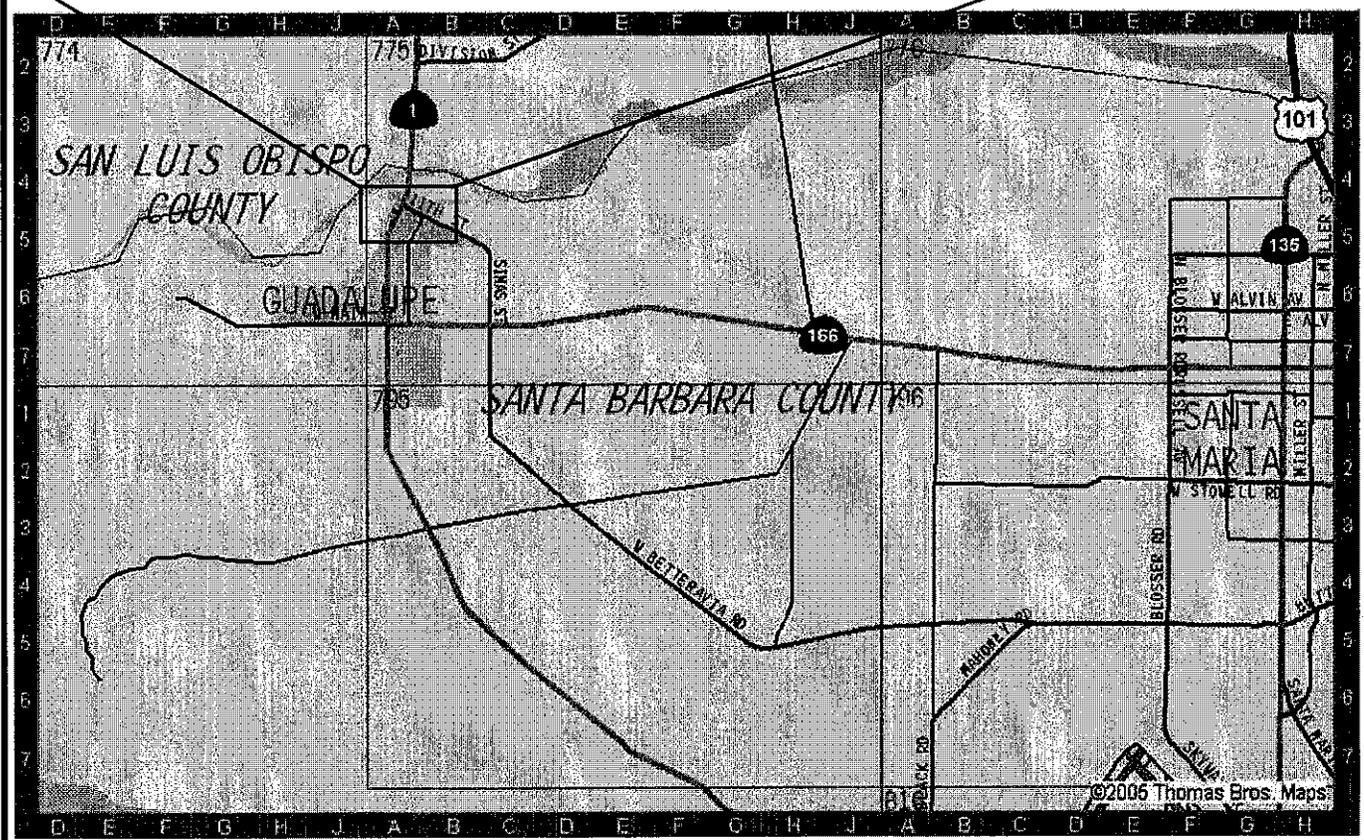
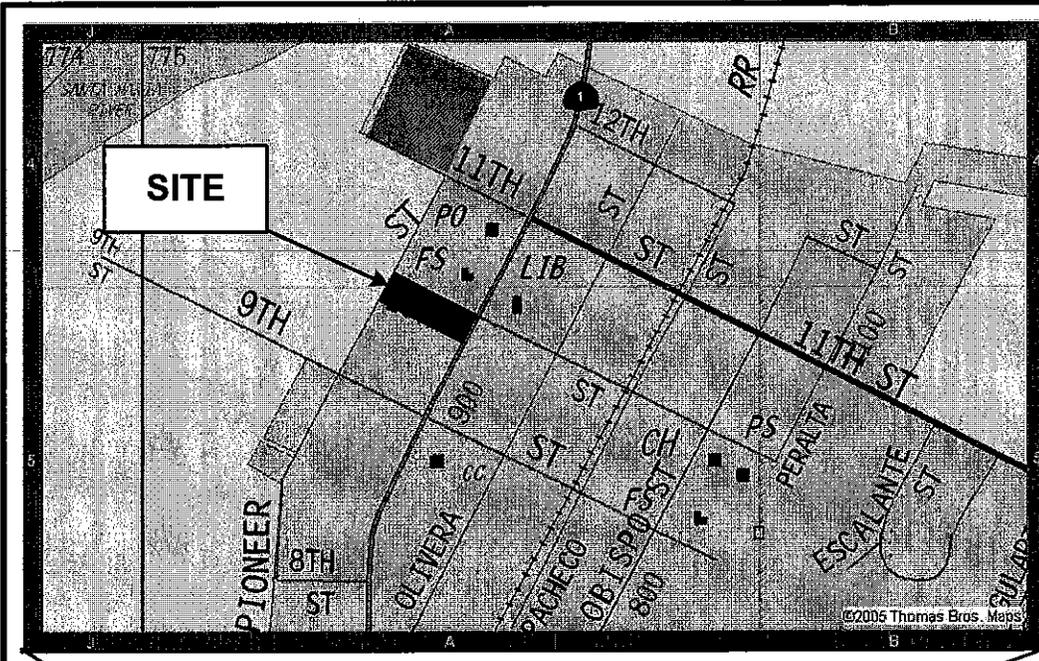
Rec'd by: _____ Date/Am't: _____ \$ _____ Credit Card: Check/Receipt/Trans. No.: _____ # _____

Date plans resubmitted (1) _____ (2) _____ (2) _____

Permit Conditions: _____

Final Construction Approved by: _____ Date: _____

Final Clearance by: _____ Date: _____



NO SCALE

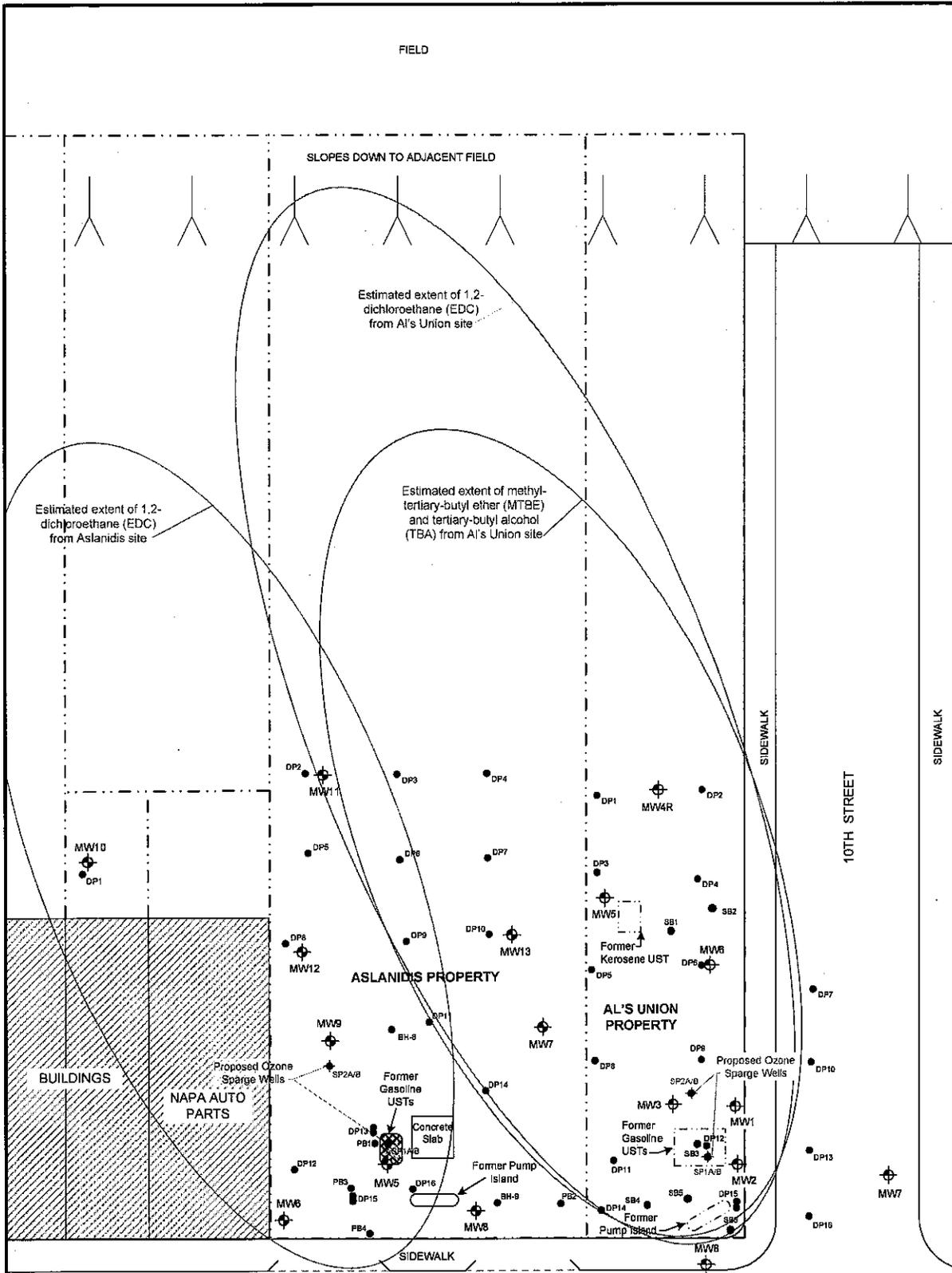
SITE LOCATION MAP

AL'S UNION
 995 GUADALUPE STREET
 GUADALUPE, CALIFORNIA

DMI-EMK Environmental
 Services, Inc.

FIGURE 1

DATE: 8/7/13



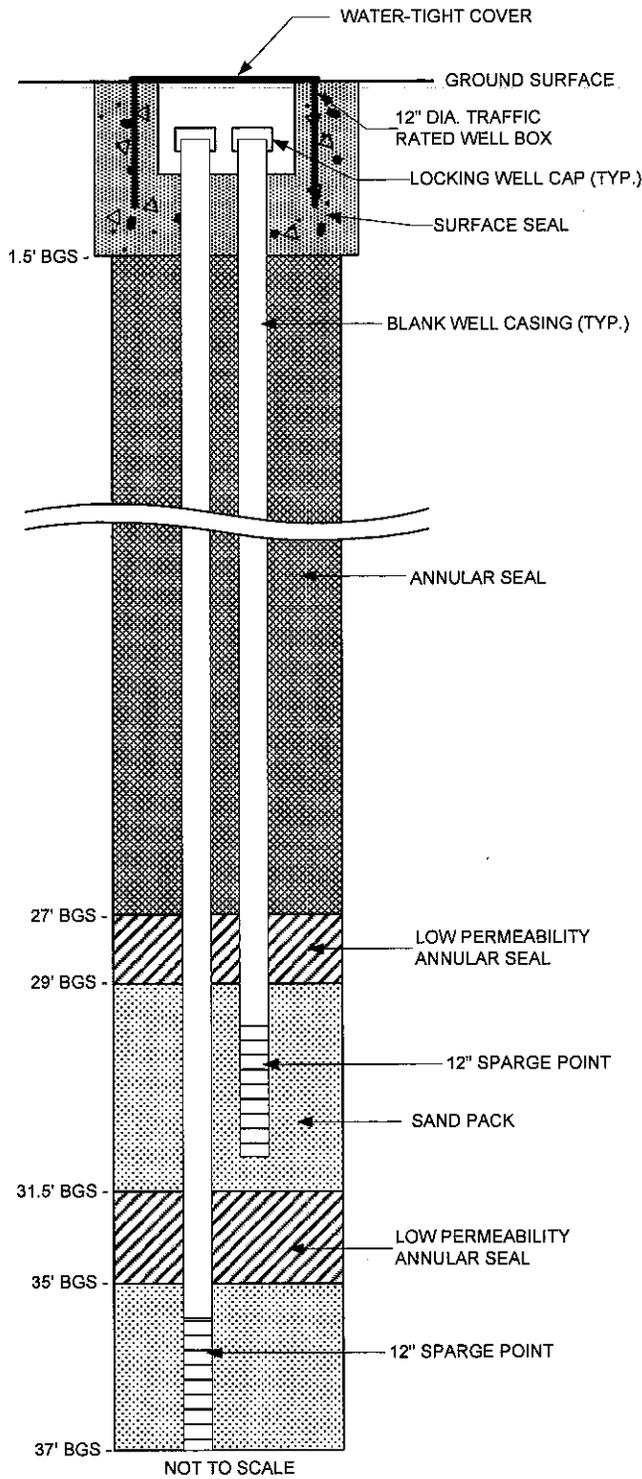
KEY	
UST	Underground Storage Tank
●	Approximate Location of Direct Push Boring (May & June 2011)
⊕	Approximate Location of Groundwater Monitoring Well at Aslanidis Site
⊕	Approximate Location of Groundwater Monitoring Well at Al's Union Site
● ●	Approximate Location of Previous Borings by Other Consultants (1988, 1990, and 1991)
- - -	Approximate Property Lines Based on County Assessor's Parcel Map



SITE PLAN WITH PROPOSED OZONE SPARGE WELLS
 AL'S UNION
 995 GUADALUPE STREET
 GUADALUPE, CALIFORNIA

DMI-EMK Environmental Services, Inc.	FIGURE 2
--------------------------------------	----------

DATE: 8/7/13



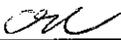
ELEVATION OF REFERENCE POINT	<u>83.75 FEET AMSL</u>
HEIGHT OF REFERENCE (ABOVE GROUND SURFACE)	<u>1/2 INCH</u>
SURFACE SEAL INTERVAL	<u>0 - 1.5 FT BGS</u>
TYPE OF SURFACE SEAL	<u>CONCRETE</u>
INTERVALS OF ANNULAR SEALS	<u>1.5 - 29 FT BGS 31.5 - 35 FT BGS</u>
TYPE OF ANNULAR SEAL	<u>NEAT CEMENT/BENTONITE COATED BENTONITE PELLETS</u>
DIAMETER OF WELL CASING	<u>1 INCH (ID)</u>
TYPE OF WELL CASING	<u>SCH 80 PVC</u>
SAND PACK INTERVAL	<u>29 - 31.5 FT BGS 35 - 37 FT BGS</u>
TYPE OF SAND	<u>#3 WASHED SAND</u>
SPARGE POINT INTERVALS	<u>30 - 31 FT BGS 36 - 37 FT BGS</u>
SPARGE POINT	<u>50 MESH (STAINLESS STEEL)</u>
DEPTH OF WELLS	<u>31 FT BGS 37 FT BGS</u>
DIAMETER OF BOREHOLE	<u>10 INCH</u>
DEPTH OF BOREHOLE	<u>37 FEET</u>
DEPTH TO GROUNDWATER	<u>10 - 15 FT BGS</u>

**NESTED OZONE SPARGE WELL
 SCHEMATIC
 SPARGE WELLS SP1A/B AND SP2A/B
 AL'S UNION
 995 GUADALUPE STREET
 GUADALUPE, CALIFORNIA**

**DMI-EMK Environmental
 Services, Inc.**

FIGURE 3

**REPORT TO THE GUADALUPE OVERSIGHT BOARD OF THE SUCCESSOR ENTITY TO THE
GUADALUPE REDEVELOPMENT AGENCY
Agenda of August 22, 2013**



Prepared by:
Carolyn Galloway-Cooper
City of Guadalupe - Finance Director

SUBJECT:

Long-Range Property Management Plan (LRPMP) for the City of Guadalupe Successor Agency to the Dissolved Guadalupe Redevelopment Agency.

