City of Santa Barbara
Central City Redevelopment Project

Implementation Plan
2010 - 2014

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Adopted Month Day, Year
Redevelopment Agency Resolution # xxx

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

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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 by City Ordinance No. 4894 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). 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), City Ordinance No. 5363 was adopted June 14, 2005, and extended the effectiveness of the Plan for an additional one year period, from August 30, 2013 (thirty-six years), to August 30, 2014 (thirty-seven years) and City Ordinance No. 5388 was adopted June 6, 2006 and extended the effectiveness of the Plan for an additional one year period from August 30, 2014 (thirty-seven years), to August 30, 2015 (thirty-eight years).

If the Plan sunsets in 2015 as is presently scheduled, the 2010-2014 Implementation Plan would be the last full, five-year plan for the Project Area.

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 over the Project Area's six (6) remaining fiscal years. 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: $23,000,000

- **Fire Station #1 Administration Annex Renovation:** Project would include a seismic retrofit along with extensive interior and exterior renovations to the former muffler shop. The renovated building would be the home of the Fire Department Administration. 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 could 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, the Agency has funded purchase of two residential properties adjacent to Mission Creek for likely use as a neighborhood park and to serve as a creek buffer. Design and construction of the park would further the creek enhancements Restoration efforts will eliminate this existing blight and prevent further blight from developing.
- **Downtown Bridge Replacement:** Replacement of several structurally deficient, downtown bridges crossing Mission Creek at Mason Street, Cota Street and Ortega Street.
- **Visitor Center:** The Entrada 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.

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- **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.
- **Calle Cesar Chavez 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.
- **Police Department Building Renovations**: Seismic and structural upgrades of the police station headquarters at 215 E. Figueroa Street. Interior remodeling would upgrade the locker and exercise rooms, install an emergency generator and new heating, ventilation and air conditioning (HVAC) and electrical systems. 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.
- **Mission Lagoon Restoration:** Habitat restoration and improved public access.
- **West Beach Use Analysis & Possible Capital Improvements:** Investigation into possible future capital projects for the Waterfront neighborhood.
- **Railroad Depot Redevelopment Parcel Map:** Preparation of a redevelopment parcel map to assemble the various Redevelopment Agency owned lots that comprise the railroad depot in preparation for the future transfer to City of Santa Barbara ownership.

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: $3,100,000

- **Cultural Development Symposia:** In collaboration with the County Arts Commission 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.

- **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.
- **Community Arts Workshop (CAW):** 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. The CAW would be run a by a non-profit and a reasonable lease rate would be negotiated.
- **Art in Public Places in the CCRP:** Agency funding for the exhibit of sculptural art pieces at several locations within the Project Area.
- **Downtown Organization Cultural Promotions:** Funding 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.
- **125 State Street – Children's Museum Long-Term Lease**: Environmental site investigation and soil remediation of this 22,000 square foot, Agency-owned lot adjacent to the railroad tracks. A memorandum of understanding with the Children's Museum of Santa Barbara could potentially result in their development of this site. The Children's Museum would benefit the local community and the South Coast region.

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: $1,200,000

- **Project Area Public Restroom Renovation:** Improvements to existing public restrooms at: Plaza del Mar (23 Castillo Street), Chase Palm Park (323 E. Cabrillo Boulevard), Cabrillo Ballfield (800 E. Cabrillo Boulevard) and Pershing Park (100 Castillo Street).
- **Parking Structure No. 10 New Public Restroom**: Design and development of a new public restroom adjacent to Parking Structure No. 10 (at Ortega Street and Anacapa Street).

PARKING AND INTERSECTION 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

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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: $8,500,000

- **217 Helena Avenue Surface Parking Lot:** This Agency-owned lot a portion of this vacant property, which is intended to provide additional public parking in the Lower State Street area where parking is in high demand.

