

IMPLEMENTATION PLAN: 2010-2014

Arcata Community Development Project Area



Prepared for the
Arcata Community Development Agency

By:

PLANWEST
PARTNERS, INC. 

IMPLEMENTATION PLAN: 2010-2014

Arcata Community Development Project Area

CITY OF ARCATA COMMUNITY DEVELOPMENT AGENCY

Adopted by Resolution No. 10-10

December 16, 2009

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Appendix

- A Community Development Agency Meeting Minutes
- B Proof of Publication

SECTION 1

INTRODUCTION

This Redevelopment Implementation Plan 2010-2014, is the fourth five-year Implementation Plan for the Arcata Community Development Project Area (Project Area). The Project Area was established in 1983 in conjunction with the adoption of the *Arcata Community Development Project Area Plan*. The Arcata City Council serves as the Community Development Agency Board (Agency). Legal proceedings by the County of Humboldt against the Agency, concerning the sharing of tax increment revenues from the Project Area, prevented the Agency from commencing operations until September 1988.

The first Implementation Plan was adopted by the Agency on January 20, 1995. As of 2009, the Agency had established only one Project Area composed of 1,550 acres (Figure 1).

1.1 Statutory Requirements

California Community Redevelopment Law (CRL), *Health and Safety Code Section 33490*, requires the Agency to adopt an "Implementation Plan" for each redevelopment project area prior to December 31, 1994 and each five years thereafter. These provisions were added to the Community Redevelopment Law in 1993 and 1994. Consistent with *Health and Safety Code Section 33490*, the Implementation Plan for the Arcata Community Development Project Area contains:

- The specific goals and objectives of the Agency for the Project Area for the next five-year period;
- Specific programs, including potential projects and estimated expenditures proposed to be made during the next five-year period;
- An explanation of how the goals and objectives, programs, and expenditures will aid in the elimination of blight within the project area;
- Proposals that address the requirements applicable to expenditures from the "Affordable Housing Set-aside Fund" [set forth in Health and Safety Code Sections 33334.2, 33334.4, 33334.6]; and
- Proposals that address requirements for Agency-produced "replacement" and "inclusionary" housing set forth in Health and Safety Code Section 33413.

As per *Article 11 Section 2246 B* of the Arcata Municipal Code, the City's Economic Development Committee's powers and duties shall be, "To make recommendations to the Community Development Agency Board with respect to plans, projects and proposals affecting

the Redevelopment Project Area and within the scope of the Redevelopment Plan." In this capacity, the City's Economic Development Committee, at their December 14, 2009 meeting, recommended that the Agency adopt this Implementation Plan.

1.2 Plan Organization

The Implementation Plan addresses all of the requirements identified in Section 1.1 with the exception of replacement housing. The City of Arcata has not proposed any programs or projects that would result in the destruction or removal of existing housing units. If existing housing units are removed or tenants are required to be relocated as a result of an Agency action, the Agency will develop a specific plan that will be in compliance with state regulation. The effective time period for the Plan is from January 1, 2010 through December 31, 2014. The Agency operates on a fiscal year (July 1 - June 30) and the plan covers calendar years (2010 - 2014). Thus, the Redevelopment Plan covers the 2010 - 2014 timeframe, but economic projections that appear in the plan are based on fiscal years 2009/10-2014/15.

The Plan is organized into the following sections:

Section 1: Presents the statutory requirements and the Implementation Plan organization, preparation, and review process.

Section 2: Presents year-by-year estimates of tax increment funds accruing to the Agency, including the 20% Housing Set-aside fund.

Section 3: Identifies the conditions of blight within the project area to be addressed by the Agency within the next five years and provides a list of programs and expenditures aimed at blight reduction.

Section 4: Identifies the guiding principles of the housing program and the affordable housing goals and policies. In addition, it sets forth the housing production plan, programs, and estimated expenditures that will be employed by the Agency with respect to the use of the 20% Housing Set-aside Fund for low- and moderate-income housing.

Section 5: Provides an overview of the Project Area and the Redevelopment Plan for the Arcata Community Development Project Area and identifies Agency accomplishments during the previous five-year period. In addition, it sets forth the Agency's goals and objectives for the reduction of blight within the Project Area over the next five-year period.

1.3 Plan Preparation and Review Process

The Draft Implementation Plan was released on November 6, 2009 and was subjected to review at City Economic Development Committee meetings on November 9 and December 14, 2009, and a public hearing of the Community Development Agency on December 2, 2009. Input received from these meetings was reviewed and incorporated into the Final Implementation Plan. At their December 14, 2009 meeting, the Economic Development Committee recommended that the Community Development Agency adopt the plan. The Final Implementation Plan was adopted at a public hearing of the Community Development Agency on December 16, 2009.

