

City of Santa Barbara Central City Redevelopment Project



Implementation Plan 2005 - 2009

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Implementation Plan
2005-2009

Adopted October 19, 2004
Redevelopment Agency Resolution # 989

STATEMENT OF PURPOSE

This Implementation Plan for the Central City Redevelopment Project (CCRP) is prepared pursuant to Health & Safety Code Section 33490. Its purpose is to set forth the goals of the Redevelopment Plan for the Central City Redevelopment Project and to present an overview of the programs the Redevelopment Agency expects to implement over the next five years to advance those goals and to eradicate blight within the Project Area.

The discussion of proposed programs in the Implementation Plan is divided into two sections. The first section presents information on anticipated general redevelopment capital programs. The second section outlines a projection of activities to be undertaken with the Housing Fund.

Adoption of an Implementation Plan does not constitute an approval of any specific program, project, or expenditure described in the plan, and therefore an Implementation Plan is not a project under the California Environmental Quality Act requiring environmental documentation.

BACKGROUND

The Redevelopment Plan for the CCRP was adopted by the City Council by Ordinance No. 3566 on November 14, 1972. This plan established certain development standards and presented an outline of some activities anticipated to be carried out in the Redevelopment Plan area.

After initial adoption of the Redevelopment Plan, more specific evaluation and planning continued to identify programs that would best enable the Redevelopment Agency to effectuate the goals of the plan and address the identified blighted conditions.

The firm of Patterson, Stewart & Associates was hired to develop and review several implementation strategies. The result of their work with the community was presented in a report called Santa Barbara's Central City: Choices for the Future. This study outlined a number of alternative paths to accomplish the goals of the redevelopment plan. More than 80 meetings were held to collect input from residents, property owners and interest groups. Those alternative plans were presented to the City Council. After further public discussion and refinement, consideration was narrowed to two alternative strategies, which were merged and analyzed for marketability and environmental effects.

The end result of these studies and the analysis of all the specific potential programs was the realization that a more generalized land use plan would provide the most flexibility to private entities and public agencies without sacrificing the goals of redevelopment.

An Environmental Impact Report was prepared which analyzed the potential impacts of the likely alternative programs for carrying out the Redevelopment Plan as a long-term conceptual project. Within this framework, individual redevelopment activities would require site specific environmental review.

In August 1977, the First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project was adopted by City Council Ordinance No. 3923. A map showing the boundaries of the CCRP is attached as Exhibit 1. The Amended Plan included a Land Use Designation Map, attached as Exhibit 2, which delineated generally the location of existing uses and proposed reuses. The anticipated public uses, street layout and open spaces are shown on

Exhibit 3. The Plan was further amended on December 16, 1986, by Ordinance No. 4438 to incorporate provisions required by amendments to the California Community Redevelopment Law. As required by the California Redevelopment Law Reform Act of 1993, the Redevelopment Plan for the CCRP was further amended on December 6, 1994, to specify the latest dates for incurring and repaying indebtedness or receipt of tax increment. On November 12, 1998, City Ordinance No. 5085 was adopted to extend the Redevelopment Agency's authority to exercise eminent domain to August 30, 2007. The next amendment to the Plan was by Ordinance No. 5089 adopted January 12, 1999, wherein the term of the CCRP was extended to August 30, 2012 (for a total of 35 years from the adoption of the First Adopted Plan in August of 1977). And finally, pursuant to Health and Safety Code section 33333.6(e)(2)(C), City Ordinance No. 5314 was adopted on April 27, 2004, to extend the effectiveness of the Plan for an additional one year period, from August 30, 2012 (thirty-five years), to August 30, 2013 (thirty-six years).

GOALS OF THE REDEVELOPMENT PLAN

The intent and purpose in specifying land uses and controls for the redevelopment activities in the Central City Redevelopment Plan are set forth in Section 503 of the First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project, as follows:

1. To encourage harmonious, environmentally compatible and economically efficient land uses throughout the Project Area, thereby achieving functional, economic and visual order;
2. To coordinate such land uses and the accompanying standards, controls and regulations with existing City controls and review processes; and
3. To create an economically viable central core that offers an attractive and pleasant environment.