- **Downtown Parking Structure Improvements (Lots No. 2, No. 9, No. 10):** Structural improvements to parking garages at Lot No. 2 ($2.2M), Lot No. 9 ($1M), and Lot No. 10 ($2.2M) to replace deteriorating stairway and landings at these downtown structures. An Additional $100k would be needed to revise the existing plans for compliance with current codes.

- **Cabrillo Boulevard & Anacapa Street Intersection Improvements:** Design and construct intersection improvements consistent with the recent West Beach Pedestrian Improvement Project intersections.

- **De la Vina Street/Figueroa Street Intersection Improvements:** Improvement to paving, lighting, and curbs at intersection.

- **235 State Street Parking Lot Upgrade:** Bring existing Redevelopment Agency-owned parking lot (adjacent to Enterprise Fish Company restaurant) up to City standards for circulation, lighting and landscaping. The upgrade would include conversion to a "Pay by Space" lot with an automated ticket kiosk that would accept cash or credit card payments. The lot would not be accessible via the railroad depot lot.

- **Parking Lot No. 10 Paseo Improvements:** The proposed project would upgrade the walking surfaces (removal of tiles and uneven flagstone), lighting, landscaping and drainage in the paseo that connects Lot No.10 with State Street, E. Ortega Street and Thompson Avenue.

- **De la Vina Street/West Cañon Perdido Street Intersection Improvements:** Install traffic signals at De La Vina Street and Canon Perdido Street.

- **Parking Lot No. 3 Paseo Improvements:** The proposed project would upgrade the walking surfaces, landscaping, lighting, and possibly trash enclosures in the paseo between the Lot and Figueroa Street.

- **Parking Lot No. 7 (Main Library) Improvements:** The proposed project would bring the handicap parking on the ground level floor of the Library parking lot into compliance with the Americans with Disabilities Act (ADA).

- **West Haley Street/Anacapa Street Intersection Improvements:** Traffic signal upgrade at intersection.

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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: To be determined.

- **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.

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: $8,200,000

- **Lower State Street Sidewalk Improvements:** Wider sidewalks between the railroad tracks and Cabrillo Boulevard are proposed in conjunction with the private Entrada 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.

- **Sidewalk Improvements Across State Street (Haley Street, Cota Street, Ortega Street):** Replacement of deteriorating sidewalks in the heart of downtown. In total, twenty-four (24) block faces would be improved to enhance the aging infrastructure that directly serves pedestrians in the Project Area.

- **Lower Milpas Pedestrian Improvements:** Design and construction of pedestrian lighting and sidewalk infill on Lower Milpas Street from the UPRR to Cabrillo Boulevard following completion of US highway 101 Improvements.

- **Haley Corridor/Lower West Downtown Street Lighting:** This project will install State Street and Domus street lights (Depending on design jurisdiction) along Haley corridor from Castillo to Chapala Street in conjunction with the Haley Street Bridge Replacement Project. Would include all construction of all street lighting currently being designed with CDBG grant as well.

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- **Eastern Cabrillo Boulevard Sidewalks (Milpas Street to Niños Drive):** Repair and replacement of the existing sidewalk on the beach side of Cabrillo Boulevard from Milpas Street to Niños Drive. This phase would extend the recently completed sidewalks between Anacapa Street and Milpas Street. Landscaping enhancements and pedestrian amenities such as benches and new trash cans would be added where appropriate. *Note: Outside of Project Area.*

- **Brinkerhoff Street Lighting:** This project will install four (4) Carrillo style street lights, underground wire and a meter pedestal along Brinkerhoff Avenue, between W. Cota St and W. Haley St. Lights will be installed on both sides of street staggered in such a way to light the entire block.

- **Chapala Street Corridor Improvements:** Continue Chapala Design Guidelines from Carrillo Street to Anapamu Street, including lane configuration, sidewalk improvements and landscaping as part of the Downtown Transit Center. The work will be consistent with improvements planned for construction on Chapala at Anapamu and at Ortega streets as part of the West Downtown Improvement Project.

- **Waterfront Coral Tree Entry:** Renovation of the pedestrian entrance area located by the three coral trees adjacent to the Breakwater Restaurant.