The effective date of the Plan is January 1, 2010 and the Plan is intended to remain in effect until December 31, 2014. Minutes from the Community Development Agency meetings are attached as Appendix A.

1.4 Plan Updates

Health and Safety Code Section 33490 requires an Implementation Plan to be adopted every five years after December 31, 1994. This plan was prepared to meet the December 31, 2009 adoption date. The law further provides that an adopted Implementation Plan may be amended at any time by the Agency after conducting a public hearing on the proposed amendment.

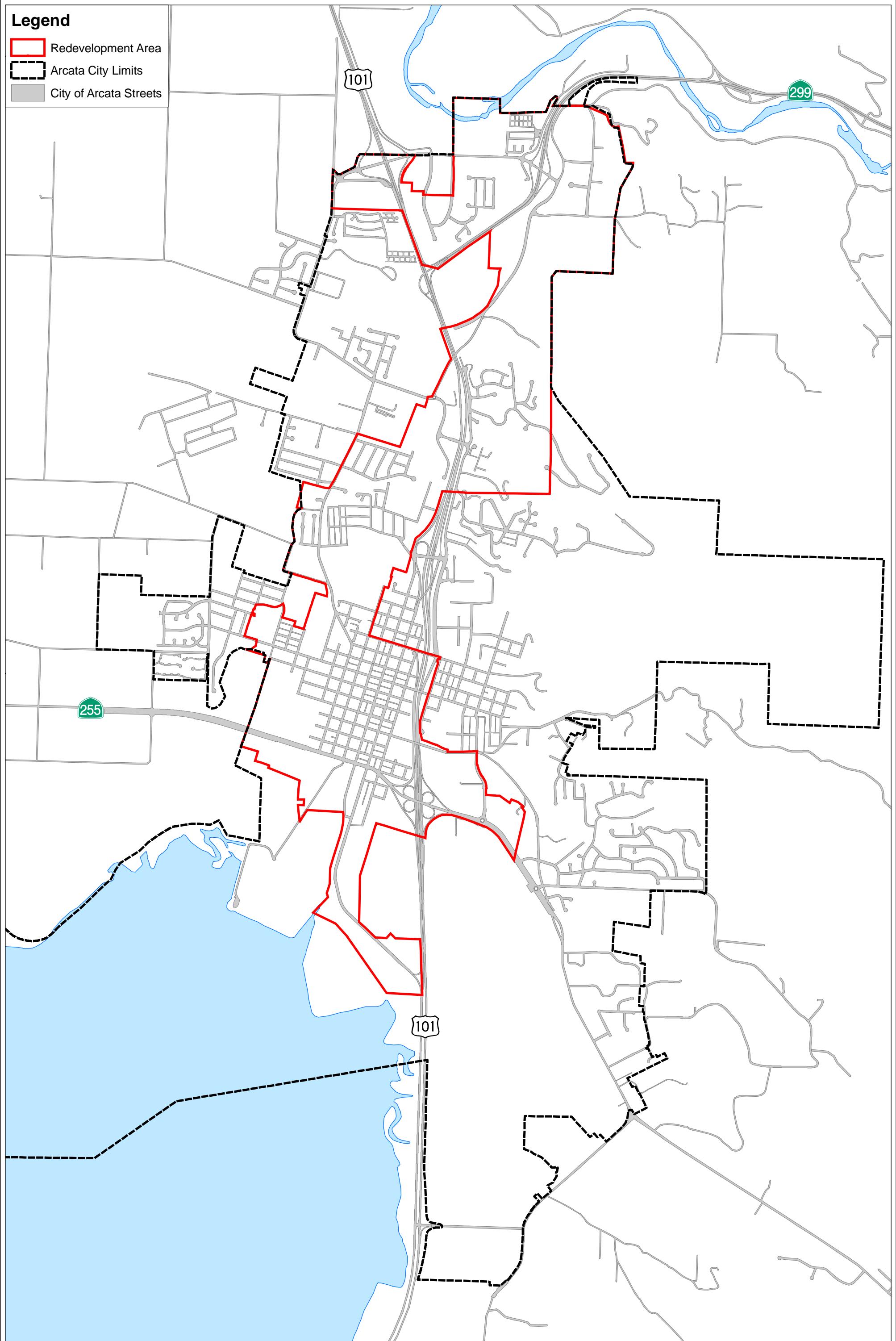
Subdivision (c) of Section 33490 further provides that the Agency must, at least once within the Implementation Plan five-year term, conduct a public hearing. The purpose of the hearing is to review the Implementation Plan, evaluate progress of the redevelopment project and provide a forum for all interested parties wanting to provide input. This required hearing must take place no earlier than two years and no later than three years after the Implementation Plan adoption. The required hearing for the previous Implementation Plan was held as part of the review of a Blight Report and Eminent Domain Ordinance on May 29, 2007 and November 7, 2007.