The goals of the Central City Redevelopment Plan can be further understood as they were expressed in Santa Barbara's Central City: Choices for the Future, the study prepared for the City in 1974 to evaluate alternative strategies and potential activities to implement the Central City Redevelopment Plan:

- ◆ To preserve the Santa Barbara spirit and character in the design and scale of potential land uses;
- ◆ To preserve the integrity of structures and places which have special architectural or historical values, to provide them with viable uses which will allow them to function efficiently – in cultural, social and economic terms – in today's complex world;
- ◆ To re-establish the Central City as the principal center of commerce for Santa Barbara's South Coast Region – a position it once enjoyed;
- ◆ To retain the Central City as the principal center of government for Santa Barbara City and County functions;
- ◆ To establish the Central City as the cultural and entertainment center for the County's South Coast Region;

- ◆ To activate public programs and encourage private interests to reverse those physically deteriorating forces presently working in the area;
- ◆ To initiate housing programs which will assist people whose present circumstances do not permit them to enjoy the quality of life expected in Santa Barbara;
- ◆ To coordinate development and reuse activities with the “low-growth-producing” interests of the majority of the City’s people;
- ◆ To prepare plans and implement programs which will satisfy mobility requirements of existing uses and future land use opportunities with a minimum dependency upon the automobile and a maximum potential for the development of alternate forms of local and regional transportation;
- ◆ To reorient physical use of the East Beach sector of the planning area to more fully respect and interface with the ocean, the Transportation Corridor and with “people pleasing” amenities;
- ◆ To tie various functional components of the planning area together in order to build upon existing and future interrelationships; and
- ◆ To bring the City’s people – those having interests within and outside the planning area – into the planning and decision-making process in a more meaningful way.

The First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project, adopted by the City Council in August 1977, set forth the policies and standards against which future Agency activities should be evaluated.

DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

At the onset of redevelopment activity in the project area, a number of factors characterized the blighting conditions within the CCRP: land parcels of inadequate size to meet parking demand on site in some areas; incompatible land uses in the waterfront area; and, structures that were deteriorated or of inadequate size for existing standards and market conditions. Other problems to be resolved were: buildings needing seismic reinforcement; congested streets and inadequate public parking facilities in some areas; the condition of public improvements including street lighting; and, the lack of public restroom facilities. Economic blight within the CCRP was evidenced by the decline in assessed property values, business turnover, and empty storefronts in the downtown, business relocations, and the lack of necessary commercial facilities to serve residents of the CCRP. Poor economic conditions suggested some Agency assistance was necessary to make the improvements that would encourage property owner responsiveness to the market.

Since inception, the Redevelopment Agency has participated with business and property owners to address much of the blight in the CCRP. The next section provides a description of future projects that the Agency expects to implement over the next five years in an effort to continue the revitalization of the project area.

FUTURE REDEVELOPMENT AGENCY CAPITAL PROGRAMS

Potential future projects are broken down into categories based on the type of project. The level of detail presented in the discussion below reflects the amount of planning completed to date. The number of projects and programs implemented will depend, at least in part, on the availability of funding. In every case the cost shown is only an estimate.

GENERAL REDEVELOPMENT PROJECTS

Relationship to the Elimination of Blight: Pursuing general redevelopment projects within the Project Area will promote economic development, increase the vitality of the area and eliminate blighting influences. Due to the wide variety of projects in this General Redevelopment category, each project listed below includes a discussion of the project's relationship to the elimination of blight.

Estimated Expenditures: \$16,500,000

- **Fire Station #1 Renovation:** Project would include a seismic retrofit along with extensive interior and exterior renovations to the Fire Station #1 building. This project will eliminate blight that begins with the degradation of infrastructure and will prevent blight by providing safe and well-maintained support facilities for emergency response within the Project Area.
- **Chapala/Carrillo – Mixed Use Project:** A public/private mixed-use development that would include parking, housing, and retail components, as well as a new transit center. This project will prevent blight by adding vitality to an underutilized downtown property and improving access to the area's shopping, dining, and entertainment venues.
- **Mission Creek Flood Control Project Enhancement:** Augmenting the US Army Corps of Engineers-funded flood control project for Mission Creek, Agency-funded enhancements may include: upgraded finish materials; property acquisitions to provide parks and open space adjacent to the creek; art elements; and landscaping upgrades. The creek has become overgrown with invasive plants, and stagnant water has become full of debris, frequently creating an unpleasant odor. Restoration efforts will eliminate this existing blight and prevent further blight from developing.
- **Business Incubator:** Agency may provide funding for costs associated with establishing a Santa Barbara business incubator in the Project Area. Depending on the location, new development and property improvements could eliminate or forestall blight while promoting economic development within the Project Area.
- **Ritz-Carlton Club / Visitor Center Component:** The Ritz-Carlton Club project involves redevelopment of three blocks in the Lower State Street area, and consists of fractional ownership units, a parking garage, retail uses, and various public improvements. The Agency is a co-applicant with the private developer for development of a Visitor Information Center, which would be housed in a commercial condominium space acquired by the Agency and leased for operation by the Chamber of Commerce. The Visitor Center will enhance downtown vitality by providing information to visitors about business, entertainment, cultural activities and parking opportunities in the Project Area.