RECOMMENDATION:

That the Oversight Board approves the LRPMP for the City of Guadalupe Successor Agency to the Dissolved Guadalupe Redevelopment Agency and adopts Resolution No. OB-2013-06.

BACKGROUND:

One of the key components of AB 1484 is the requirement that all Successor Agencies develop a long-range property management plan that governs the disposition and use of the former Redevelopment Agency property. Section 34191.5 (c)(1) of the Health and Safety code, which was added as part of AB 1484, requires that the Long Range Property Management Plan include an inventory of all properties held in the Community Redevelopment Property Trust Fund. For the City of Guadalupe Successor Agency, this includes the five parcels listed in the LRPMP.

Section 34191.5 (c) (2) of the Health and Safety Code requires the Successor Agencies address the use or disposition of all properties in the Community Development Trust Fund. The properties can be retained for governmental use, retained for future development, sold or used to fulfill an enforceable obligation.

The approved LRPMP is due to the Department of Finance no later than 6 months after the Successor Agency received a Finding of Completion, or September 18, 2013.

FISCAL IMPACT:

The cost to the Successor Agency includes staff costs that are covered under the administrative allocation.

Attachment: LRPMP
Resolution No. 2013-06

RESOLUTION OB NO. 2013-06

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF
GUADALUPE APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34191.5 (c) (1)**

WHEREAS, Health and Safety Code section 34191.5 (c) (1) requires the Redevelopment Agency Successor Agency to prepare a long range property management plan that details each commercial property that was owned by the former redevelopment agency when it was eliminated; and

WHEREAS, the long range property management plan must be reviewed and approved by the State Department of Finance before any potential real estate transaction can occur; and

WHEREAS, the Guadalupe Redevelopment Agency owned five commercial properties when redevelopment was eliminated, and said properties are in the control of the Successor Agency, which as prepared the Long Range Property Management Plan; and

WHEREAS, the Long Range Property Management Plan was presented to and approved by the Oversight Board of the Successor Agency at the August 22, 2013 Oversight Board meeting; and

WHEREAS, Health and Safety Code section 34191.5 (c) (1) requires that the Oversight Board consider and approve the Long Range Property Management Plan before it is submitted to the Department of Finance for its review; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the dissolved Guadalupe Redevelopment Agency does hereby resolve as follows

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. CEQA Compliance. The approval of the Long Range Property management Plan through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirement of the California Environment Act.

SECTION 3. Approval of the Long-Range Property Management Plan. The Oversight Board hereby approves and adopts the Long Range Property management Plan, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code section 34191.5 (c) (1).

SECTION 4. Implementation. The Oversight Board hereby directs the Successor Agency to submit a copy of the Long-Range Property Management Plan approved by the Oversight Board, to the State of California Department of Finance after the effective date of this Resolution.

SECTION 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of the this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution. The Oversight Board hereby directs the Successor Agency to submit a copy of the Long-Range Property Management Plan approved by the Oversight Board, to the State of California Department of Finance after the effective date of this Resolution.

SECTION 6. Effective Date. Pursuant to Health and Safety Code section 34191.5 (c) (1), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

SECTION 7. The Secretary shall certify to the adoption of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code section 34191.5 (c) (1).

Adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency at a regular meeting held on August 22, 2013 by the following vote:

PASSED, APPROVED, AND ADOPTED by the Oversight Board, on a motion by Board Member _____, seconded by Member _____, this 22nd day of August 2013.

By: _____
Hugo Lara, Chair

ATTEST: Oversight Board

By: _____
Carolyn Galloway- Cooper Secretary

STATE OF CALIFORNIA)

COUNTY OF SANTA BARBARA)

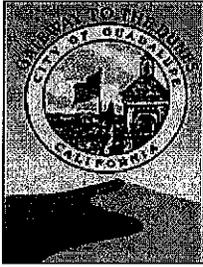
CITY OF GUADALUPE)

I, CAROLYN GALLOWAY-COOPER, Secretary of the Oversight Board of the Successor Agency to Guadalupe Redevelopment Agency of the Cit of Guadalupe, hereby certifies that the foregoing Resolution No. 2013-06 was passed and adopted by the Oversight Board of the Successor Agency to the Guadalupe Redevelopment Agency, signed by the Chairperson and attested to by the Secretary at a regular meeting of said Board held on the 22nd day of August, 2013 and that said Resolution was adopted by the following vote, to wit:

AYES:

NOES:

ABSENT:



CITY OF GUADALUPE
918 Obispo Street
Guadalupe, CA 93434
P: (805) 356-3895
F: (805) 343-0542
Finance Department

August xx, 2013

Mr. Steve Szalay, local Government
California Department of Finance
915 L Street
Sacramento, CA 95814

Subject: Request for approval of the Long-Range Property Management Plan

Dear Mr. Szalay,

The purpose of this letter is to transmit for approval a Long-Range property management Plan (Long-Range Plan) for the Successor Agency to the former Guadalupe Redevelopment Agency (Successor Agency). This Long-Range Plan has been prepared pursuant to Section 34191.5(b) and (c) of the Health and Safety Code. A Finding of Completion was issued to the Successor Agency on March 18, 2013.

The Oversight Board of the Successor Agency approved the Long-Range Plan on August 22, 2013 (See attached Resolution No. 2013-06 of the Oversight Board). This Plan provides for disposition of each property according to the distinctive parcel purpose as explained.

Thank you for your assistance in our final tasks as we dissolve the former Guadalupe Redevelopment Agency. If you have any questions please contact me at 805-356-3895.

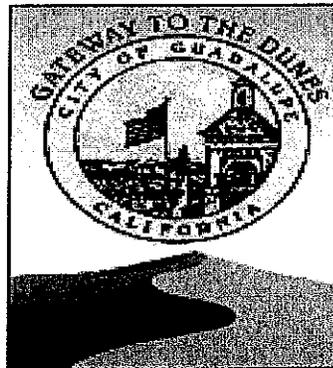
Yours truly,

Carolyn Galloway-Cooper, CPA
Finance Director, City of Guadalupe
Secretary, Successor Agency

c: Oversight Board, Successor Agency
Andrew Carter, City Administrator for City of Guadalupe

LONG RANGE PROPERTY MANAGEMENT PLAN

SUCCESSOR AGENCY TO THE FORMER GUADALUPE REDEVELOPMENT AGENCY





Long Range Property Management Plan Successor Agency to the former Guadalupe Redevelopment Agency

INTRODUCTION

On June 27, 2012, Governor Brown signed into law Assembly Bill 1484 (AB 1484), a budget trailer bill that makes substantial changes to the Redevelopment Agency dissolution process implemented by Assembly Bill 1X 26. One of the key components of AB 1484 is the requirement that all Successor Agencies develop a long-range property management plan that governs the disposition and use of the former Redevelopment Agency property. This document is the Long Range Property Management Plan for the Successor Agency to the former Guadalupe Redevelopment Agency (Successor Agency).

There are five (5) properties owned and controlled by the Successor Agency. They include the following:

1. 303 Obispo Street. Lot on the West side of Obispo Street where the City's 1.1 million gallon water storage tank is located. A 1.75-acre commercial parcel was originally purchased by the Agency to address the health and safety of the community related to water storage needs. This parcel serves as our City's water storage and water treatment facility. It also serves as the City's corporate yard.
2. 848 Guadalupe Street (Royal Theatre). A 7,200 square foot commercial parcel developed with a 4,800 square foot movie theatre under the name of the Royal Theatre. The Redevelopment Agency worked with the owners to purchase the property under a note secured by deed of trust. Non-profit groups used the property for public concerts in the past. The building is currently vacant. It was red-tagged after an electrical fire in 2011. It is not ADA compliant. It needs seismic upgrades.
3. 836 Guadalupe Street. Vacant lots next door to and behind the Royal Theatre. The commercial lots were purchased in the same transaction and simultaneously with the Royal Theatre. This site is currently vacant and fenced. The intent was to combine the lots with the Royal Theatre property. To deal with ADA issues at the theatre, a new entrance is needed which would make use of the front lot.

4. 879 Guadalupe Street (Former Lantern Hotel). A 7,200 square foot commercial lot with a 4,000 square foot building was redeveloped and renovated as a mixed-use property with commercial downstairs and housing on the second floor. The Redevelopment Agency loaned money to a developer for this purpose. Title is expected to transfer at a future date but remains under the former Agency name due to contract noncompliance issues.

5. 995 Guadalupe Street (Former Al's Union). This vacant parcel consists of two lots and is a .42 acre contaminated commercial vacant parcel donated to the former Guadalupe Redevelopment Agency. The property is designated by the Santa Barbara County Fire Department as a LUFT (Leaking Underground Fuel Tank) site #52010. The former Guadalupe Redevelopment Agency has been accepted into the State Water Resources Cleanup of Underground Storage Tanks (UST) Fund, which approved a total Letter of Commitment (LOC) in the amount of \$1.5 Million. The front lot is the former gas station (Al's Union) with an address of 995 Guadalupe Street. The back lot is at 4646 10th Street.

These properties are described in greater detail in the "Inventory" section below and are shown in the aerial photo below, and in Attachment A.

HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES

All of the properties included in the Successor Agency's inventory have been acquired in an effort to redevelop and revitalize the project area portion of the City of Guadalupe.

The Agency accepted a development proposal on the property located at 879 Guadalupe Street (former Lantern Hotel). A loan was executed and the uninhabitable property was rehabilitated and transformed from a fire-gutted hotel to a mixed-use commercial building.

The other four properties have no history of development proposals. The property at 303 Obispo Street (water treatment facility and corporate yard) was purchased by the Agency with the expectation of retaining for governmental purposes. The Agency purchased the property to construct a water storage tank with outlying public works buildings and parking garage.

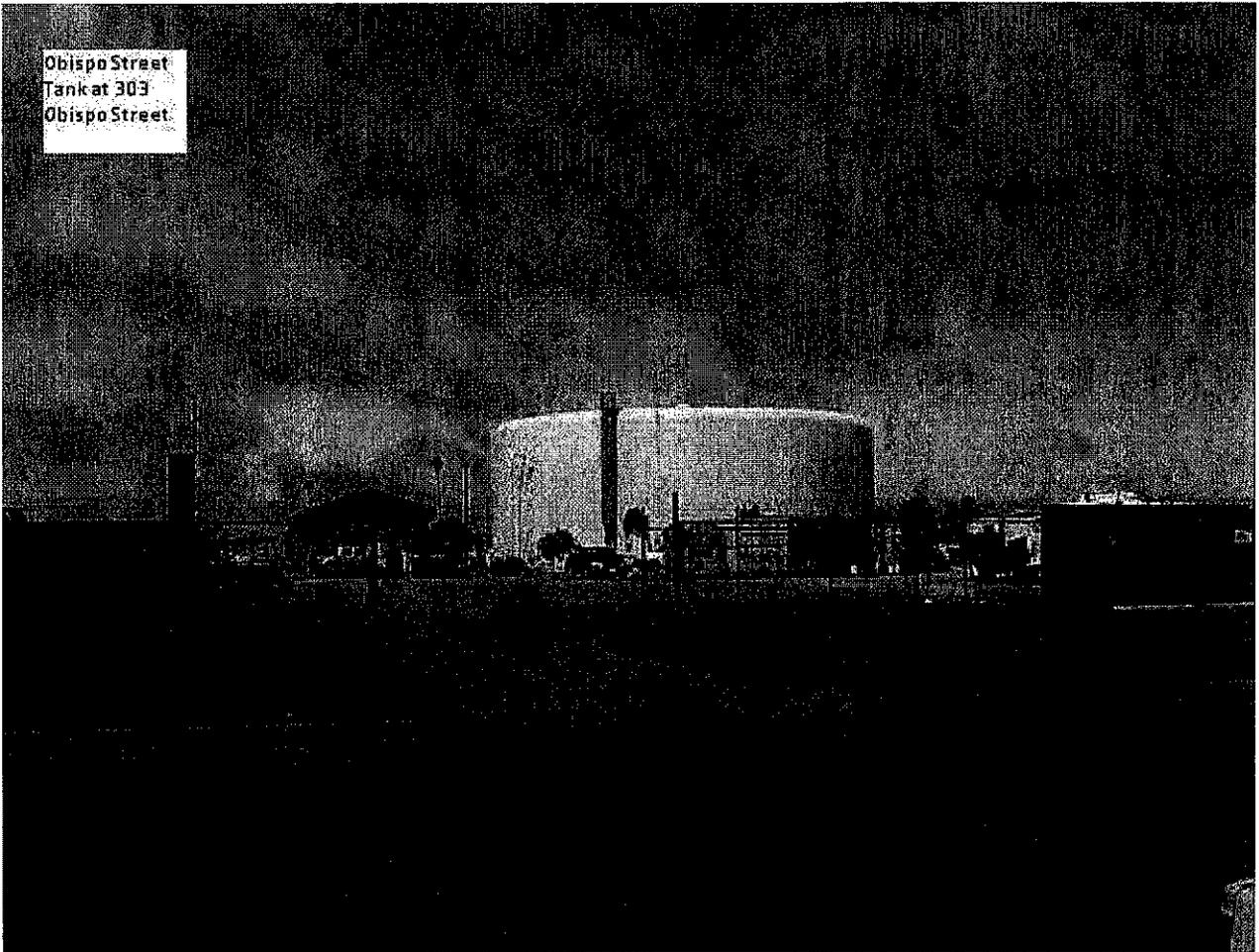
The property at 848 and 836 Guadalupe Street (three parcels – Royal Theatre and adjacent lots) was purchased for a performing arts center and requires retrofit and ADA improvements before it may be used for the purpose intended. The Agency was open to remodeling the building, placing historic Guadalupe murals on the South wall and combining the parcels for a significant downtown revitalization project.