- **Breakwater Lighting:** Installation of eight (8) acorn lights on the recently renovated breakwater. Original breakwater lighting was removed in the 1970's and not replaced.

- **State Street Pedestrian Amenity Improvements:** Design and construction for reorientation and relocation of existing pedestrian benches, trash/recycling cans, and chamfering of landscape planter walls.

- **Waterfront Pedestrian/Vehicle Area Improvements:** Improvements to the area between the building housing the Brophy Brothers restaurant and the Marine Center Classroom Building. Improvements could include decorative paving along the commercial/restaurant side. Surface grade improvements are needed to accommodate heavy industrial traffic at the Navy Pier

- **Downtown Street Lighting Plan:** Using established street lighting guidelines, this project will create a plan to install all infrastructure and lights to properly light sixteen (16) downtown streets from Haley St on the southeast to Victoria St to the northwest. The project will extend two (2) blocks either side of State St to De La Vina St and Santa Barbara St respectively. Excludes Carrillo Street which is already lighted. Cost estimates for the entire installation as one project as well as each individual segment will be provided.

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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: $7,000,000

- **Plaza De La Guerra Improvements:** Infrastructure improvements to the City's central plaza 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.

- **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.

- **Library Plaza Renovation:** Complete renovation of the main library plaza downtown. Improvements could include removal of walls to create an open and level entrance area that would be more attractive and secure. Overall design and landscaping would be consistent with the recently completed Jardin de las Granada open space directly across E. Anapamu Street.

- **Chase Palm Park Lighting and Electrical Upgrades:** Renovation to address design deficiencies and upgrade park infrastructure. Project would improve the power supply to better accommodate the types of uses common to the park, replace the sail structure at the pavilion and address ADA accessibility standards. Specific project elements could include: electrical service upgrade, replacement of forty (40) pole lights, modification of inoperable landscape lights for security, replacement and repair of walkways and wall surfaces, new landscaping, improving lagoon circulation, installation of fencing at the top of the Laguna Channel bank, designing a new shade structure for the Pavilion area and development of an improved sign and map program.

- **Chase Palm Park Renovation:** Replace sail structure, ADA access improvements, repair stucco, replace signage, replace playground, improve lagoon circulation, landscape renovation.

- **Mission Lagoon Restoration:** The purpose of the project is to develop a comprehensive program to improve water quality and enhance native habitats of the Andree Clark Bird Refuge. In addition to poor water quality, issues to be addressed include sedimentation, overgrown emergent vegetation, non-native habitat and the function of the weir gate.

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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: $3,500,000

- **Carrillo Recreation Center:** Interior and exterior renovation of this popular community recreation facility. Improvements would include electrical, plumbing and structural upgrades, changes for compliance with current Americans with Disabilities Act (ADA) and aesthetic enhancements.

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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 minimize the need for residential relocation.

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 the 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.

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TABLE 3 – FUTURE PROJECTS		
Project Address (Sponsor)	**Affordable Units & target population**	**Agency/City Funding to Date**
416-424 E. Cota St. "Artisan Court" (Housing Authority)	56 For at-risk formerly homeless and low-income downtown workers	$2 million in Agency funds for site acquisition in 2006 $3.2 million for construction ($2,284,583 in Agency funds, the balance ($915,417) in federal HOME funds)
421 E. Cota St. "Mom's Apartments" (Transition House)	8 Formerly homeless families	$680,000 in federal HOME funds (no Agency funds)
512-518 Bath (Housing Authority)	60 (approx) For at-risk formerly homeless and low-income downtown workers	$4.8 million in Agency funds for site acquisition in fiscal year 2007-08
618 San Pasqual (Habitat for Humanity)	4 For low income homeowners	$400,000 in State HELP funds $660,000 in federal HOME funds (no Agency funds)
Totals:	Total units: 128	Agency funding: $9,084,583 HOME funding: $2,255,417 State HELP funding: $400,000 Combined Funding: $11,740,000