- **Community Indicators Annual Report:** Agency grants would partially fund a yearly statistical report that measures the quality of life indicators on the South Coast. Data collection is helpful to the Agency in planning its activities that address blight in the Project Area.
- **Shuttle Bus Funding:** As part of the City’s Transportation Management Program, the shuttle bus program mitigates traffic impacts from private development and Agency revitalization activities in the downtown area. Two commuter parking lots developed by the Agency allow downtown employees to park on the fringes of the central business district and ride shuttle buses to work places. The Downtown/Waterfront Shuttle runs along State Street and Cabrillo Boulevard, providing tourists and residents with convenient and inexpensive transportation. These shuttle buses mitigate the impacts of Agency projects that are aimed at eliminating blight. They contribute to the overall quality of life in the downtown area, by reducing traffic and congestion and improving air quality by the use of electric vehicles.
- **Downtown Recycling Program:** Replacement of dilapidated downtown public trash containers with new containers that include a recycling receptacle. Providing these public amenities will contribute to creating a more desirable area for locals and visitors, thereby increasing property values and tax increment revenue. This will also prevent blight that begins with the degradation of infrastructure.
- **Waterfront Property Development:** Predevelopment funding, design and construction of a public benefit development project on Agency-owned property located at 125 South Calle Cesar Chavez. The condition of this lot is currently full of weeds and generally in a very unsightly condition. Vagrants are attracted to this area and littering is a problem. Improving this vacant lot will continue the cleanup and elimination of blight in the area of the City’s waterfront, which is a focal point for both residents and visitors.

CULTURAL ARTS DEVELOPMENT

Relationship to the Elimination of Blight: Enhancing the City’s cultural arts venues and preserving the City’s vibrant arts community will benefit the Project Area and the community culturally, socially, and economically. Cultural development will bring desirable activity to the Project Area, resulting in increased tax increment and greater patronage of stores, restaurants, and hotels in the area. Increased vitality will reduce and forestall the blight associated with building vacancies and declining retail sales, especially within the City’s Cultural Arts District.

Estimated Expenditures: \$8,000,000

- **Cultural Development Symposia and Arts Master Plan:** In collaboration with the County Arts Commission and the Downtown Organization, periodic symposia would focus on Cultural Development within the Project Area. The Symposia will help the Agency plan for the development of performing arts venues, public cultural venues, infrastructure and support facilities. An Arts Master Plan would consolidate data regarding facility needs, economic and fiscal analysis, and environmental impacts.
- **Ensemble Theater:** Agency funds would assist the Ensemble Theatre Company in their efforts to develop a 350-seat “jewel box” theatre that is proposed as part of a mixed-use

project on land that is now leased by the City. The theatre would provide a much needed venue, as indicated in the City's Performing Arts Feasibility Study.

- **Granada Theater Restoration:** Agency funds would assist the Santa Barbara Center for the Performing Arts in their efforts to acquire and improve the historic Granada Theatre. Theatre improvements will include approximately 16,000 square feet of new backstage and public audience amenities, as well as new seating and upgraded audio/visual systems.
- **Santa Barbara Maritime Museum:** An Agency grant is aimed at completing four (4) new interactive educational exhibits including: *Safety At Sea, Navigation and Piloting, Surfing, and The Channel Islands*. The exhibits will celebrate the local maritime history of Santa Barbara and further enhance the cultural component of the waterfront.
- **Artist Work Space:** The Agency is interested in helping to provide affordable workspace for artists. The project could involve the contribution of funds for the acquisition of property and rehabilitation of space for use as artist workspace.
- **Art in Public Places in the CCRP:** Agency funding for the exhibit of sculptural art pieces at several locations within the Project Area.
- **Casa de la Guerra Restoration:** Grants to the Santa Barbara Trust for Historic Preservation to complete restoration activities at the Casa de la Guerra. An archaeological report chronicling the restoration process will also be produced.
- **El Presidio Restoration:** Grants to the Santa Barbara Trust for Historic Preservation to complete archaeological work and additional construction at the historic Presidio of Santa Barbara. Archaeological work will include detailed cataloguing of artifacts followed by written reports of the findings.
- **Downtown Organization Holiday Art Gallery:** Funds granted to the Downtown Organization will be used to construct and install several public, holiday art pieces along State Street.
- **Downtown Organization Cultural Promotions Grant:** Grants to the Downtown Organization will be used to promote the City's Cultural Arts District. Activities conducted by the Downtown Organization would include extensive media campaigns to promote downtown as the region's primary arts, dining, and retail center.
- **Signalman's Building:** Augmenting California Transportation Commission funding in the amount of \$172,000, Agency funds would be used to develop the Signalman's Building into a small railroad museum.
- **Historic Rail Car Acquisition:** Augmenting California Transportation Commission funding in the amount of \$350,000, Agency funds would be used for the possible purchase of an historic railroad car to be installed on the railroad spur and refurbished for use as a historic display.