The property at 995 Guadalupe Street (Al's Union) was accepted by the Agency as a donation. The property is contaminated and requires remediation efforts toward State closure certification. The Agency anticipated a parking lot in an area of downtown where parking is scarce.

INVENTORY

Section 34191.5 (c)(1) of the Health and Safety code, which was added as part of AB 1484, requires that the Long Range Property Management Plan include an inventory of all properties held in the Community Redevelopment Property Trust Fund. For the City of Guadalupe Successor Agency, this includes the five parcels referenced in the two prior sections. As per the statute, each of these parcels is described separately.

Obispo Street
Tankat 303
Obispo Street.



Parcel #1:

Vacant lot on the West side of Obispo – 303 Obispo Street

Date of Acquisition and its value at the time; an estimate of current value.

At the time of purchase, this property was Industrial-zoned and later changed to General Commercial. The address is 303 Obispo Street and was originally purchased as a cluster of parcels totaling 19.22 acres located on the West side of Obispo Street. The purchase price in August 1988 was \$670,000. The parcels were sold over the years and this parcel remained with a lot size of 1.75-acres. The acquisition value for said parcel is recorded as \$105,507. Commercial real estate values have been relatively flat during the economic slowdown. The current value is likely to be different from the historic acquisition value.

The purpose for which the property was acquired.

The original intent for the property was two-fold. The purchase addressed the lack of unavailable small industrial-zoned parcels in the City and inadequate water storage. The lack of water storage posed a major threat to health, sanitation and safety of the community. The Agency modified plans after executing sales and exchanges of small industrial-zoned parcels within the 19.22-acre parcel. The overall lot size diminished to the current 1.75 acres and the Agency's focus for the parcel remained on water storage. The Obispo Street tank was constructed in 2006, bringing to fruition the planned water storage project.

Parcel data for each property, including address, lot size and current zoning.

The property address is 303 Obispo Street. It is 1.75 acres in size. The Assessor parcel number is 115-180-026. The parcel was zoned Industrial at the time of purchase. Current zoning is General Commercial. Since 2006, the current site contains the City's 1.1 million gallon water storage tank and early stages of a planned corporate yard and garage.

An estimate of the current value of the parcel, including any appraisal information, if available.

The acquisition value is recorded as \$105,507. The current value is likely to be different from the historic acquisition value. There is no appraised value of the site.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The City and the Redevelopment Agency entered into a lease agreement. The lease provides for the said land to be leased by the City for the purpose installing the 1.1 million gallon water

tank and public works buildings. There is no payment required and thus no revenue associated with the lease. There is no history of revenue associated with this property.

Any history of environmental contamination or remediation efforts.

There is no history of environmental contamination on this site.

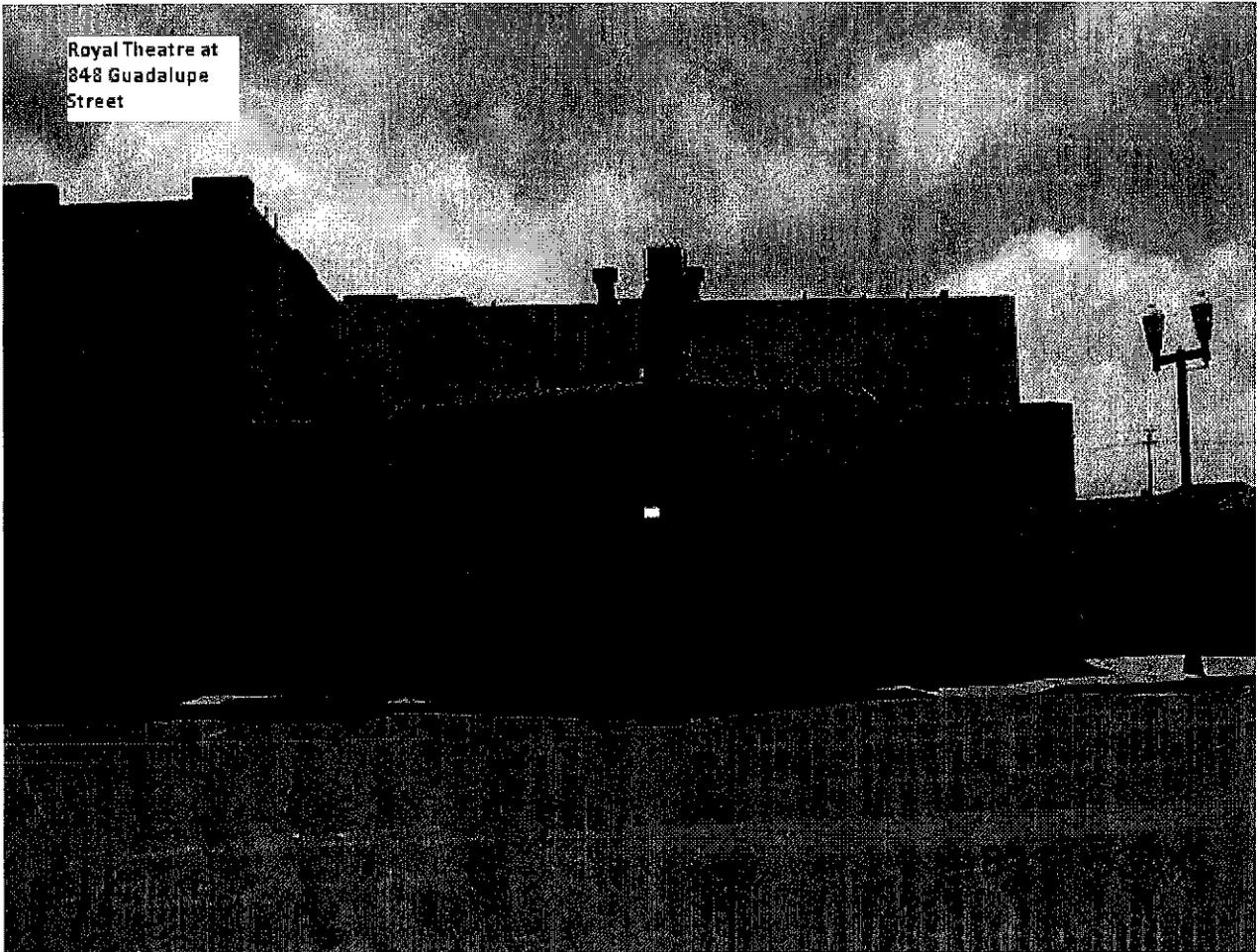
A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This specific site does not have strong potential for transit-oriented development. The area is not zoned to allow high-density residential or other types of transit-oriented development. Instead, it is zoned General-Commercial. It is located on a transit line with a nearby transit stop. The small property size with existing structures, in particular the large water tank, may not be conducive for a transit-oriented development project. The existing public works yard activity has not been planned to integrate with transit users. Lastly, future plans to construct on the site a building and covered garage for the protection of public works vehicles has been discussed in the past.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, this site was acquired to help expand industrial parcels and address the health, sanitation and safety posed as a result of the lack of water storage in the City. A large parcel was purchased and later, parcels were split and sold under various proposals. This lot remained vacant until the water storage tank transaction. There were no other proposals, activities or rental activities related to the parcel. The water storage tank and outlying public works buildings have existed on the lot since 2006.

Royal Theatre at
848 Guadalupe
Street



Parcel #2:

848 Guadalupe Street (Royal Theatre)

Date of Acquisition and its value at the time; an estimate of current value.

This property was purchased for \$125,000 in January 2001. Commercial real estate values have been relatively flat during the economic slowdown. There are many empty storefronts on Guadalupe Street. This property was not upgraded like most of them. The current value is unlikely to be different from the historic value of \$125,000.

The purpose for which the property was acquired.

The property purchased by the Agency included land and the Royal Theatre building. The building was built in 1939 and for decades provided motion pictures in a variety of languages and content. In 1989 the theatre was closed. The structure had fallen into disrepair and the Agency's intent in 2001 was to rehabilitate it. The Agency believed the building to have a high occupancy possibility and wished to renovate and upgrade to provide a structurally sound building for public safety. The intent was to lease the property to potential lessees who would use the theatre for the purpose intended, i.e., movies, plays and concerts.

Parcel data for each property, including address, lot size and current zoning.

The property is located at 848 Guadalupe Street. The Assessors parcel number is 115-101-001. It is zoned General Commercial. The total land size is 7,200 square feet. The building size is 4,800 square feet.

An estimate of the current value of the parcel, including any appraisal information, if available.

The property was appraised in 2005 at \$125,000, the same as the acquisition value. Commercial real estate values have been relatively flat during the economic slowdown. The current value is unlikely to be different from the historic value of \$125,000.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The Agency owes approximately \$25,000 related to a note secured by a deed of trust. In the past, the Agency entered into lease agreements with two separate tenants. The intended purpose of movies, plays and concerts was accomplished. Lease revenue generated from these agreements amounted to approximately \$5,000. Revenues were used to pay the loan. The property is currently vacant.

Any history of environmental contamination or remediation efforts.

This property has no history of environmental contamination.

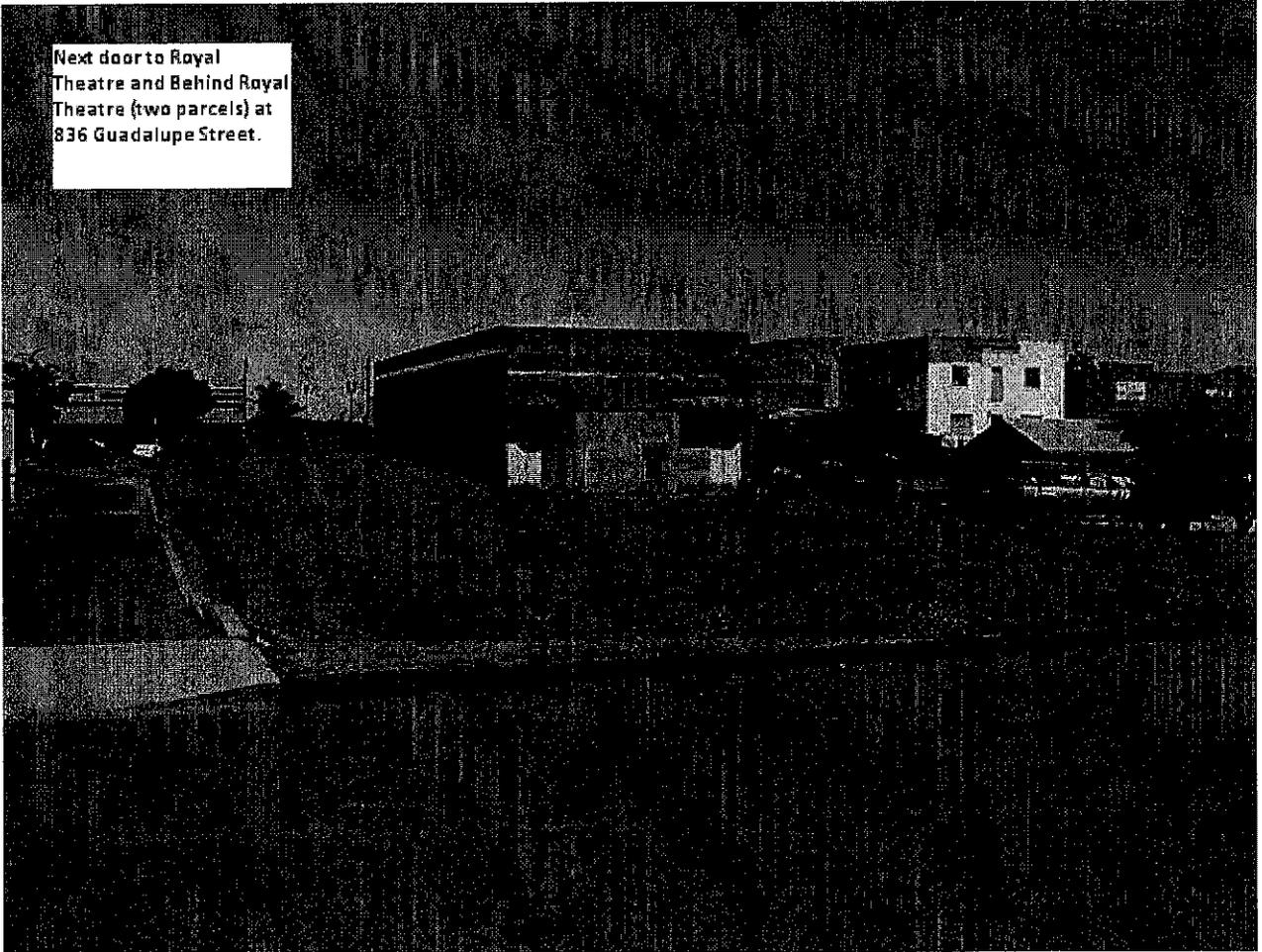
A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The use of this property for transit-oriented development is not conducive to the purpose intended. The Agency's Five Year Plan, which was completed in 2009, listed one of its goals as "assisting with the rehabilitation of the Royal Performing Arts Center". The building is primarily a single story building with a second floor production booth. The lobby is small with a snack bar at the main entrance located on Guadalupe Street. It is not ADA compliant. A ticket counter is housed in a small room opening to the public near the front entrance of the theatre. The "Royal Performing Arts Center" is located in the heart of the Central Business District and is a significant part of the Downtown culture. The area was not zoned to allow high-density residential or other types of transit-oriented development as part of the 5 year Plan or General Plan update.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, the Agency leased the property and several years of movies, plays and concerts took place. One tenant set up a live recording studio in the upstairs projection booth. The current disrepair, retrofit needs and ADA requirements for the building are the major drawbacks to maintaining occupancy. The building needs to be renovated for ADA requirements and earthquake retrofit measures while remodeling the interior and upgrading the exterior. Once remedied, its potential to advance the planning objectives of the Successor Agency will be expanded. There are no development proposals at this time.