Descriptions of those projects receiving Agency funds follow:

1. 416-424 EAST COTA STREET (ARTISAN COURT)

The Agency and City have provided the City Housing Authority with affordable housing loans totaling $5.2 million to assist in their development of a 56-unit low income housing project (55 studio units and one manager's unit). The "Artisan Court" project will be built on the site that the Housing Authority bought and landbanked for such purpose in 2006 with the assistance of a $2 million loan from the Agency. $3.2 million in new City and Agency loans were approved in 2009. Of this amount, $1.2 million will be used to subsidize the project development costs, and $2 million will be used toward retiring the existing bank loan on the site.

The target population for the units includes low income downtown workers, youth who are transitioning out of foster care and are at risk of homelessness, and formerly homeless persons or other special-needs persons who are at-risk of homelessness.

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The total City and Agency assistance of $5.2 million represents a subsidy of approximately $93,000 per unit. This level of City and Agency subsidy is consistent with other recent affordable housing projects.

2. 421-425 EAST COTA STREET (MOM'S PROPERTY)

The City provided Transition House with a $680,000 loan for the addition of eight units to their property at 421-425 E. Cota Street. The property was acquired in 1999 with the assistance of an Agency loan of $320,000, and consists of two mixed-use buildings – one with eight existing residential units over ground floor office 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 space for infant day care on the ground floor and the new eight units of affordable housing on the upper two floors.

3. 512-518 BATH

In fiscal year 2007-08 the Agency provided a loan of $4,800,000 to the Housing Authority to acquire this site. The Housing Authority is land-banking the site for future affordable housing development, and will operate the existing 10-unit residential structure as affordable rental housing until plans for a new project are complete. The Housing Authority has hired an architect to design a supportive housing project for the homeless and downtown workers (approximately 60 units). Since the rear of the property abuts Mission Creek, the project would include a creek restoration component. Construction is expected to start in 2010.

4. 618 SAN PASQUAL

Habitat For Humanity is in the process of predevelopment of a new project – 4 new low income ownership units – using Habitat's well-tested formula that includes donated materials and technical assistance from the local development community, volunteer labor, future homeowners' labor (sweat equity), and grant funds and donations from a wide range of foundations and local churches. The Agency provided $400,000 in state HELP funds for acquisition, and Agency staff secured $660,000 in City HOME funds for construction. Work is expected to start in 2009.

The projects listed above in Table 3 do not 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 may stay on the market only briefly.

Redevelopment Agency housing set-aside funds will be combined with other affordable housing funds that are administered by the City such as federal HOME funds and Community Development Block Grant (CDBG) funds.

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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 128 units. All but the Bath Street project are expected to be under construction during Fiscal Year 2010.

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 2009, the current balance of uncommitted housing set-aside funds is $2,859,000. This amount includes funds that have been set aside for contingencies and opportunity acquisition as well as a set-aside for a transit-oriented housing development that is not expected to go forward.

For Fiscal Year 2010, the amount equaling twenty percent of the Agency's tax increment funds was estimated at $4,080,000. After deducting administrative costs and required payments on housing bonds secured by these setaside funds, the balance that was deposited in the housing set-aside capital fund was $2,700,000. The following indicates projections for annual deposits to this fund over the next five years assuming annual increases in tax increment of two percent:

FY 2010	$2,700,000
FY 2011	$2,750,000
FY 2012	$2,800,000
FY 2013	$2,860,000
FY 2014	$2,920,000

The Agency typically spends or commits housing set-aside funds within a year of receipt. Assuming an estimated average subsidy of $125,000 per unit needed to finance future projects would result in an average of 22 affordable units built or committed during each of the five years. A higher level of production is possible due to federal HOME Program funds and also due to density bonus units and inclusionary housing units that do not receive Agency funding.

HEALTH & SAFETY CODE SECTION 33413 (a)

None of the projects listed on Table 3 will involve the demolition of low-income housing.

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.

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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.