PUBLIC RESTROOMS

Relationship to the Elimination of Blight: Restroom renovations and the construction of new public restrooms will provide much needed facilities to serve people enjoying the many recreational and commercial opportunities in the Downtown and Waterfront areas. The existing facilities are in a dilapidated condition, and their renovation will prevent blight that begins with

the degradation of infrastructure. Providing new restroom facilities in the Project Area will increase the vitality of the area and eliminate blighting influences.

Estimated Expenditures: \$1,500,000

- **State Street/Cabrillo Boulevard Restroom Remodel:** Interior and exterior renovation of the existing public restrooms located at the southeast corner of State Street and Cabrillo Boulevard, adjacent to Stearns Wharf.
- **914 State Street Restrooms:** Project includes design and construction of new public restrooms to be located between Borders Book and Music and the Fiesta Five Theatres/City Parking Structure 9.
- **Downtown Restroom Program:** The Agency will develop a comprehensive plan for maintaining and upgrading existing restroom facilities and identifying opportunities to provide additional public restrooms in the Downtown and Lower State Street areas. Currently, the public depends on the Visitor Restroom Program, where the City pays three existing restaurants to make their restrooms available to the public. Staff is currently planning to expand the Visitor Restroom Program.

PARKING IMPROVEMENTS

Relationship to the Elimination of Blight: Public parking improvements will increase the vitality of the Project Area by improving access to shopping, dining, and entertainment venues. Additional parking could assist in maintaining the area north of Carrillo Street as a viable commercial and office district, forestalling the blight associated with building vacancies and inadequate infrastructure. Public parking is being proposed for two vacant lots (125 & 235 State Street) that are underutilized and in a very unsightly condition. Improving these lots will continue the cleanup and elimination of blight surrounding the City's Railroad Station.

Estimated Expenditures: \$30,000,000

- **Granada Garage:** A 570-space parking structure to be located on City Parking Lot #6, at the corner of Anacapa and Anapamu Streets. The structure will provide a net increase of approximately 300 spaces, along with a bicycle station and new offices for City Downtown Parking Operations staff.
- **235 State Street - Railroad Station Parking Lot Annex:** The Agency-owned parking lot, located next to the Enterprise Fish Company restaurant, will be incorporated into the Railroad Station public parking lot for shared use by restaurant patrons and others in this parking deficit area of Lower State Street.
- **Ellis Property Redevelopment:** The Agency owns a portion of this vacant property, which is intended to provide additional public parking in the Lower State Street area.
- **125 State Street - Railroad Station South Parking Lot:** This triangular-shaped lot south of the railroad tracks on State Street has been designed to provide 41 additional parking spaces for the railroad station and the Lower State Street area. A new paseo

walkway will provide better pedestrian access through the parking lot and to businesses nearby, as well as to an adjacent park.

- **Spencer Adams Parking Lot and Site Improvements:** Funding will be used to complete various parking lot and site improvements at Spencer Adams Lawn Bowling Center. Improvements include the expansion of the existing parking lot, the development of a possible maintenance storage facility, and upgraded landscaping.
- **City Hall Area Parking Lot Improvements:** Funding for design and construction that would optimize the configuration and combine operations of the separately-owned, but adjacent parking lots around City Hall.

PROPERTY ACQUISITIONS AND DISPOSITIONS

Relationship to the Elimination of Blight: Depending on the location, Agency acquisitions and dispositions of real property for development purposes could contribute to the reduction of blight by bringing new development to the Project Area. Improving the properties adjacent to the Granada Garage to their highest and best use would contribute to the revitalization efforts in progress in the declining area north of Carrillo Street.

Estimated Expenditures: \$6,500,000

- **Opportunity Acquisitions and Dispositions:** The Agency will appropriate funds, as necessary, to acquire and dispose of real property related to revitalization efforts that will contribute to developing and maintaining a vital Project Area. Funds would be for opportunity purchases or sales of property in the Project Area to be used for public-benefit development consistent with the Redevelopment Plan.
- **Properties Adjacent to the Granada Garage:** Potential acquisition of approximately 16,000 square feet of land in the 1200 block of State Street. The area is comprised of several parcels that are currently leased by the City for construction staging during construction of the Granada Garage. Potential uses of the site could include a new Ensemble Theatre, a multiplex movie theater, affordable housing, or public parking.