Next door to Royal
Theatre and Behind Royal
Theatre (two parcels) at
836 Guadalupe Street.



Parcel #3

836 Guadalupe Street (next door and behind Royal Theatre)

Date of Acquisition and its value at the time; an estimate of current value.

These two parcels were purchased in one transaction in August 2001 and, at the same time the Royal Theatre was purchased. The purchase price was \$75,000 for both parcels. Commercial real estate values have been relatively flat during the economic slowdown. The current value is unlikely to be different from the historic value.

The purpose for which the property was acquired.

The property consists of two vacant lots, next door and behind the Agency-owned Royal Theatre. The Agency planned to renovate the Royal Theatre with an open mind as to the whether it would function as a theatre or something else. The remodel as a performing arts center was possible with the ability to expand the back stage/dressing room area and construct a parking lot. Other possibilities included use of the space for park benches, Judy Baca murals (on the south-facing wall), open-air visitor center, farmers market venue. The overall intent was to revitalize the downtown business district. Realistically, to deal with ADA issues at this property, a new entrance would be needed, making use of the adjacent lot.

Parcel data for each property, including address, lot size and current zoning.

The lot next door to the Royal Theatre is at 836 Guadalupe Street. Assessors parcel number is 115-113-001. The property is .28 acres in size. The lot behind the Royal Theatre is at 836 Guadalupe Street (same address). Assessors parcel number is 115-101-011. The property is .17 acres in size. Both properties are zoned General Commercial.

An estimate of the current value of the parcel, including any appraisal information, if available.

Commercial real estate values have been relatively flat during the economic slowdown. The current value is unlikely to be different from the historic value of \$75,000. There is no appraised value of the site.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

These vacant lots have generated no revenue for the Agency.

Any history of environmental contamination or remediation efforts.

These properties have no history of environmental contamination.

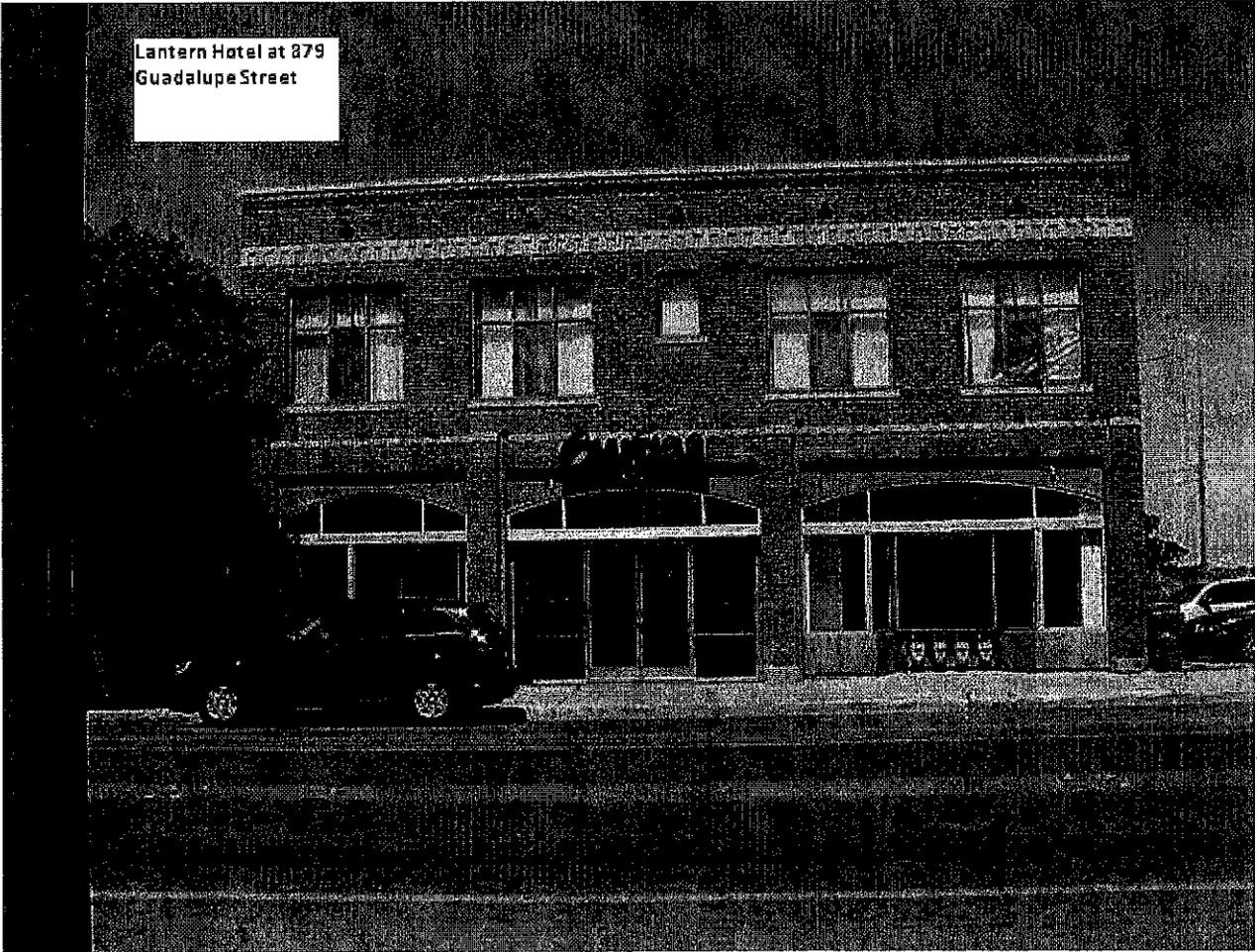
A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The use of this property for the expansion of the Royal Theatre would advance the planning objectives of the Successor Agency. These two parcels cannot be developed separately from the Royal Theatre because of the contiguous proximity and, transit-oriented development is not conducive to this sight. It is a vacant lot in the heart of the Downtown Business District and part of the larger project that ties to the Royal Theatre. The area was not zoned to allow high-density residential or other types of transit-oriented development as part of the 5 year Plan or General Plan update.

A brief history of the previous development proposals and activities, including the rental or lease of property.

The lots have been vacant since the Agency purchased them in 2001. There have been no development proposals or activities related to the rental or lease of the property.

Lantern Hotel at 279
Guadalupe Street



Parcel #4:

879 Guadalupe Street (former Lantern Hotel)

Date of Acquisition and its value at the time; an estimate of current value.

The Agency purchased the property in 1993 for a purchase price of \$63,660. The current value is likely to be significantly different from the historic value given the amount of rehabilitation and upgrade work that has taken place.

The purpose for which the property was acquired.

This property was the original site of the historic Lantern Hotel. Existing in the community until it burned down unexpectedly in 1983, the Redevelopment Agency was inspired to purchase the property for future development. At the time of purchase it was a dilapidated building shut down as uninhabitable. The intent was to find a developer to renovate and retrofit the unreinforced masonry project. An ideal project would include a mixed-use business with upstairs apartments. The Agency achieved this project and it was completed in 2007.

Parcel data for each property, including address, lot size and current zoning.

The property is located at 879 Guadalupe Street. The Assessor's parcel number is 115-092-012. The parcel is 7200 square feet and zoned General Commercial.

An estimate of the current value of the parcel, including any appraisal information, if available.

The current value is likely to be different from the historic purchase value of \$63,660. There is no appraised value of the site.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

In 2004, the Redevelopment Agency loaned a developer \$1,360,000 to rehabilitate the property. The improvement project was completed in 2007. The developer began repayment on the interest-bearing loan upon completion per contractual agreement. The monthly payment due to the Agency is \$7,030. The Redevelopment Agency holds title to the property and transfer of title to the developer has not been executed because of collection issues. Payments have been slow while the developer has requested to pay reduced amounts based on upon high vacancy rates for the mixed-use complex. The current loan balance due is over \$1,400,000 (with interest earnings increasing the overall balance). The developer holds tenant leases on residential and commercial leases for three upstairs apartments and three downstairs businesses. The upstairs apartments are currently occupied. The downstairs businesses are vacant.

Any history of environmental contamination or remediation efforts.

There is no history of environmental contamination.

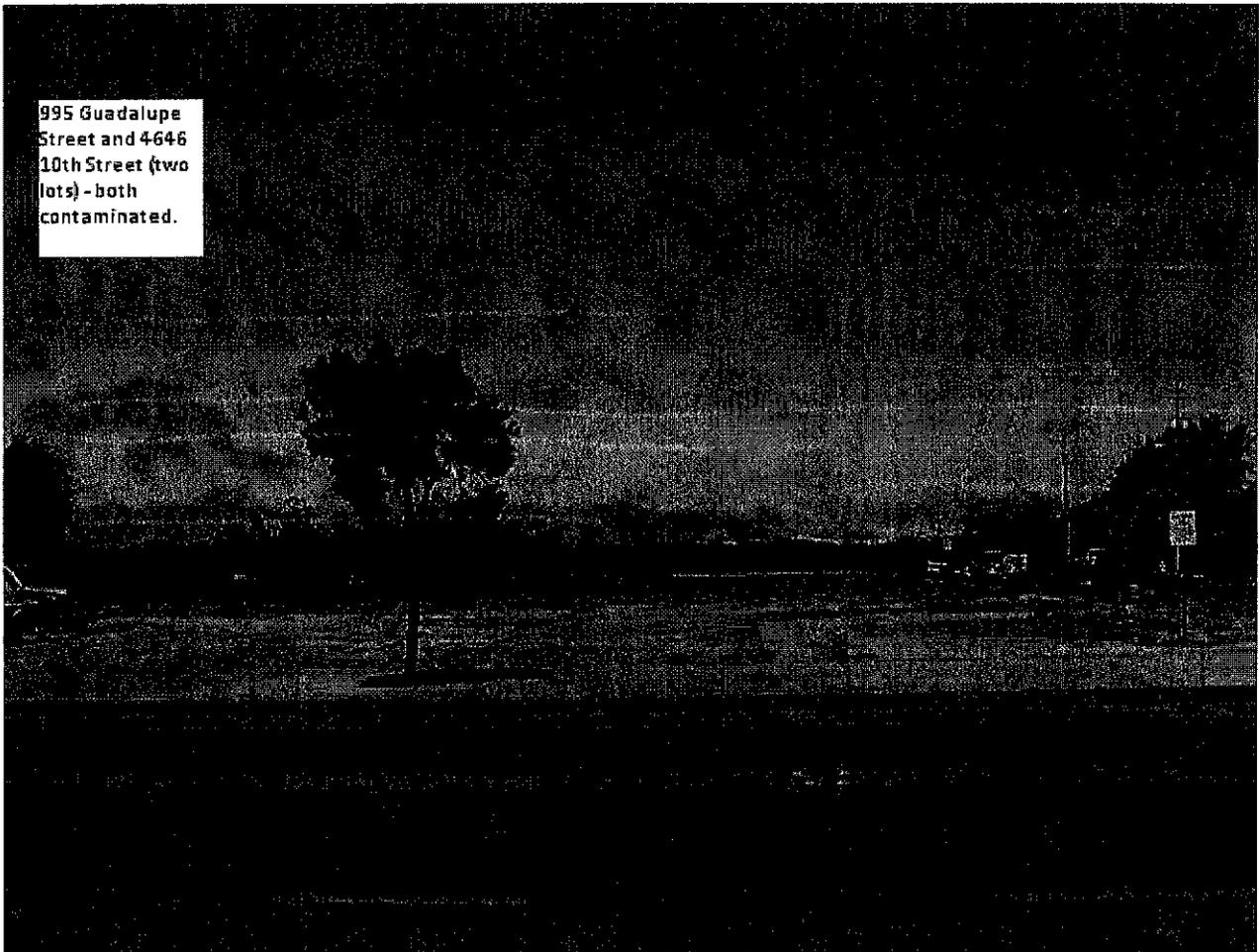
A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This specific site does not have strong potential for transit-oriented development. Although it is in the downtown area, the recently renovated three-story structure takes up most of the lot. The area was not zoned to allow high-density residential or other types of transit-oriented development as part of the 5 year Plan or General Plan update.

A brief history of the previous development proposals and activities, including the rental or lease of property.

The Successor Agency believes there is potential for collecting the debt only if the building is fully rented. This developer conducts the property rental activities and the Agency has no involvement in the operations of the building. Although the Agency maintains title, the intent is to transfer ownership to the developer provided the loan is repaid. During this economic downturn, most of the downtown property owners are experiencing a high vacancy rate.

995 Guadalupe
Street and 4646
10th Street (two
lots) - both
contaminated.



Parcel #5:

995 Guadalupe Street /4646 10th Street (One parcel/two lots)

Date of Acquisition and its value at the time; an estimate of current value.

This commercial property was acquired by way of donation in August 2006 under an agreement accepted by the Guadalupe Redevelopment Agency. The assessed value was \$54,591. Commercial real estate values have been relatively flat during the economic slowdown; the current value is unlikely to differ from the assessed value, particularly given the on-going LUFT remediation.

The purpose for which the property was acquired.

The Redevelopment Agency accepted the property as a donation. The site's location in the Downtown – Central Business District created potential to revitalize the project area. Its acquisition fit into the plan to clean-up environmentally contaminated sites. As part of the acquisition and clean up, the Agency was assigned access to the State Underground Storage Tank (UST) fund. The allocation of \$1.5 million is set-aside for the site and helps prepare the site for future Commercial use. There is no off-street parking in the 900-1179 section of Guadalupe Street. Within those two blocks are several businesses, the American Legion, the Guadalupe Historical Society, the Dunes Center, and the Guadalupe Sports Hall of Fame. The abandoned Basque house is across the street at 998 Guadalupe Street. It could be renovated to a Hotel/Motel. Metered parking at said property might generate revenue to the City.

Parcel data for each property, including address, lot size and current zoning.