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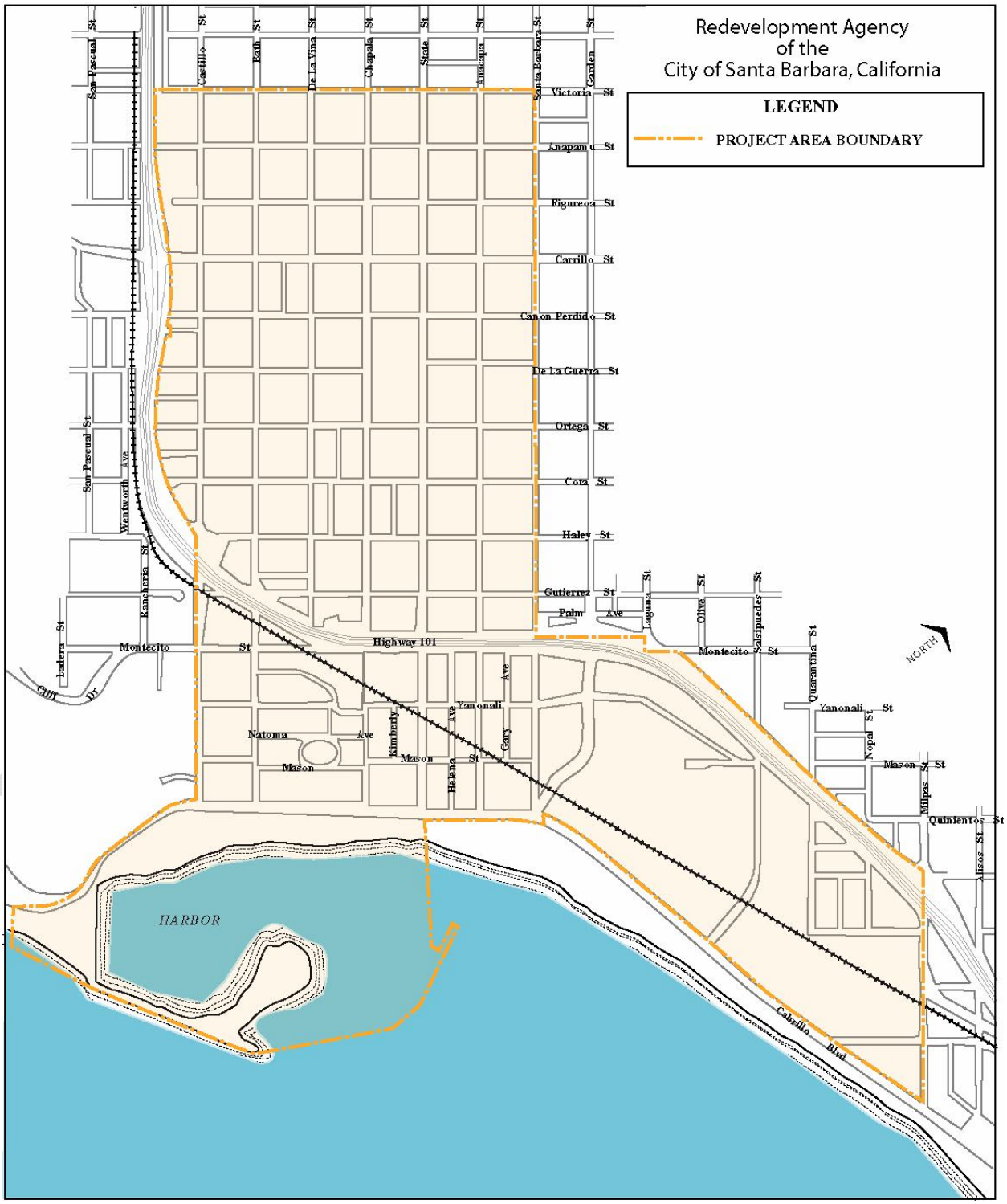
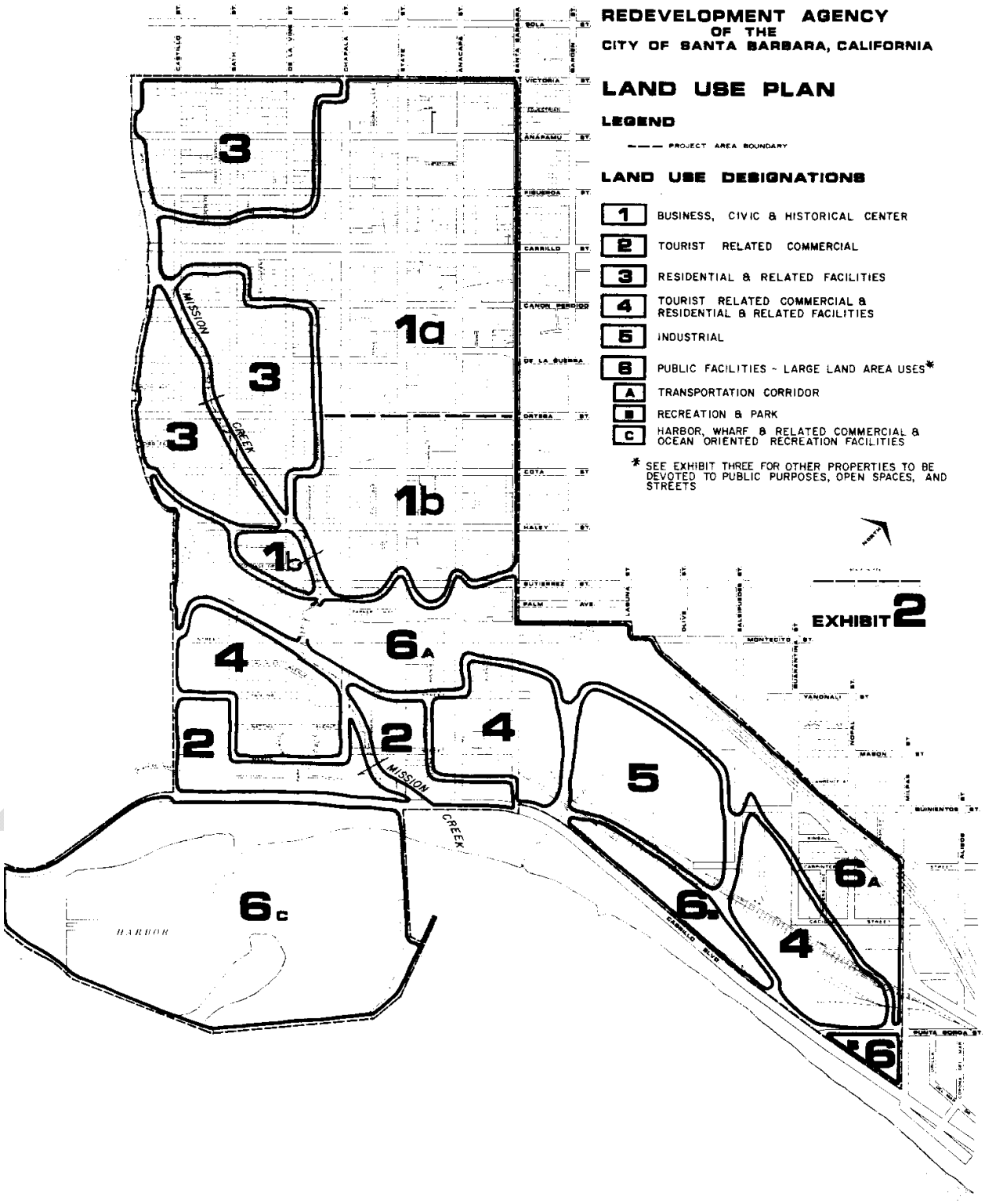
EXHIBIT 1