SIDEWALKS AND STREETScape IMPROVEMENTS

Relationship to the Elimination of Blight: Enhanced public sidewalks will forestall blight that begins with the degradation of infrastructure. Public infrastructure improvements enhance the Project Area and make it more attractive for locals and visitors. Plans that identify improvements that will enhance the viability of a given area can be expected to contribute to blight reduction. Related development and infrastructure improvements will enhance the surrounding area, encouraging more activity by locals and visitors and strengthening downtown as the retail, financial, and cultural core of the south coast.

Estimated Expenditures: \$18,500,000

- **Phase IV State Street Sidewalk Improvements (400-500 Blocks):** As a continuation of similar improvements that have been completed in the 600 through 1200 blocks of State Street, this project will bring streetscape improvements to the 400 and 500 blocks of State

Street. Improvements may include new brick sidewalks, various landscape improvements, and pedestrian amenities such as benches, drinking fountains, trash cans, and a holiday lighting system.

- **Cabrillo Boulevard Sidewalk Improvements Phase I (Stearns Wharf to Milpas Street):** Repair and replacement of the existing sidewalk from Stearns Wharf to Milpas Street. Landscaping enhancements and pedestrian amenities such as benches and new trash cans would be added where appropriate.
- **Cabrillo Boulevard Sidewalk Improvements Phase II (Stearns Wharf to Harbor Entrance):** Repair and replacement of the existing sidewalk from Stearns Wharf to Castillo Street. Landscaping enhancements and pedestrian amenities such as benches and new trash cans would be added where appropriate.
- **West Downtown Neighborhood Improvements:** The project would improve the West Downtown Neighborhood with a series of capital improvements focusing primarily on the Anapamu and Ortega Bridge corridors. Proposed improvements may include upgraded pedestrian amenities, sidewalk replacement where necessary, landscaping improvements, and additional pedestrian lighting.
- **Ritz-Carlton Santa Barbara – Sidewalk Improvements:** Wider sidewalks between the railroad tracks and Cabrillo Boulevard are proposed in conjunction with the private Ritz-Carlton mixed-use project. The sidewalk widening component of the project will create pedestrian and vehicle amenities that are consistent with the State Street Plaza north of the freeway and will improve pedestrian circulation contributing to the plaza ambiance.
- **Phase I State Street Sidewalk Modifications:** With knowledge gained from later phases of the Sidewalk Project, staff will return to Phase I to remedy several items that were either not included due to budget constraints, or were not completed in a manner consistent with Phases II and III. Project components may include: replacement of existing handicap ramps to meet ADA requirements and match the brick sidewalks, reinforcement of several planter edges with a concrete base, improvements to the art pads, and relocation and replacement of trees that have not taken to their new environment.
- **Chapala Street Design Guidelines:** Developing design guidelines for future development and streetscape improvements along the Chapala Street corridor. These guidelines may serve as the planning basis for redevelopment of this key downtown corridor.
- **Chapala Streetscape Improvements:** Potential funding for public infrastructure and streetscape improvements as recommended by the Chapala Street Streetscape Design Guidelines.

PARKS AND PUBLIC OPEN SPACES

Relationship to the Elimination of Blight: Providing parks and open space areas in the Project Area will increase the vitality of the area, improve aesthetics, and eliminate blighting influences. These projects will prevent blight that begins with the degradation of infrastructure.

Estimated Expenditures: \$5,000,000

- **Plaza De La Guerra Improvements:** Infrastructure improvements could include road grading and re-paving, drainage improvements, new sidewalks, an electrical service enclosure, landscaping enhancements, and amenities such as benches, bike racks, trash/recycling receptacles, and lighting.
- **Granada Garage Surplus Site – Anapamu Street Open Space:** Agency funds could be used to improve this site as a sculpture garden or other type of open space use.
- **Plaza Vera Cruz:** Plaza Vera Cruz is a City park located between Haley and Cota Streets. Proposed improvements include a new handicap accessible playground, drinking fountain, benches, and various landscaping improvements.
- **Fig Tree Park Improvements:** This project will extend the existing sidewalks fronting Montecito Street and around the entrance to the Railroad Station. Interpretive signage will be added, and ADA accessibility will be addressed.
- **Chase Palm Park Expansion – Wisteria Arbor:** The Wisteria arbor was included in the original design of the Chase Palm Park Expansion Project, but construction was delayed due to a lack of funding. The arbor will provide benches and built-in game boards in an area protected from the sun under climbing vines with a view of the ocean beyond. The Wisteria arbor will further enhance the appearance of this formerly blighted site and satisfy contractual obligations related to the park and the proposed waterfront hotel.

RECREATIONAL FACILITIES

Relationship to the Elimination of Blight: General enhancement of these recreational facilities, and the provision of increased recreational opportunities within the Project Area, will increase the vitality of the area and address blighting conditions. Heightened preservation consciousness will address the project area goal of preserving the integrity of structures and places that are architecturally or historically significant.