The property is a vacant corner lot, which combines two lots on one parcel. The Assessor Parcel number is 115-071-001. The front lot faces Guadalupe Street where the former Al's Union gas station was located. The address location was 995 Guadalupe Street. A vacant lot remains after demolition of the station. The back lot is also vacant and faces 10th Street. The address location is 4646 10th Street. The current zoning is General Commercial. The total lot size is .42 acres.

An estimate of the current value of the parcel, including any appraisal information, if available.

The net assessed value of the property is \$54,591. There is no recent available appraisal value for the site. Currently the property is a vacant lot with contaminated underground storage tanks. The Redevelopment Agency viewed the lot's value to be its prime downtown location. The land value would improve with remediation. Commercial real estate values have been relatively flat during the economic slowdown. The current value is unlikely to be different from the assessed value of \$54,591.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The Redevelopment Agency received the property in 2006 and has not generated any revenue from the property. Contractual agreements do not exist in terms of generating revenue.

Any history of environmental contamination or remediation efforts.

There is a history of environmental contamination caused by a release of petroleum products from underground fuel tanks associated with the former AI's Union gas station operations. Corrective action efforts have taken place since acquisition. Tasks performed to date have included site assessment, first semi-annual monitoring, corrective action plan, regulatory technical assistance, management and consulting, budgetary analysis, remediation services and waste profiling and removal services.

The former Agency expended a total of \$188,607 towards the cleanup costs through June 30, 2012. The UST fund reimbursed the full amount expended through that date

During fiscal year 2012-13, the State UST Fund allotted only a \$15,000 budget. The consultant has not yet billed for work required and performed during this period; however, they believe they have been able to keep expenditures to within \$20,000, and possibly within the \$15,000 fiscal year budget.

The UST Fund recently approved \$20,000 for fiscal year 2013-14. The consultant indicates that this budget is only enough to place required wells on the site, but is not enough to install required remediation equipment and implement remediation processes. The consultant has submitted a Budget Change Order request to the UST Fund for additional budget for this fiscal year, however, there has been no response received as yet.

The environmental consultant estimates that the site contamination cleanup will require approximately two years of active remediation before it can be closed under the current Low-Threat Closure guidelines being promulgated by the State. However, as noted above, we do not yet know when that process will be funded to the extent required to get active remediation activities going at the site. If the Budget Change Order is approved, the consultant estimates active remediation can be started sometime this fiscal year. However, until a more significant funding is allotted to this site, the consultant can only take small steps toward this goal while keeping the site in minimum compliance.

The private property bordering the Redevelopment Agency's parcel has also had a similar petroleum release and has been approved for enough funding to initiate similar remediation services. As part of these activities, remediation equipment similar to what will be required on the Redevelopment Agency's parcel will be put in place on the property during the next few months. In an effort to reduce overall costs to the City and move remedial activities forward

more quickly, the consultant (who is working on both sites and coordinating common efforts between them) is proposing to place the remedial equipment for the adjacent parcel on, or directly adjacent to, the Redevelopment Agency's parcel, so that this equipment can be utilized to remediate both properties.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The Redevelopment Five Year Implementation Plan did not include transit-oriented activities as a goal for this property. The Agency's highest priority was clean up of the contamination in order to revitalize and develop the Central Business District (Downtown).

The location was discussed during hearings as a potential parking lot. Development is not automatically blocked by the presence of contamination – there is potential to develop it with certain caveats and restrictions. This contamination mainly becomes a problem for development if such development requires loans that, in turn, require a certification of "closure". The environmental contamination inhibits the Commercial use standard until State closure is received. Once remediated, its potential to advance the planning objectives of the Successor Agency will be expanded. Technically, development for transit activities in the presence of contamination may be possible but will require further investigation and discussion. The area was not zoned to allow high-density residential or other types of transit-oriented development as part of the 5 year Plan or General Plan update.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, this site was acquired in 2006 under a donation agreement accepted by the Redevelopment Agency. Development activities and rental or lease agreements do not exist because the site is contaminated and under remediation.

USE OR DISPOSITION OF PROPERTIES

Section 34191.5 (c)(2) of the Health and Safety Code requires that Successor Agencies address the use or disposition of all properties in the Community Redevelopment Trust Fund. The properties can be retained for governmental use, retained for future development, sold or used to fulfill an enforceable obligation. The legislation goes on to state the following:

- *The plan should separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.*
- *Property intended to be used for a project identified in an approved redevelopment plan will be transferred to the host city or county.*
- *If the successor agency plans to liquidate the property or use the revenues from the property for any purpose other than fulfilling an enforceable obligation or for a contemplated redevelopment project, the proceeds from the sale shall be distributed as property tax to the taxing entities.*

As stated above, the Guadalupe Successor Agency wishes to utilize the five parcels as follows:

Parcel #1: 303 Obispo Street – Retain for governmental use purpose:

The City currently uses the 1.75 acres at 303 Obispo Street for two purposes. First, it serves as our only water treatment facility and our primary water storage facility. There is a 1.1 million gallon water tank on site, a water treatment building and water well. We pump water from the well and inject it with chlorine to make it safe to drink. We mix the chlorinated well water with chlorinated surface water arriving onsite from the Central Coast Water Authority (state water). The processed water is then stored in the 1.1 million gallon water tank on-site or in the 100,000-gallon water tower on 10th Street before it flows through our water lines to homes and businesses in Guadalupe. (There is a third water tank on Pioneer Street, which is not currently in use).

Second, the 303 Obispo Street facility serves as the City's corporation yard. City public works vehicles, equipment and supplies are stored on site. That includes our pick-up trucks, street sweeper, lawn mowers and other motorized and non-motorized equipment. Most of the vehicles, equipment and supplies are stored outside, but we also have a rented sea-train container to store items which must be kept out of the weather.

The City would like to build a permanent garage and storage space for our public works vehicles, equipment and supplies.

Parcel # 2 and #3: 848 Guadalupe Street; 836 Guadalupe Street “Royal Theatre and neighboring Parcels) – Transfer to City - Intend to use for project identified in an approved Redevelopment Plan:

As mentioned above, the Guadalupe Successor Agency wishes to utilize the properties to complete the project that is within the approved redevelopment plan as allowed by bullet #2 above. As such, it is requested that these properties be transferred to the City or another entity as soon as possible. Properties 2-3 in the inventory have long been planned to be part of the rehabilitation of the Royal Performing Arts Center. Community discussions anticipated a parking lot, back stage/dressing room expansion, south side wall for the historic Judy Baca Murals, open-air visitor center, farmers market venue and remodel renovations inside and out.

The Successor Agency would issue a Request for Proposal for a commercial development renovation project on the three contiguous parcels. The proposals would need to conform to the General Plan and fit the Successor Agency’s vision for the area. It is anticipated that the Successor Agency would seek a developer that is experienced with downtown commercial sites.

Parcel # 4: “Former Lantern Hotel” - 879 Guadalupe Street – Transfer title to developer:

The Successor Agency will transfer this property to the developer when payments are current on the loan between the Agency and the developer. If the developer defaults on the loan, the Successor Agency will return to the Department of Finance to address the use or disposition of the property. As mentioned above, the developer makes monthly payments but has fallen behind. The developer holds tenant leases but has indicated a high vacancy rate exists for the residential and commercial space. The Successor Agency agrees the Economic downturn has caused the downtown business district to experience high vacancy rates.

Parcel #5 : “Former AI’s Union” - 995 Guadalupe Street – Continue clean up of the property; Liquidate the property and distribute the proceeds to taxing entities:

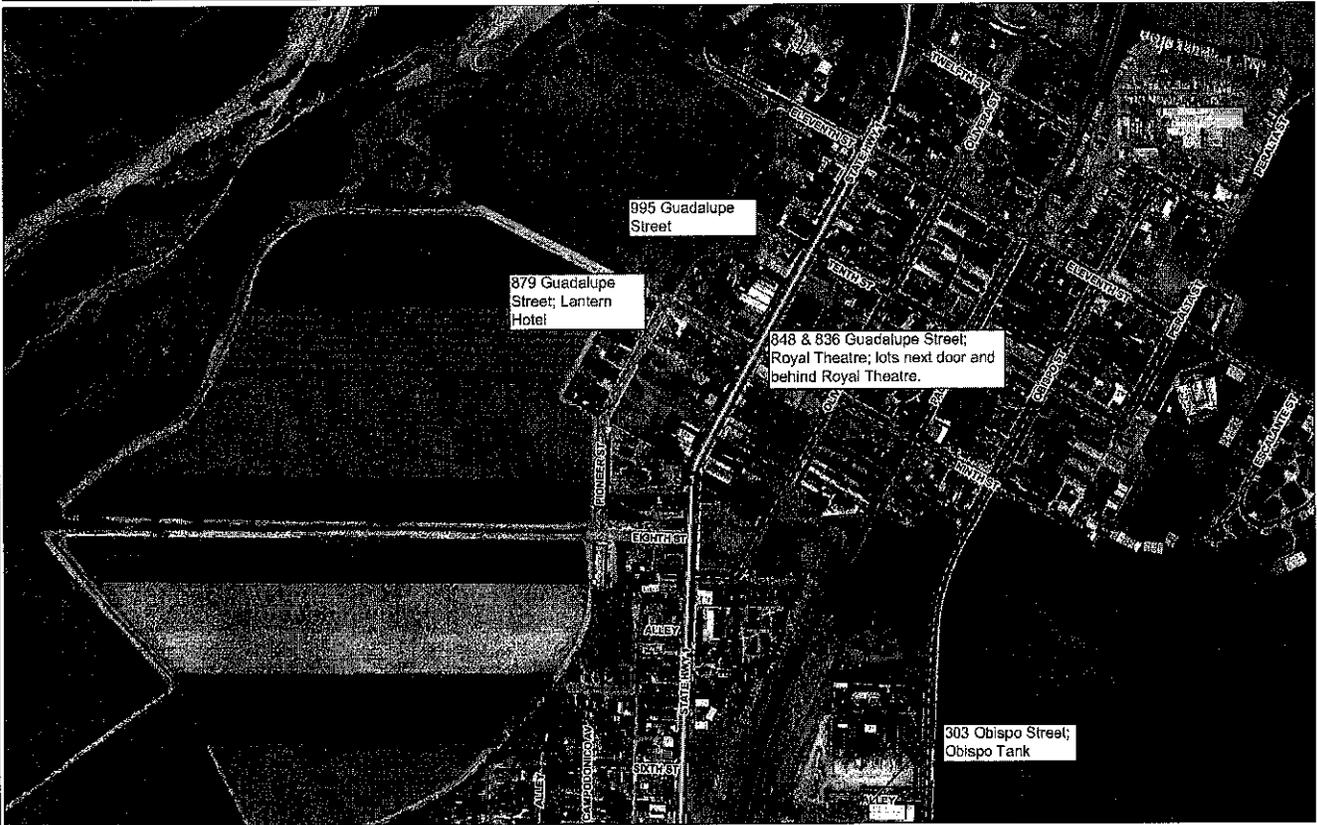
As mentioned above, the lot is contaminated and under remediation. Development is not automatically blocked by the presence of contamination – there is potential to develop it with certain restrictions. It is a problem for development when such development requires a loan that, in turn requires a certification of “state closure”. The environmental contamination inhibits the Commercial use standard until state closure is received. Once remediated, the site has greater potential for development. The Successor Agency desires to continue the clean up with the intention to sell the property as soon as possible.

ATTACHMENT A

Aerial Photo of Agency Properties

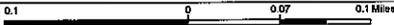


Guadalupe



- Legend**
- Streets
 - Aerial Imagery - 2006
 - Red: Band_1
 - Green: Band_2
 - Blue: Band_3

1:4,456



© County of Santa Barbara

This map is for reference only. Santa Barbara County shall not be liable for any errors, omissions, or damages that result from inappropriate use of this document. No level of accuracy is claimed for the boundary lines shown hereon and lines should not be used to obtain coordinate values, bearings or distances.

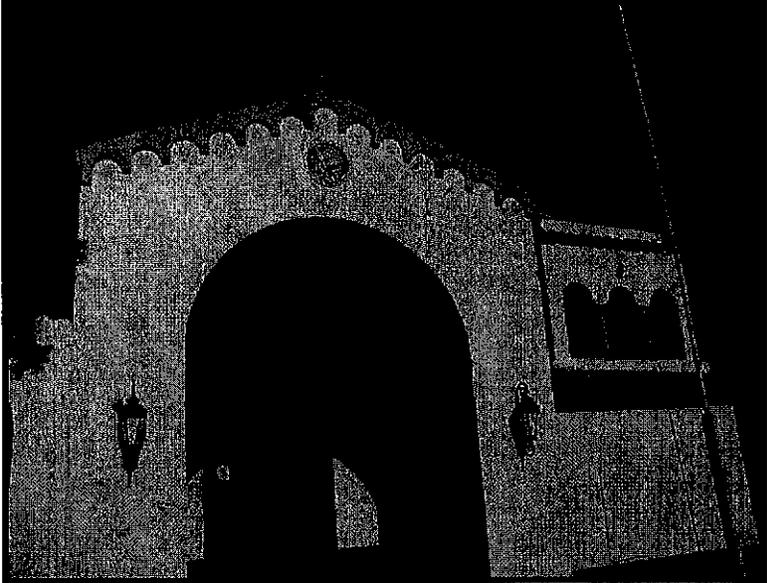
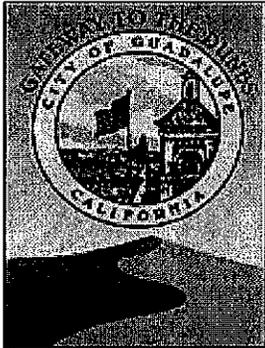
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ATTACHMENT B

Five-Year Implementation Plan

**Five Year Implementation Plan (2009-10 to 2013-14)
Guadalupe Redevelopment Project**



Guadalupe Community Redevelopment Agency
City Hall
918 Obispo Street
Guadalupe, CA 93434

November 10, 2009

ACKNOWLEDGEMENTS

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INTRODUCTION

The City of Guadalupe ("City") is a small town of 6,534 residents (Department of Finance January 2009 estimate) in northern Santa Barbara County about 10 miles west of the City of Santa Maria. The City is situated in the heart of the fertile Santa Maria Valley which is an agricultural region of Statewide and even national importance. To the west is the Guadalupe Dunes, one of the last remaining coastal dunes complexes in California. To the south is the City of Lompoc and Vandenberg Air Force Base. To the north are the Nipomo Mesa and the communities of Arroyo Grande and Nipomo in San Luis Obispo County. The City largely depends upon its farming industry as the major economic engine for the City. The character and form and land uses of the City have changed very little since the City was incorporated in 1946. As the building stock and public infrastructure aged and many facilities became obsolete the City looked for remedies to the tremendous financial needs that could remedy these issues.