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Figure 1 - Arcata Redevelopment Implementation Plan - Redevelopment Area Boundary

Legend

- Redevelopment Area
- Arcata City Limits
- City of Arcata Streets



SECTION 2

TAX INCREMENT FUND ESTIMATES: 2010-2014

2.1 Tax Increment Fund Balances: 2009

Housing Set-aside Fund: The available balance of the Housing Set-aside Fund [Fund 884] as of July 1, 2009 was \$1,979,133 (Table 2.2). This balance reflects the accrual of tax increment revenues rather than funds from the issuance of bonds. The use of these funds is restricted to programs that will assist in the production of new, rehabilitated, or price-restricted housing units available to very-low, low- and moderate-income households. The fund may be used to assist in the provision of affordable housing at any location within the boundary of the City, but may not be used outside the City of Arcata.

The amount of tax increment revenues that will accrue to the 20% Housing Set-Aside Fund is projected to increase from about \$454,069 in the current fiscal year to \$550,461 by FY 2014/15 (Table 2.2). The Agency's highest annual expenditure is projected to be \$1,364,105 in FY 2009/10 with an average annual expenditure of approximately \$790,393 per year. The projected amount of accrued interest is based on the assumption that no funds are expended. The Agency is not expected to have any "excess surplus" in the Housing Fund during the period of this implementation plan.

Project Fund to Eliminate Blight: The Redevelopment Fund [Fund 885] is projected to vary from about \$9,850,156 in the current fiscal year to \$2,219,364 by FY 2014/15 (Table 2.3). The Agency's highest annual expenditure is projected to be \$6,392,208 in FY 2009/10 with an average annual expenditure of approximately \$3,139,624 per year. The total amount of funds that are projected to be available for non-housing purposes over the six fiscal year period is about \$22,550,608 (Table 2.3 2009/10 Beginning Fund balance plus Total Revenues).

2.2 Projected Tax Increment Funds: 2010-2014

Projections: *Health and Safety Code Section 33490* provides that the Implementation Plan shall contain the amount available in the Low- and Moderate-Income Housing Fund and the estimated amounts which will be deposited in the Fund during each of the next five years. Tables 2.1 through 2.3 show both the projected increments accruing to the Affordable Housing Fund [Fund 884] and to the Redevelopment Project Fund [Fund 885], as well as committed expenditures, such as scheduled payments of interest and principal on the bonds. The projections assume a three percent increase in real property valuation each year. This increase will be due to both appreciation in the value of existing real property and to new development and improvements.

This is a relatively conservative assumption based on historical increases in real property valuation within the Project Area. The assessed valuation of the Project Area has grown from the 1983/84 base year of \$127,728,686 to the 2008/09 assessed valuation of \$502,177,250. This \$374,448,564 increase in assessed value over the term of the Agency equates to an average of 5.7% growth per year (Table 2.5).

2.3 Definitions

The following explanations apply to the various items in Tables 2.1 through 2.3:

Gross Tax Increment is the total tax increment over and above the amount of tax in 1984, the base year. The gross increment includes amounts that are committed to other taxing entities as a result of the tax-sharing agreements between the Agency and those entities.

Due to Other Agencies is the portion of the gross tax increment revenues that go to other entities, such as the County and school districts, and to the State's Educational Revenue Augmentation Fund

Net Tax Increment to Agency is the net amount of the increment that is the Agency's, which is approximately 60% of the gross tax increment. The remaining 40% of the gross tax increment is retained by several other taxing entities.

Housing Fund Revenue is the 20% set-aside for affordable housing. The 20% is calculated based on the net tax increment to the Agency rather than gross tax increment. The total available balance includes interest that accrues to the Fund.

Project Fund Revenue is the amount of net increment to the agency minus the 20% set-aside that must be placed in the low- and moderate-income housing fund. These are moneys that may be used by the Agency for activities and programs that are intended to eliminate blight conditions within the project area.

Bond Debt Service is the amount of scheduled payments of principal and interest on previously issued bonds.

Administration expense is appropriations for expenses that include salaries, operations and maintenance, County tax administration charges, and other general administrative costs.