Estimated Expenditures: \$6,000,000

- **Carrillo Recreation Center Restoration:** A complete restoration of the heavily used Carrillo Recreation Center that will include structural improvements, new plumbing and electrical systems, and numerous aesthetic enhancements.
- **Louise Lowry Davis Center:** The proposed improvements to the Louise Lowry Davis Center include numerous interior and exterior aesthetic upgrades, infrastructure upgrades,

and ADA upgrades to this important downtown facility. These building improvements will help the City of Santa Barbara better serve our growing senior citizen population with a safe, accessible, and inviting facility.

FUTURE HOUSING PROGRAMS

HOUSING GOALS

The Agency's main housing goal is to promote and facilitate the development and preservation of housing primarily for low- and moderate-income households, in order to foster an inclusive and balanced community. There are further strategies associated with the CCRP that call for the Agency to avert, as much as possible, any need for residential relocation as well.

The Agency implements City housing goals as well. Contained within the 2004 Housing Element is policy 4.2.1, which states the City should, "continue the use of Redevelopment Agency tax increment funds to assist sponsors in developing low and moderate income housing opportunities which will benefit the Redevelopment Project Area or the City. When possible, increase the portion of the Redevelopment Agency's annual tax increment funds earmarked for affordable housing."

The City of Santa Barbara is also required to prepare a Consolidated Plan as a condition of Federal Community Development Block Grant and HOME Investment Partnerships Program funding. These programs are to be used for the most disadvantaged in the community – those persons with low- or very low-incomes, and those with special housing needs. The Consolidated Plan identifies Redevelopment Agency tax increment housing set-aside funds as a source of matching money for the Federal programs.

FIVE YEAR PLAN

Because the Agency has never had a surplus of housing set-aside funds and generally expends or reserves its housing funds within a year from when they are received, it is not envisioned that funds will be transferred to any other agency for administration.

The Agency is actively involved with the development of 20 future projects that are listed below in Table 3. Some projects are not funded with Agency funds. They are included here nevertheless because of the Agency staff time spent in helping develop them. The projects not receiving Agency financial assistance may be partially funded with federal HOME funds. Most of these projects are subject to the requirements of the City's Density Bonus Program and Inclusionary Housing Ordinance.

TABLE 3 – FUTURE PROJECTS

Project Address	Affordable Units	Agency Funding to Date
210 W. Victoria	6 rental	\$90,000 spent (<i>Plus \$480,000 committed in federal HOME funds</i>)
319 W. Carrillo (Housing Authority)	60 rental	\$1,750,000 spent for Site Acquisition (Additional funds may be needed)
4200 Calle Real (St Vincent's)	170 rental	\$3.7 million spent for predevelopment Plus \$13.7 million committed
21 East Anapamu (Granada Garage Housing)	12 rental	\$60,000 spent for predevelopment (<i>Plus \$960,000 committed in federal HOME funds</i>)
3965 Via Lucero (Habitat for Humanity)	3 ownership	No Agency Funds (<i>\$240,000 committed in federal HOME funds</i>)
617 Garden Street (SB Mental Health Assn)	50 rental	\$4.6 million conceptually committed, of which \$385,000 spent on predevelopment
535 E. Montecito (Housing Authority)	90 ownership	No Agency Funds
Veronica Springs Rd (Hillside House)	12 ownership	No Agency Funds
St. Francis Site (Cottage Hospital)	81 ownership	No Agency Funds
101 Garden	30 ownership 12 rental	No Agency Funds
Rogers Tract	6 ownership	No Agency Funds
2109 Cliff	3 ownership	No Agency Funds
Sandman Inn	8 ownership	No Agency Funds
433 E. Canon Perdido	4 ownership	No Agency Funds
Paseo Chapala	12 ownership	No Agency Funds
401 Chapala (Chapala One)	11 ownership	No Agency Funds (However, Agency will contribute small parcel.)
737 E. Anapamu	3 ownership	No Agency Funds
1329-1333 Salinas Place	1 rental	No Agency Funds
Greenwell Acres	5 rental	No Agency Funds
421-425 E. Cota (Transition House)	19 rental	\$320,000 spent for Site Acquisition (Additional funds will be needed.)
TOTALS	336 ownership 262 rental 598 TOTAL	\$6,222,000 spent for site acquisition and predevelopment \$13,700,000 committed \$4,600,000 conceptually committed

Descriptions of those projects receiving Agency funds follow:

1. 210 WEST VICTORIA STREET (VICTORIA COTTAGES II)

Peoples' Self- Help Housing Corporation will build 6 new apartments on a portion of this small bungalow cottage court site. The City and Agency assisted Peoples' with the original acquisition and rehabilitation of the cottages, provided predevelopment loans totaling \$111,000 for designing the new units, and committed \$480,000 in federal HOME funds as permanent financing. Construction is expected to start in Fiscal Year 2005.