The City established the Guadalupe Community Redevelopment Agency ("Agency") in 1985 to address physical and economic blighting conditions in the City. The adoption of this territory as a redevelopment project area was important for the Agency to address blighting conditions in the main commercial corridor leading north and south through the City and in much of the residential neighborhoods. The Guadalupe Redevelopment Project Area ("Project Area") was established to upgrade and revitalize a 581-acre area, which encompasses approximately 72% of Guadalupe.

This Five-Year Implementation Plan ("Implementation Plan" or "Plan") describes specific goals and objectives of the Agency, specific proposed programs including potential projects, estimated expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the Project Area. Section 33490 of the California Community Redevelopment Law, Health and Safety Code ("Law") requires that a redevelopment agency administering a redevelopment plan prepare and adopt a five year implementation plan for its project area.

This Implementation Plan conforms to the requirements of Section 33490 of the Law and replaces the previous Five-Year Implementation Plan, which covered fiscal years 2004-05 through 2008-09. Amendments to the Plan may be made at this time, or any time after a noticed public hearing.

Contents of the Implementation Plan

Section 33490 of the Law requires this Implementation Plan to include the following:

- Specific Agency goals and objectives for the Guadalupe Redevelopment Project Area;
- Specific programs, potential projects, and estimated expenditures proposed by the Agency over the five-year planning period, and;
- An explanation of how Agency goals, objectives, programs, and expenditures will eliminate blight within the Project Area and improve and increase the supply of housing affordable to very low, low, and moderate income households.

Pursuant to Section 33490 of the Law and applicable laws, redevelopment agencies, such as the Guadalupe Community Redevelopment Agency, have been required since 1994 to adopt an implementation plan every five (5) years. The Law also requires that this Implementation Plan address the Agency's affordable and inclusionary housing requirements, specifically outlining the implementation process of the deposit and appropriate expenditure of not less than 20% of all tax

increment allocated from a project area into a housing fund for the increase and improvement of the community's supply of low- and moderate-income housing.

Housing Requirements

An explanation of how the goals, objectives, 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. Additionally, 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)).

AB 637 Requirements

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. AB1290 contained a number of modifications to the inclusionary and production requirements contained in Section 33413(b) of the Law. The issues addressed by AB 637 include:

- Targeting of Housing Funds;
- Increasing the percentage of removed or destroyed affordable units requiring replacement from 75% to 100%;
- Requiring the Agency to keep a list of displaced persons, who must be given priority in the replacement housing plan;
- Establishing standards governing how and where Housing Funds may be used for onsite or offsite improvements;
- Increasing affordability covenants from 10 to 45 years in the case of owner occupied units, and from 15 to 55 years in the case of rental housing; and
- Providing that the Housing Fund is to be used only to the extent other reasonable means of private or commercial financing are not reasonably available.

The Agency is required to spend the Housing Fund in at least the proportion of the total housing need that specified income groups represent, 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,

Housing Fund revenue to assist housing that is available to all persons regardless of age in at least the same proportion as the population under 65 years of age is in relation to the total 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.

SB 701 Requirements

SB 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.

The Agency has focused on the revitalization and proactive planning of the Downtown portion of the City. The downtown runs along the main transportation corridor for the City of Guadalupe along Highway One (Guadalupe Street) from the northern City boundary to Main Street on the south. The Downtown focus area is located along Highway One from approximately 12th Street to Main street. The Agency has provided commercial façade improvement programming, unreinforced masonry building structural improvement programming, public property aesthetic improvements, and infrastructure improvements to eliminate blighting conditions and to create a positive outlook for the Downtown and surrounding community.

The Agency has been active providing for the upgrade of much needed water and sewage facilities, which contributed to the new investment from the private sector at Point Sal Dunes and Riverview residential developments of 550 new residential homes. The new residential units created a greater sense of promise for the Guadalupe community. The development of new housing in the community has assisted with new dollars and new pride in Guadalupe. Affordable housing has also been developed in Guadalupe with the assistance of the Redevelopment Agency at the Habitat for Humanity project and via various mixed use commercial improvements projects in the downtown area.

WATER SEWER FACILITY

The Agency has participated in the development of water and sewer facilities that are essential to the continued maintenance and future growth of the City of Guadalupe.

UNREINFORCED MASONRY BUILDING PROGRAM

The Agency has 22 project sites involved in the Unreinforced Masonry Building Program (URM) Program. These projects have made a significant improvement in the quality, safety and security of historic buildings in the downtown portion of Guadalupe. The URM projects are creating a new sense of pride that will contribute to additional private investment for Guadalupe.

BLIGHTING CONDITIONS PRESENT 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 requires the creation of a redevelopment project area because the combination of blighting conditions in an area constitutes a burden on the community that cannot be alleviated by other means. 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. Long-term neglect that results in serious dilapidation and deterioration, faulty or inadequate water or sewer 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 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 in multiple ownership that are of irregular form and shape and inadequate size for proper usefulness and development, given present general plan and zoning standards and present market conditions.

Economic Conditions that Cause Blight

- Depreciated or stagnant and/or impaired property values- Depreciated or stagnant property values or impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459 of the Law).
- High business turnovers and vacancies, low lease rates, abandoned buildings and vacant lots- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- Lack of neighborhood commercial facilities- A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Overcrowding- Serious residential overcrowding that has resulted in significant public health or safety problems. 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.

The Agency documented the existing blighting conditions in fiscal year 2008/2009 through the adoption of a Report to Council as part of the 2009 Redevelopment Plan Amendment for the Guadalupe Redevelopment Project Area.

Physical Blight Conditions Present in the Project Area

The Agency has been actively addressing all those physical blighting conditions present throughout the Project Area as documented in the Report to Council at the inception of the Project Area; however, some physical blighting conditions remain.

Overall, 78% of all parcels in the Project Area suffer from one or more physical blighting conditions as observed during the parcel-level field survey conducted of the Project Area. The physical blighting conditions of the properties within the Project Area include deterioration and dilapidation, inadequate vehicle access, substandard building materials along with faulty additions, inadequate parking and loading, and obsolescence. The substandard buildings in the Project Area exhibit any combination of the following conditions and present safety or property hazards:

- General dilapidation or improper maintenance;
- Wiring which does not conform to building codes and is in poor condition;
- Deteriorated, crumbling or loose plaster;
- Deteriorated or ineffective waterproofing of exterior wall coverings, including lack of paint

- or weather stripping;
- Broken or rotted, split or buckled exterior wall coverings or roof coverings;
- Construction materials not up to code which have not been properly maintained and are in poor condition;
- Those premises on which an accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage, stagnant water or similar materials or conditions which constitute a safety hazard;
- Any building or portion thereof which is determined to be an unsafe building due to inadequate maintenance, in accordance with the Uniform Building Code; and
- Buildings or portions thereof occupied for commercial purposes, which were not designed or intended to be used for such occupancies.

Deterioration and dilapidation is also an indicator of buildings that are unsafe or unhealthy for persons to live or work, as identified under Section 33031(a)(1) of the Law. It is one of the most common physical blighting conditions found in the Project Area. Evidence of dilapidation and deterioration in the Project Area includes structures with damaged exterior building materials (46%), deteriorated paint or weather proofing (34%), deteriorated eaves or wood rot (29%), and exposed wiring (5%). The level of building deterioration ranges from minor deferred maintenance to, in a few severe cases, those that are in need of demolition. The older age of many of the structures, combined with deferred maintenance, are contributory factors to their current state.

Economic Blight Conditions Present in the Project Area

Similarly, economic blight has been aggressively addressed by the Agency since the inception of the Project Area. Conditions of economic blight addressed by the Agency include depreciated or stagnant property values, residential overcrowding, inadequate retail and commercial facilities, and crime and public safety risks. Economic blight can lead to an environment that creates diminished economic opportunities to be undertaken by private entities or local government agencies.

A survey of realtors familiar with the commercial properties in the Project Area was conducted for the Plan Amendment adopted in May 2009. The realtors cited a number of different problems that act in concert to impede economic success. For example, when the area developed, the standards for commercial development allowed for smaller lot sizes and reduced set-backs from other properties that would not be permitted today. Most realtors also noted that the age of many commercial structures renders them obsolete in today's market.

The overall lack of amenities offered by a majority of commercial properties in the Project Area has created a lower tier market according to realtors and a comparison of lease rates among neighboring cities. Most realtors graded the Guadalupe commercial market as a Class C (with Class A being the highest ranking). Realtors surmise that the types of commercial businesses locating in the Project Area are looking for lower rents. These lower lease rates generally do not attract new higher end uses and the lower rents result in little net income to reinvest in buildings to improve their condition.

Some of the deficiencies mentioned during broker surveys were:

- Small building size;
- Lack of amenities or inadequate amenities such as loading and storage;
- Low ceilings heights, which restricts indoor operations and leads to outdoor manufacturing

- and/or storage; and
- Lack of adequate utilities servicing properties.

To accurately represent existing economic conditions, the Project Area was analyzed and information has been gathered from the City, County, and private sources to document the deteriorating economic conditions of the Project Area during the May 2009 Plan Amendment. The following describes economic blighting conditions that contribute to lack of proper utilization of Project Area properties.

The issues below constitute a serious physical and economic burden on the community, which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

- The size of parcels do not generally allow for increased parking or the enlarging of buildings. For properties to meet current market standards reparcelization may be required. Without assemblage of properties to create larger parcels suitable for current commercial standards the Project Area will continue to attract second tier commercial users.
- Lower commercial lease rates impact the ability of owners to make regular repairs and upgrades (such as electrical amperage, handicapped accessibility, lighting and façade improvement). Without periodic maintenance buildings become deteriorated or even dilapidated. Higher maintenance costs are associated with older buildings. Buildings that are not upgraded as market needs change become less desirable to tenants, for two reasons:
 1. The structure does not meet current market standards; and
 2. The costs associated with providing the necessary upgrades.

Impaired Real Estate Investments

Depreciated values, impaired investments, and economic maladjustment occur when the blighting factors that exist within the Project Area impede economic progress. Economic maladjustment can manifest itself in the form of abandoned and vacant properties, high criminal activity, an unusually high occurrence of code violations, lack of real estate investment or an under-performing real estate market. Commercial properties in the Project Area are expected to earn 20% less lease rate revenue than comparable properties in Santa Maria because 62% of the commercial properties in the Project Area (according to the parcel-level field survey) are deteriorated, dilapidated, and in need of substantial rehabilitation to attract commercial users that will be able to make necessary property upgrades.

PROJECT AREA GOALS AND OBJECTIVES

The Agency has implemented revitalization activities to address blighting conditions within the Project Area; however, many of the blighting conditions that existed at the time of adoption still exist within the Project Area. This Plan will outline how the Agency will continue addressing blight remediation over this Implementation Plan period (2009-10 to 2013-14).

The Project Area's Redevelopment Plan identified three goals (A, B and C) and various objectives for the Agency to remediate blight in the Project Area.

Goal "A":

Revitalize the Central Business District (Downtown).

- Facilitate the completion of water system improvements that benefit the entire City as well as the Project Area.
- Fund loans to assist property owners to Retrofit of Unreinforced Masonry (URM) Building in Downtown to increase public safety and to increase property values.
- Facilitate the development of a Visitors' Center to serve the City of Guadalupe.
- Fund the refurbishing of the Historic Clock in Downtown Guadalupe.
- Develop a plan and implement a Farmers/Open Air Market located in Downtown Guadalupe.
- Assist with the rehabilitation of the Royal Performing Arts Center.
- Create a Plan for the development of a Wetlands Parkway/Trails to maximize the potential of the Dunes natural resource.
- Facilitate and fund to the extent possible the Pioneer Street, Downtown, Eleventh, and Simas Storm Drainage Project.
- Develop a Dunes Center Grant.
- Develop a Façade Improvement Program to assist Downtown property owners with business retention and attraction efforts that would increase sales tax and property values.
- Ensure that grants are pursued from outside Agencies and Organizations to leverage Agency funds to the furthest extent possible.

Goal "B":

Increase interest in Guadalupe through communication of Agency activities, business attraction activities, business retention and attraction programs, and through business improvement efforts.

- Assist with Industrial/Commercial Development activities
- RV Park
- Hotel Site
- Identify opportunities to leverage Agency funding with other outside sources.
- Identify outside sources for increased parking and improve parking opportunities.

Goal "C":

To increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate income households.

- Participate in the increase of Low Income Housing opportunities.
- Assist with the rehabilitation of Low Income Homes.
- Assist with the increase of Mixed Use Projects.
- Subsidize Mortgage Payments for households meeting Very Low/Low/Moderate Income.
- Develop affordable workforce housing

COMPLETED PROJECTS DURING THE PAST FIVE YEAR IMPLEMENTATION PLAN PERIOD

This portion of the Plan will detail specific programs, activities and projects that the Agency has implemented (FY 2004-05 to FY 2008-09).

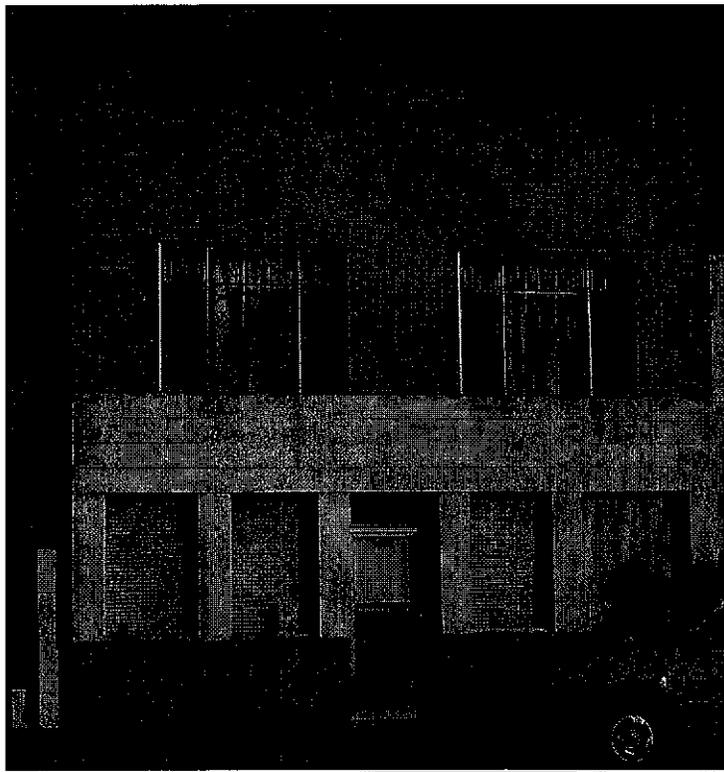
The Agency developed appropriate objectives, in support of the three main goals, to address blighting conditions. The Agency has been actively addressing blighting conditions within the

Project Area during the previous Five Year Implementation Plan; however, the limited amount of tax increment revenue generated within the Project Area has impacted the full implementation of such goals. Therefore, there is still significant blight remaining in the Project Area.