Santa Barbara Central City Redevelopment Project Area



SANTA BARBARA

CENTRAL CITY REDEVELOPMENT PROJECT



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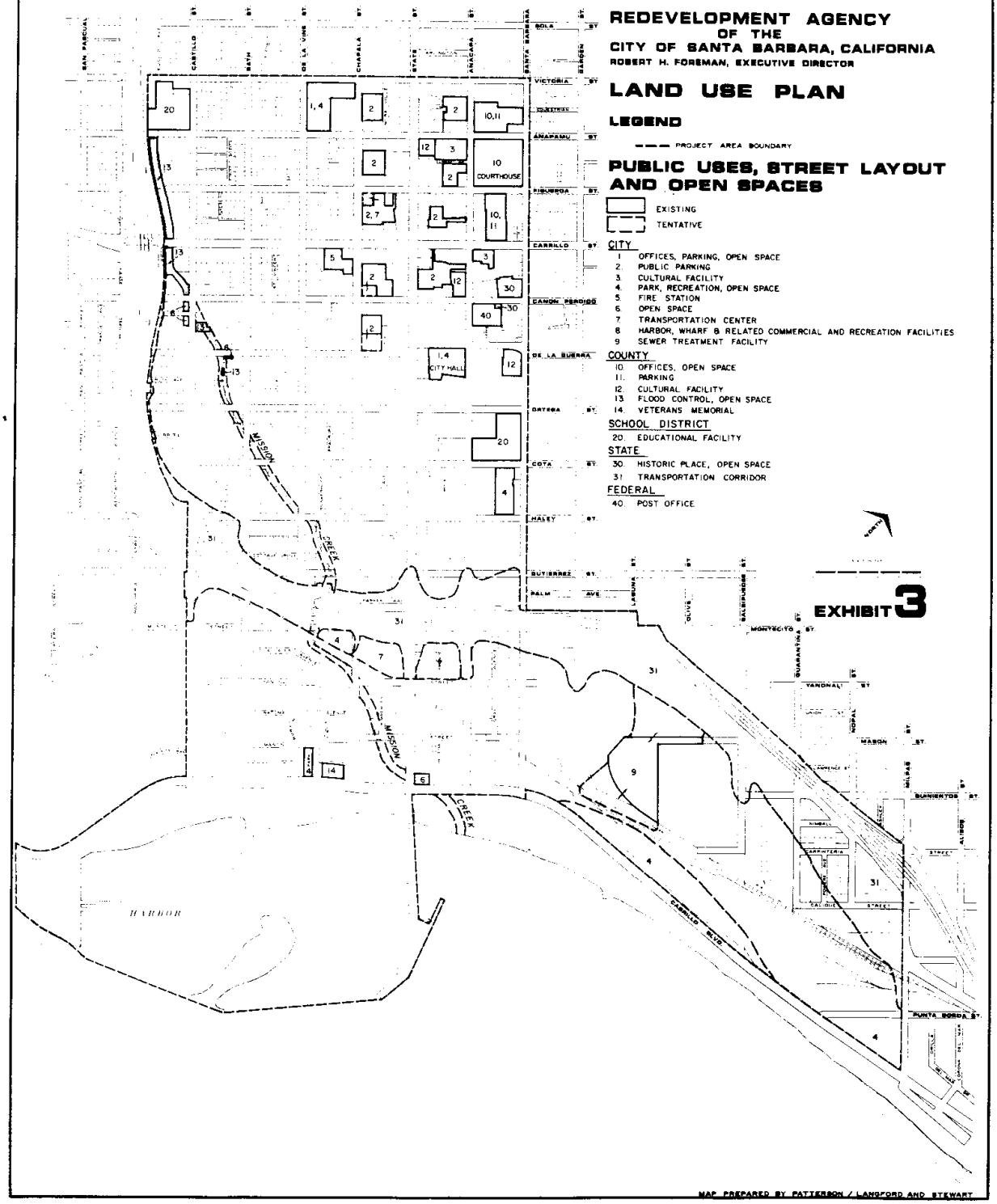
CENTRAL CITY REDEVELOPMENT PROJECT