2. 319 WEST CARRILLO STREET (WEST CARRILLO STREET STUDIOS)

The Agency recently provided the City's Housing Authority with \$1,775,000 in loan funds for acquisition of property near their recently completed Casa de Las Fuentes "Downtown Worker" affordable rental housing project. The Agency also provided a predevelopment loan in the amount of \$300,000. The Housing Authority plans to build 60 studio units on the half-acre site and is applying for low income housing tax credits. Construction is expected to start in Fiscal Year 2005.

3. 4200 CALLE REAL (ST. VINCENT'S)

Mercy Housing California, a State-wide nonprofit housing developer, has received Agency approval for two low income rental housing projects to be built on the site of the former St. Vincent's School, a 19-acre site recently annexed by the City near Highway 154 and Calle Real. One is a 75-unit project for families, and the other is a 95-unit project for seniors. The Agency has committed a total of \$17.4 million to the two projects, including \$3.7 million of predevelopment loan funds already disbursed. The County of Santa Barbara has committed \$4.4 million. The majority of the remaining funding will come from HUD Section 202 funds for the senior project (\$11 Million) and four percent tax credits for the family project (\$10 Million). Construction is expected to start in Fiscal Year 2005.

4. 21 EAST ANAPAMU STREET (GRANADA GARAGE HOUSING)

The Agency selected Peoples' Self-Help Housing Corporation through a Request for Proposals process for the development of 8 new affordable housing units adjacent to the new Granada Garage parking structure. Peoples' is a large nonprofit housing organization based in San Luis Obispo, with a local office in Santa Barbara. The Agency provided a \$60,000 predevelopment loan, and the City committed \$480,000 of federal HOME funds. Since then, it was decided to move the housing to a different location on the site and add 4 units to the project, bringing the total to 12 units. Additional City HOME funds and Agency predevelopment funds will be needed to fund the four extra units. Construction of the housing is expected to start upon completion of the Granada Garage in Fiscal Year 2006.

5. 617 GARDEN STREET (SB MENTAL HEALTH ASSOCIATION)

The Agency has executed a Memorandum of Understanding with the Mental Health Association in Santa Barbara County for the development of a mixed-use project that includes administrative offices, program space, and 50 units of affordable rental housing for low income Mental Health Association clients and downtown workers. The Agency has conceptually committed to making a contribution of land and spending up to \$4.6 million on the project, of which \$385,000 has

already been disbursed to cover predevelopment expenses. Low income housing tax credits are being sought and construction is expected to start in Fiscal Year 2006.

6. 421-425 EAST COTA STREET (MOM'S PROPERTY)

The Agency provided Transition House with a \$320,000 loan for the acquisition of 421-425 E. Cota Street, consisting of two mixed-use buildings – one with nine residential units over ground floor commercial space, the other a former restaurant. The rear of the property is adjacent to the homeless shelter Transition House operates. Transition House acquired the property in order to expand its inventory of affordable housing available to families ready to leave the homeless shelter and to provide services for its clients. The building that housed the former restaurant has structural problems and will be demolished in order to make way for a new structure planned by Transition House that will feature space for day care on the ground floor and additional affordable housing on the upper two floors. Upon design of the new structure, Transition House plans to request additional Agency funding for the new construction. Staff estimates that the project will accommodate a total of 19 units.

The 20 projects listed above in Table 3 by no means constitute a complete list of future projects. Other affordable housing opportunities will likely arise, and they often require quick action, as properties suitable for affordable housing development generally stay on the market only briefly.

The Agency is also examining the possibility of building affordable housing over City-owned surface parking lots. The City has passed an Inclusionary Housing Ordinance and often grants density bonus incentives to market-rate housing developers who include affordable housing units.

Redevelopment Agency housing set-aside funds will not be sufficient to finance all of these projects. Other sources, such as state and federal funds, will also be used. Moreover, the Agency plans to issue bonds to be repaid from future RDA housing set-aside funds.

ONE YEAR PLAN

The Agency's One Year Plan consists of implementing as many of these projects as possible. The specific projects identified in Table 3 above comprise 604 units. Roughly half are expected to be under construction during Year One (Fiscal Year 2005).

As of October 2004, \$1,747,000 in RDA housing set-aside funds have been reserved or spent on two projects that are currently under construction and expected to be completed during Fiscal Year 2005. The two projects are listed below in Table 4.