Goal A: Revitalize Central Business District.

COMPLETED ACTIVITIES (FY 2004-05 to FY 2008-09):

- The Agency has completed the development of a new Commercial Façade Grant Rebate Program targeted to buildings in the Central Business District.
- The Agency amended the Redevelopment Plan to increase the annual tax increment cap from \$1,000,000 to \$5,000,000 and reinstated eminent domain for a 12 year period on non-residential properties within the Project Area. The 2009 Plan Amendment process included community outreach efforts, coordination with Downtown merchants, and discussion with the many taxing entities in Santa Barbara County. The increase of the annual tax increment cap will allow the Agency to continue to address blighting conditions within the Project Area.
- The Agency allocated \$1,000,000 toward water system improvements.
- The Agency implemented a seismic retrofit program for Central Business District property owners.
- The Agency is also marketing a new Commercial Façade Grant Rebate Program to a targeted area that includes many of the existing URM Project buildings.



(854 Guadalupe Street) Example of a historic building in Downtown that participated in the URM Seismic Retrofit Program.



(878 Guadalupe Street) Example of a historic building in Downtown that participated in the URM Seismic Retrofit Program.

- The Agency purchased and installed public improvements along Highway One, Guadalupe Street, that have enhanced the aesthetic appearance of the Central Business District. The improvements included a historic clock, streetscape improvements, new benches, trash cans, and brick work along with tree wells.



(Guadalupe Street between 9th and 10th Streets) Public art and historic community clock, new trash receptacles, sidewalk landscaping and street trees in Downtown. Items completed as part of the streetscape public improvement project.

Goal B: Increase interest in Guadalupe through business attraction activities and business retention and attraction programs.

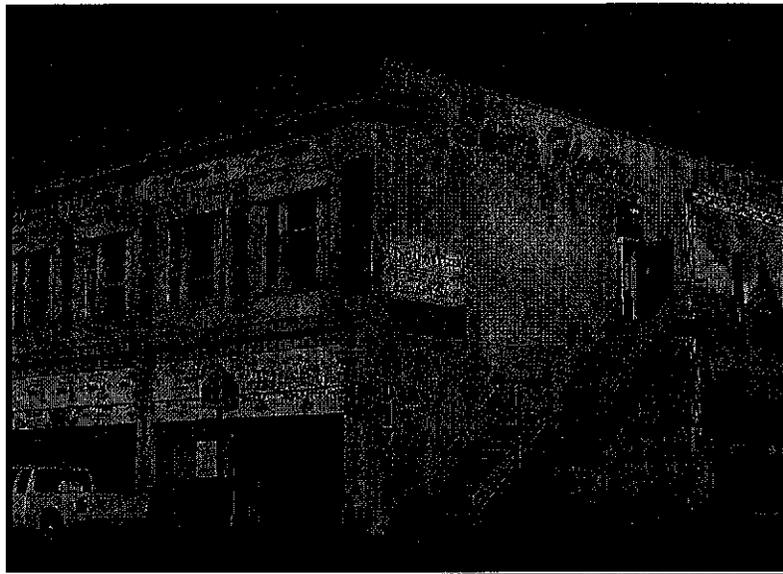
COMPLETED ACTIVITIES (FY 2004-05 to FY 2008-09):

- Engaged a consultant (Tierra West Advisors) to assist with Program Implementation for economic development efforts.

Goal C: Increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate income households.

COMPLETED ACTIVITIES (FY 2004-05 to FY 2008-09):

- The Agency assisted with the increase of mixed use projects through participation with private sector property owners to rehabilitate key commercial buildings in the downtown area including residential units available at affordable rents.
- The Agency issued a Request for Proposals to select a developer to rebuild the Agency-owned Lantern Hotel. Covelop Collaborative Development was selected and created a revitalized property with upscale stores and three (3) apartment units at the low income level.



Retail uses at the street level on Guadalupe Street with apartment units above.



Sample of a residential housing site in Guadalupe participating in residential rehabilitation.

PROJECTS FOR THIS PLANNING PERIOD (FY 2009-10 to FY 2013-14)

Goal A: Revitalize Central Business District.

PROJECTS AND PROGRAMS:

- The Agency will continue to implement the Unreinforced Masonry Program and currently has 22 projects involved in the program. The Agency will target additional buildings during this five- year implementation plan period and it expects to complete this program by 2012. The Program will increase the safety of commercial buildings.
- Geo Solutions is conducting Phase 1 environmental tests and Earthquake retrofitting throughout the Project Area as part of the URM program and commercial rehabilitation efforts to increase the safety of commercial buildings.
- The Agency is considering possible locations and scenarios for the creation of an "open air farmers market" to enhance the Central Business District. This project is also expected to create new interest in the area to spur visitors and economic development activity.
- The Agency is interested in development plans for a new Visitor Center to be developed in conjunction with the Amtrak Station to increase economic development opportunities. Staff is considering the issuance of an RFQ for this project and will be seeking outside funding sources to contribute to the proposed project.
- The Agency is interested in possible development plans for an "eco tourism" pedestrian, bike and equine trail that will "tie in" the existing and planned Central Business District attractions/assets with natural resources and recreational activities. The proposed visitors center and open air farmers market will be incorporated with the Royal Theater and other existing art and cultural assets as well as the existing Dunes Recreational area. The "tie in" from the proposed trail will create a new synergy for the Central Business District and will provide enhanced cooperative marketing opportunities.
- The Agency intends to fund a \$1.5 million storm drain improvement project on Guadalupe Street from Pioneer to 11th to improve water and sewer utilities.
- The Agency intends to provide a grant to assist with the development of a new visitor

center on the Dunes Center Campus. The project may include a "green development" designation and will seek outside funding sources to assist with the development of the project. Staff is considering the issuance of an RFQ for this project.

- The Agency will fund up to ten (10) new Commercial Façade Loan Program projects for a targeted area of Downtown Guadalupe.
- Veteran's Hall - The Agency is working with GeoSolution for retrofit and environmental services for this notable building in Downtown. The Agency has also commissioned Hydrex Pest Control for termite control and remediation at Veteran's Hall.
- The Agency is working with DMI – EMK for cleanup of a leaking underground fuel tank at 995 Guadalupe (Campodonico Property). Liquid Phase Hydrocarbons were found on this property and the Santa Barbara County Fire Department is monitoring the environmental cleanup.
- The Agency recently authorized staff to install decorative public waste receptacles to keep the appearance of streets in the Downtown clean.

Goal B: Increase interest in Guadalupe through business attraction activities and business retention and expansion programs.

PROJECTS AND PROGRAMS:

- Facilitate the development of a new Recreational Vehicle Park for Guadalupe, which would allow for acquisition of recreational vehicle space sites to attract tourists to Guadalupe who would visit the Dunes and Downtown Guadalupe.
- Create a plan for the development of a new Hotel and identify an appropriate hotel site in Guadalupe.

Goal C: Increase, improve, and preserve the community's supply of housing affordable to very low, low and moderate income households.

UPCOMING PROJECTS AND PROGRAMS:

- The Agency is planning to develop a financial support program to subsidize mortgage payments for households meeting Very Low/Low/Moderate Income requirements.
- The Agency is considering working with non-profit housing developers to develop above moderate residential along with affordable units. Specifically, the Agency will work with existing affordable housing developers that have built in Guadalupe and solicit proposals from other affordable housing developers to meet its affordable housing production requirements. The Agency has worked with People's Self Help Housing on the River View Estates and River View apartments outside of the Project Area, and back in 1975 before the Project Area was created assisted with planning efforts for the development of the Escalante Tract consisting of 58 rental units built and run by Santa Barbara County Housing Authority. These affordable housing providers will continue to be partners with the Agency in addressing the needs of the low- to moderate-income population in Santa Barbara County and the City of Guadalupe.
- The Agency is working with Habitat for Humanity on two (2) projects that will provide affordable housing in the Project Area and rehabilitate housing within the Project Area:
 - The Agency is considering the acquisition of vacant land for development of two (2) single family units for affordable households.
 - The Agency is working with Habitat for Humanity to conduct necessary rehabilitation at 480 Pioneer, 4418 Holly Street and 207 Pioneer.

- The Agency is considering the development of a workforce housing program for the purchase of homes in Guadalupe. The Agency is also considering assisting local business owners to create affordable housing for their employees.
- The Agency would like to develop a financial assistance program to rehabilitate Low Income Homes.
- The Agency is in the process of finalizing Program Guidelines for a Residential Component for participants of the existing URM seismic retrofit program for buildings with residential rental units in downtown Guadalupe.

AGENCY FINANCIAL STATUS REPORT

The Agency adopts its budget on an annual basis; as such actual revenues and expenditures may differ from those forecasts presented in the Implementation Plan and are therefore subject to change. Projections of revenues and expenditures contained within this Implementation Plan were based upon the assumptions delineated below:

Cash Flow General Assumptions

1. Resources available to the Agency include net tax increment revenues, Agency identified miscellaneous revenues and interest income.
2. Current Debt Service Obligations – includes the annual debt service for the outstanding 2003 Tax Allocation Bonds, as well as participation obligations and loan repayments from Agency-identified project activities.
3. Administration and Other Requirements – Administrative costs and other expenditures related to Agency operations were based upon current operational expenses.
4. State Budget Take Away - The California State Legislature adopted its budget (Chapter 21) with a proposed SERAF (Supplemental Educational Revenue Augmentation Fund) shift of \$1.7 billion from redevelopment agencies in 2009-10 and another \$350 million away from local government redevelopment funds in fiscal year 2010-11. This legislation is the subject of pending litigation, but in the event that SERAF payments are upheld the cash flow analysis assumes a required payments of \$405,107 and \$83,404 for fiscal years 2009-10 and 2010-11, respectively.
5. Discretionary Expenditures - To the extent future tax increment revenue resources continue to be allocated to the Agency and exceed existing debt service, contractual obligations, projects and administrative costs, the cash flow projection assumes that the Agency will exercise its discretion in funding other future projects, programs or activities of benefit to the Project Area through FY 2013-14.

Tax Increment Revenue General Assumptions

1. Current FY 2009-10 assessed values, as reported by the Santa Barbara Auditor-Controller, provide the basis from which future year tax increment is determined.
2. Future real property (land and improvement) values annually increase as a result of an annual 2% inflation factor (reflecting assumed Proposition 13 growth) commencing in FY 2010-11 and Agency-identified new developments summarized on the revenue table.
3. The housing set aside of 20% of annual tax increment is reflected pursuant to the provisions of Section 33334.2 of the Law.

4. Tax sharing obligations and triggered statutory pass through payments, pursuant to the provisions of Section 33607.7 of the Law, are incorporated in the tax increment revenue projections, as applicable.

Based upon the assumptions listed above, the table below forecasts the Agency budget for fiscal years 2009-10 through 2013-14.

Non-Housing Revenue and Expenditures 2009/10 to 2013/14						
	- 1 -	- 2 -	- 3 -	- 4 -	- 5 -	
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
GENERAL TAX INCREMENT FUNDS						
Beginning Cash Balance	5,870,786	3,529,797	2,621,233	1,776,770	912,678	
Revenue						
Tax Increment Revenue	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	\$ 7,808,060
Other Interest and Revenue	68,000	69,360	70,747	72,162	73,605	\$ 353,875
Total Revenue	1,568,000	1,599,360	1,631,347	1,663,974	1,697,254	\$ 8,159,935
Expenditures/Fees						
SERAF (1)	405,107	83,404	-	-	-	\$ 488,511
Pass Through Payments (2)	2,000	10,000	13,000	16,000	25,000	\$ 66,000
Debt Repayment						
Interest	120,000	122,400	124,848	127,345	129,892	\$ 624,485
Principal	293,704	299,578	305,570	311,681	317,915	\$ 1,528,447
Agency Administrative Expenses	118,178	120,542	122,952	125,411	127,920	\$ 615,003
Redevelopment Projects	2,300,000	1,202,000	1,226,040	1,250,561	1,275,572	\$ 7,254,173
Redevelopment Transfer to Other Uses	670,000	670,000	683,400	697,068	711,009	\$ 3,431,477
Total Expenditures	3,908,989	2,507,924	2,475,810	2,528,066	2,587,308	\$ 14,008,096
Ending Cash Balance	3,529,797	2,621,233	1,776,770	912,678	22,624	
<small>(1) Supplemental Educational Revenue Augmentation Fund - Estimated amount per California Redevelopment Association for 2009-10 and 2010-11. (2) Pass-through Payments pursuant to Health and Safety Code Section 33607.5.</small>						

These tax increment revenue projections are conservatively based on a 2% Projected Growth Rate. The Agency will need to make disbursements to taxing entities and the 20% housing set-aside deposit. The Agency is projected to retain \$1.2 million in net tax increment in Fiscal Year 2009-10, which may be utilized to address the Agency's stated redevelopment goals through various projects and programs identified in this Implementation Plan.

AFFORDABLE HOUSING IMPLEMENTATION PLAN

The Housing Component for the 2009-10 to 2013-14 Five-Year Implementation Plan is based on the Regional Housing Needs Allocation (RHNA) provided by the Santa Barbara County Association of Governments (SBCAG) and Agency Housing Production and Inclusionary Housing Requirements.

Income Group	Households	Percent
Very Low	20	23%
Low	15	17%
Moderate	20	23%
Above Moderate	33	37%
Total	88	100%

Source: SBCAG, Regional Housing Needs Allocation Plan, 2008

The City of Guadalupe considered adoption of an update of the Housing Element of the City General Plan in June 2009. The Housing Element "Housing Action Plan" has identified six (6)

goals with corresponding policies that will guide the creation of new housing, preservation of existing housing, and support for affordable housing in Guadalupe. The six goals are as follows:

Goal A: To provide a continuing supply of affordable housing to meet the needs of existing and future Guadalupe residents in all income categories. (There are 14 Policies in support of Goal A.)