TABLE 4: RDA-FUNDED HOUSING PROJECTS UNDER CONSTRUCTION (TO BE COMPLETED IN FISCAL YEAR 2005)			
Project Address	Affordable Units	RDA Funds Spent/Committed	Other City Funds Committed
818 Garden	11 rental	\$567,000	\$240,000
309-321 S. Voluntario	20 rental	\$1,180,000	\$820,000
TOTAL	31 rental	\$1,747,000	\$1,060,000

1. 818 GARDEN STREET

Laguna Cottages for Seniors, a local nonprofit organization that provides low-income seniors with affordable housing, has begun construction of 11 new senior studio units adjacent to their existing 44-unit senior facility. The Agency provided a \$567,000 grant; the City provided a \$240,000 grant, and Laguna Cottages raised an additional \$1 million in private grants to develop the new units. The grants enable Laguna Cottages to provide units at rents that will be affordable to very low-income seniors. Construction is expected to be completed during Fiscal Year 2005.

2. 309-321 SOUTH VOLUNTARIO STREET

The Agency and the City have provided a total of \$2 million in grant and loan funds to the City's Housing Authority for the construction of 20 new affordable housing units. The property is located adjacent to an existing 7-unit Housing Authority project. The existing units are being renovated and incorporated into the design of the new units, thus resulting in one unified 27-unit affordable housing project. Construction is underway and is expected to be complete during Fiscal Year 2005.

It is not possible to predict the number and size of new projects that will come up over the course of the coming year. Previous unexpected projects have resulted in a considerable number of affordable housing units assisted by the Agency or reviewed by Agency staff.

HEALTH & SAFETY CODE SECTIONS 33334.4 AND 33334.6

These Code sections require the 20-percent housing set-aside, make legislative declarations, and establish rules as to the fund's administration. As explained above, the Santa Barbara Redevelopment Agency complies with the 20-percent housing set-aside requirement and reports this annually to the State Controller's Office. There has been no deficit, nor have there been any findings to reduce the 20-percent to some lesser amount. All expenditures are for activities permitted under these Sections.

As of October 2004, the current balance of uncommitted housing set-aside funds is \$188,456. For FY 04, the amount equaling twenty percent of the Agency's tax increment funds that was deposited in the housing set-aside capital fund was \$2,620,000. The following indicates projections for annual deposits to this fund over the next five years starting with the amount estimated to be received during FY 2005 (\$2,750,000) and assuming conservative annual increases in tax increment of two percent thereafter:

FY 2005	\$2,750,000
FY 2006	\$2,805,000
FY 2007	\$2,861,000
FY 2008	\$2,918,000
FY 2009	\$2,977,000

The Agency typically spends or commits housing set-aside funds within a year of receipt. Assuming an estimated average subsidy of \$100,000 per unit needed to finance future projects would result in production figures ranging from 26 to 29 units built or committed during each of the five years. However, there are more than 600 units identified in Table 3 above that are currently in predevelopment. This higher level of production is possible due to housing set-aside funds saved from previous years in anticipation of these projects, federal HOME Program funds and also due to the density bonus units and inclusionary housing units that do not receive Agency funding. There are currently more funds committed to the projects listed in Table 3 above than are available in the redevelopment housing set-aside capital fund. The Agency plans to issue bonds to cover these commitments as funds are needed, and it is anticipated that future housing set-aside funds would be needed to retire debt from these bonds.

HEALTH & SAFETY CODE SECTION 33413 (a)

Only one of the projects listed on Table 3 (210 West Victoria) will involve the demolition of low-income housing (one unit) in order to make way for the construction of six new affordable housing units, which will be financed with Federal HOME funds. The developer (Peoples’ Self-Help Housing Corp) has complied with all State and Federal relocation requirements, and the replacement housing will be created on site.

Developers of any new Agency-funded project involving demolition of low-income housing will also be required to prepare relocation plans and comply with State and Federal relocation requirements. All low-income units that are demolished will be expected to be replaced on site.

In cases involving minimal rehabilitation, relocation is not applicable when rehabilitation is carried out with tenants in place or upon vacancy of the unit. In cases involving more substantial rehabilitation, relocation is minimized by “checker-boarding,” that is moving tenants into vacant units and conducting the rehabilitation in stages. This practice has been particularly effective in previous substantial rehabilitation projects completed by Peoples’ Self-Help Housing at 322 Ladera Street and 22 East Victoria Street.

When relocation is unavoidable, very low and low-income relocation units are frequently available through the Housing Authority, or through nonprofit housing providers in the community. When needed, moderate-income rental units are available through local affordable housing providers or the general housing market.

HEALTH & SAFETY CODE SECTION 33413 (b)

As the CCRP was initiated prior to January 1, 1976, the requirements of this Subparagraph do not apply.