Goal B: To conserve and rehabilitate the City's existing stock of affordable housing. (There are 6 Policies in support of Goal B.)

Goal C: To preserve all at-risk units in Guadalupe. (There are 2 Policies in support of Goal C.)

Goal D: To meet the housing needs of special groups of Guadalupe residents, including farm-workers, people with disabilities and large families. (There are 4 Policies in support of Goal D.)

Goal E: To provide energy efficient housing units that result in a reduction in energy costs to Guadalupe residents. (There are 6 Policies in support of Goal E.)

Goal F: To assure equal access to sound, affordable housing for all persons regardless of race, creed, age or sex. (There are 2 Policies in support of Goal F.)

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 low and moderate income households. Housing units assisted with Housing Funds prior to January 1, 2002 must remain affordable for the longest feasible time, but not less than 10 years for owner-occupied units and 15 years for renter occupied units.

In 2001 the Legislature required redevelopment agencies, on or after January 1, 2001, to require housing units assisted with Housing Funds to remain affordable for the longest feasible time, but not less than 45 years for owner occupied units and not less than 55 years for rental units.

The City of Guadalupe does not have an inclusionary housing requirement. It does, however, have an affordable housing fee requirement for certain larger residential projects (50 or more units that involve a General Plan Amendment, Specific Plan, or Rezone) through Program A.9 in the City's existing Housing Element. This requirement functions as an in-lieu fee requirement for these projects, since there is provision for the fee payment to be waived if the project is including affordable housing that is comparable to what the fee would generate.

The Agency is subject to the housing production provisions of Section 33413 of the Law and is subject to replacement housing obligations and the expeditious expenditure of housing funds. The Agency has not assisted in developing housing units nor have privately developed housing units resulted in the need for the Agency to provide replacement housing units.

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

Pursuant to Section 33334.4 of the Law, Housing Fund monies are required to be spent over

the ten year planning period of the Implementation Plan in at least the same proportion to the total number of housing units needed for very low and low 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 meet 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 2009, the housing for very low and low income households represents 63% percent of the City's total housing need. The following table shows the proposed fair share allocation for different income groups identified by the County of Santa Barbara Planning and Development Department.

Regional Housing Need Allocation Planning Period January 1, 2006 - June 30, 2014		
Income Level	Allocation	Targeting
Very Low	20	36.36%
Low	15	27.27%
Moderate	20	36.36%
Total	55	100%

Source: County of Santa Barbara, 2008

As illustrated in the table above the Agency is required to spend 36% of its Housing Funds on very low income households, and 27% on low 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. The following table is based on the 2000 Census and was included in the May 2009 Housing Element for the City of Guadalupe to identify age proportionality:

Housing Funds Expenditures Age Proportionality Requirement by Households		
Age	Population	Percentage
Total Population	5659	
Less than 65 years	5,134	91%
65 years and over	525	9%
Total		100%

Source: 2009 Housing Element - based on 2000 Census

The Agency will comply with these targeting requirements or numbers based on more current statistics as they become available to the Agency.

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 within four (4) years after the unit was 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 household of the same income level as the destroyed or removed units.

The Agency, at this time, has not removed or destroyed any residential units in the Project Area and has no plans to remove or destroy any units with in the next ten years. As a result, the Agency has no obligation to replace any housing units and should the Agency need to remove or destroy any units in the future, the Agency will follow all requirements to replace those units.

Housing Production Requirements

Redevelopment projects 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 Implementation Plan, agencies must adopt a plan showing how the Agency intends to meet its housing production requirement (Housing Production Plan). In addition, the plan must be consistent with the community's housing element and must cover the following time periods:

- Production over ten year compliance period (FY 2009/10 through FY 2019/20)
- Production through the life of the Redevelopment Plan (though FY 2025).

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 Guadalupe 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 proceeds by public or private entities other than the Agency within the Guadalupe 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 not less than 55 years for rental units and 45 years for a homeownership unit.

The Implementation Plan must include the following information regarding the Agency's housing production obligations for the Guadalupe 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; and
- An estimate of the number of Agency developed units for very low-, low-, and moderate-income households during the next five years.

Law Restrictions on the Use of the Housing Fund

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.

The City of Guadalupe Draft Housing Element, to be adopted by the City Council and certified by the State Department of Housing and Community Development in 2009, concluded that there was a need for 20 very low-income units, 15 low-income units, and 20 moderate-income units. The data presented in the following table indicates the percentage of funds from the Housing Fund to be spent for each income category over a 10-year time frame. Notwithstanding this requirement, funds required to be expended within a higher income category can be utilized for a lower income category.

Regional Housing Need Allocations, City of Guadalupe				
Income Level	2002 Housing Element ¹		2009 RHNA ²	
	Allocation ¹	Targeting	Allocation ²	Targeting
Very Low	20	38%	20	36%
Low	14	26%	15	27%
Moderate	19	36%	20	36%
Total	53	100%	55	100%

(1) RHNA for 2002

(2) RHNA for 2009

Source: Housing Element Update, May 2009

The County of Santa Barbara Planning and Development Department has determined that for 2009, the City of Guadalupe will need 20 units for very low income households, and 35 for low and moderate income households.

Past Agency Housing Activities/Use of Monies

The Agency's has assisted with housing activities in the City by working with People's Self Help Housing. The River View development leveraged \$22.7 million in funding and included design and construction of water and sewer systems, public utilities, and paved streets within the 25-acre site purchased by People's Self Help Housing from the Agency. The project is located outside of the Project Area and included financing from the following sources:

- Federal 9% Tax Credits
- State HOME Program
- State Farmworkers Housing Grant Program
- Rural Community Assistance Corporation Loan
- HUD Rural Housing and Economic Development.

The project includes a 5,000 square foot community center, a 5,000 square foot learning center, health center and meeting rooms. The project is located near Downtown Guadalupe just off of Guadalupe Street on Calle Cesar Chavez at 230 Calle Cesar E Chavez, Guadalupe.

Peoples Self Help Housing – River View Estates

Approximately 50 affordable home ownership units were built in 2002 near the Point Sal Dunes project including a mix of very low, low and moderate income units. This project is operated and owned by the Peoples Self Help Housing affordable housing development company. These 50 single-family homes are for first-time homebuyers participating in People's Self Help Housing's mutual self-help housing program.

Peoples Self Help Housing – River View

A Master Planned development completed in early 2005 consisting of 80 units of affordable rental housing units; 39 of which were made available at affordable rates to farm workers. These 80 townhomes are for families needing affordable rental housing. Rental units range in size from 655 square feet to 1,363 square feet.



2009/10 to 2013/14 Affordable Housing Activities/Use of Monies during the Planning Period

- The Agency is planning to participate with Habitat for Humanity to construct two (2) Very Low-Income Housing units.

Housing Fund Deposits during the Implementation Planning Period

The Agency is projected to receive approximately \$1.6 million in tax increment to be deposited in the Housing Fund over the next five years and approximately \$400 thousand over the next five years to implement housing activities. The Agency intends to spend all of its available funds within the planning period.

Projected FY 2009/10 - 2013/14 Revenues and Expenditures for Housing Programs and Activities						
	- 1 -	- 2 -	- 3 -	- 4 -	- 5 -	
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
GENERAL TAX INCREMENT FUNDS						
Beginning Cash Balance (1)	\$ 2,613,670	\$ 2,110,980	\$ 1,548,354	\$ 975,595	\$ 392,549	\$ (197,079)
Revenue						
Housing Set Aside Funds	\$ 307,310	\$ 314,574	\$ 321,984	\$ 329,594	\$ 341,264	\$ 1,614,725
Interest Income and Bond Proceeds	240,000.00	40,800	41,616	42,448	43,297	408,162
Total Revenue	547,310	355,374	363,600	372,042	384,561	2,022,887
Available Funds	\$ 3,160,980	\$ 2,466,354	\$ 1,911,955	\$ 1,347,636	\$ 777,110	\$ 1,825,808
Expenditures						
Housing Professional Services	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 260,202
Housing Implementation	\$ 850,000	\$ 867,000	\$ 884,340	\$ 902,027	\$ 920,087	\$ 4,423,434
Affordable Housing Transfer	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Total Expenditures	\$ 1,050,000	\$ 918,000	\$ 936,360	\$ 955,087	\$ 974,189	\$ 4,833,636
Ending Cash Balance	\$ 2,110,980	\$ 1,548,354	\$ 975,595	\$ 392,549	\$ (197,079)	\$ (3,007,828)

(1) Source: Agency 2008-09 Cashflow

Housing Production Plan

Housing Production Obligations (FY2009/10-FY2024/25)

The Guadalupe Project Area residentially zoned areas are very limited due to the age of the City and the built out nature of the residential areas. Therefore, the Agency anticipates that over the life of the Guadalupe Project Area very few new units will be developed. However, substantially rehabilitated housing units will most likely be produced and there is potential for infill housing sites and mixed use residential projects in the Downtown area. The Agency intends to spend the Housing Fund monies on the creation and preservation of affordable housing for very-low, low and moderate income households as called for in the Housing Element.

Housing Production Compliance (FY 2009/10 – 2024/25)

The Agency anticipates creating an additional 18 affordable housing units for very low-income and 42 units for low-income households within the planning period, to be located in the Project Area. The Agency will ensure that all future Agency assisted housing units have affordable housing covenants in place for 45 years (for sale units) or 55 years (for rental units).

The Agency will ensure that any new housing units privately developed within the Project Area provide for inclusionary housing to assist the City in meeting its inclusionary housing requirements. The amounts of "Total Construction within the Project Area" from Inception of the Project Area through 2004 in the following table are based on prior Housing Elements and the prior Five Year Implementation Plan. There were conflicting numbers between the Housing Element and the previous Five Year Implementation Plan. Tierra West has compared these numbers with information obtained from the Santa Barbara County Assessor to try and reconcile the discrepancies in the construction numbers.

Inclusionary Housing Requirements						
	Inception through 1999	1999 to 2004	2004 to 2009	2009 to 2014	2014 - Lifetime ¹	Total
Total Construction within the Project Area	213	50	77	24	48	412
Units Required	32	8	12	4	7	63
Low/Mod Income	19	5	7	2	4	37
Very Low-Income	13	3	5	1	3	25
Affordable Units Constructed Inside Project Area						
Low/Mod Income	0	0	3	42	24	69
Very-Low Income	0	0	0	18	9	27
Affordable Units Constructed Outside PA ²						
Low/Mod Income	0	62	41	58	0	161
Very-Low Income	0	6	39	30	0	75
Total Affordable Housing Production						
Low/Mod Income	0	62	44	100	24	230
Very-Low Income	0	6	39	48	9	102
Total	0	68	83	148	33	332
Surplus (Deficit)						
Low/Mod Income	-19	55	32	96	17	168
Very Low-Income	(13)	3	34	47	6	77

Source: Santa Barbara Assessor

¹ Projection based upon maximum build out per vacant parcels and City zoning requirements

² Units constructed outside of the Project Areas must be counted on a one-to-two basis

Plan for Affordable Housing

The Guadalupe Community Redevelopment Agency, during the Implementation Plan planning period, 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 Housing Element as part of the City's General Plan. The Housing Element sets forth the following goals:

- Protect existing stable, single family neighborhoods throughout the City.
- Encourage the development of a range of housing types in a range of prices affordable to all Guadalupe residents.
- Encourage the maintenance and upgrading of existing housing stock to ensure decent, safe and sanitary homes for all Guadalupe residents.
- Support federal and state laws that prohibit discrimination in housing on the basis of age, sex, religion or race.

The Agency plans to spend its Housing Funds in proportion to the need for the specific income groups as required by Law. The Agency will leverage its Housing Fund monies in order to maximize the number of affordable units produced and will partner with a non profit affordable housing developer to produce at least 20 units within the planning period for very low income households. Potential Activities the Agency will explore to meet its affordable housing obligations include:

- Unreinforced Masonry Building Residential Loan Program
- Development Partnership with Habitat for Humanity
- Development Partnership with Peoples Self Help Housing
- Development of a workforce Financial Assistance Home Ownership Program

The following table shows estimated amounts to be spent in each of the next five years for each of the income categories:

Guadalupe Community Redevelopment Agency Projected Housing Fund Revenues 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	\$547,310	\$ 199,022	\$ 149,266	\$ 199,022
FY 2010/11	\$355,374	\$ 129,227	\$ 96,920	\$ 129,227
FY 2011/12	\$363,600	\$ 132,218	\$ 99,164	\$ 132,218
FY 2012/13	\$372,042	\$ 135,288	\$ 101,466	\$ 135,288
FY 2013/14	\$384,561	\$ 139,840	\$ 104,880	\$ 139,840
Subtotal				
Total	\$ 2,022,887	\$ 735,595	\$ 551,696	\$ 735,595

Source: 2008-2009 Year End Cashflow

Administration of the Implementation Plan

A new Implementation Plan will be produced every five years either in conjunction with the Housing Element cycle or the implementation plan cycle.

Implementation Plan Adoption Process

Each Implementation Plan must be presented and adopted at a duly noticed public hearing of the Agency. Notice of the public hearing must be conducted pursuant to Section 33490 of the Law. The Notice must be published pursuant to Section 6063 of the Government Code, mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the Project Area for a period of three weeks. Publication, mailing, and posting shall be completed not less than 10 days prior to the date set for hearing. The Agency may amend the Implementation Plan at any time after conducting a public hearing on the proposed amendment.

Mid-Term Implementation Plan Review Process

At least once within the five-year term of the Implementation Plan, the Agency must conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation for each redevelopment project. This hearing must take place no earlier than two years and no later than three years after the adoption of the Implementation Plan. The Mid-Term review of this Implementation Plan is tentatively set for 2011.

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 increment, 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.

Monitoring of Affordable Housing

Pursuant to Section 33418, 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 information that is required to be reported by the tenant and shall be the only information on income or family size that owner or manager will be required to submit in the annual report to the Agency.

Section 33418(b) 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 HCD or the State Controller. In addition, Section 33418(c) provides that 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.

Redevelopment Plan/Conflicts

In the event of a conflict between this Implementation Plan and the Redevelopment Plan, as amended, the Redevelopment Plan shall control.

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