Table 2.1: Projected Net Tax Increment Revenues to Agency, 2009/10 to 2014/15 (Tax Increment Projections)

	Estimate						Total
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
Current Year Valuation	\$ 511,492,000	\$ 511,492,000	\$ 526,836,760	\$ 542,641,863	\$ 558,921,119	\$ 575,688,752	
Growth in Valuation		3.000%	3.000%	3.000%	3.000%	3.000%	
Gross Valuation	<u>\$511,492,000</u>	<u>\$526,836,760</u>	<u>\$542,641,863</u>	<u>\$558,921,119</u>	<u>\$575,688,752</u>	<u>\$592,959,415</u>	
Base Year Valuation	\$127,728,686	\$127,728,686	\$127,728,686	\$127,728,686	\$127,728,686	\$127,728,686	
Net Incremental Valuation	\$383,763,314	\$399,108,074	\$414,913,177	\$431,192,433	\$447,960,066	\$465,230,729	
Tax Rate	\$1.00/100	\$1.00/100	\$1.00/100	\$1.00/100	\$1.00/100	\$1.00/100	
Gross Tax Revenue	\$3,837,633	\$3,991,081	\$4,149,132	\$4,311,924	\$4,479,601	\$4,652,307	\$25,421,678
Unitary Tax Revenue	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Gross Revenues	<u>\$3,887,633</u>	<u>\$4,041,081</u>	<u>\$4,199,132</u>	<u>\$4,361,924</u>	<u>\$4,529,601</u>	<u>\$4,702,307</u>	<u>\$25,721,678</u>
Due to Other Agencies	\$ (1,567,289)	\$ (1,629,957)	\$ (1,694,505)	\$ (1,760,990)	\$ (1,829,469)	\$ (1,900,002)	\$ (10,382,213)
Net Tax Increment	<u>\$ 2,270,344</u>	<u>\$ 2,361,123</u>	<u>\$ 2,454,626</u>	<u>\$ 2,550,934</u>	<u>\$ 2,650,132</u>	<u>\$ 2,752,305</u>	<u>\$ 15,039,465</u>

Table 2.2: Projected 20% Housing Set-Aside Revenues Available, 2009/10 to 2014/15 Housing Fund Projections

	Estimate						Total
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
Fund Balance							
Beginning Fund Balance	\$1,979,133	\$1,091,282	\$428,569	\$510,187	\$157,474	\$171,028	\$1,979,133
Revenue							
20% Housing Set-Aside	454,069	472,225	490,925	510,187	530,026	550,461	3,007,893
Interest	20,000	43,564	16,885	19,468	4,104	2,899	106,920
Income from new development	2,185	4,249	17,057	31,382	43,674	43,674	142,220
	TOTAL	476,254	520,038	524,867	561,037	577,804	3,257,033
Expenditures							
Programs							
a. Home Ownership Program	595,000	85,000	255,000	175,000	175,000	85,000	1,370,000
b. Multifamily Program	452,000	965,000	5,000	305,000	205,000	5,000	1,937,000
c. Housing Rehabilitation Program	8,000	38,000	83,000	83,000	83,000	83,000	378,000
d. Housing for Homeless	232,605	25,000	25,000	275,000	25,000	25,000	607,605
Service Delivery							
	TOTAL	76,500	69,750	75,250	75,750	76,250	76,250
Net increase (decrease) for year	(887,851)	(662,712)	81,617	(352,713)	13,554	322,784	(1,485,322)
Ending Fund Balance	\$1,091,282	\$428,569	\$510,187	\$157,474	\$171,028	\$493,811	\$493,811

Note: The Tax Increment projections assume a 3% per year growth in the assessed value of property.

The Total column is designed to show the total for the 5 year Plan; therefore the Total Beginning Fund Balance is the 2009/10 beginning balance.

Table 2.3: Projected "Project Fund" Revenues Available, 2009/10 - 2014/15

	Estimate						
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Fund Balance							
Beginning Fund Balance	\$9,850,156	\$4,292,397	\$3,316,550	\$2,809,505	\$2,344,030	\$2,219,364	\$9,850,156
Revenue							
Tax Increment (from Sum table)	1,816,275	1,888,899	1,963,701	2,040,748	2,120,105	2,201,844	12,031,572
Additional increment from new projects	8,741	16,996	68,227	125,528	174,695	174,695	568,880
Interest	100,000	-	-	-	-	-	100,000
TOTAL	1,925,016	1,905,895	2,031,928	2,166,275	2,294,800	2,376,539	12,700,452
Expenditures							
Programs							
a. Façade Rehabilitation	(80,000)	(40,000)	(60,000)	(80,000)	(60,000)	(40,000)	(360,000)
b. Infill Development	(460,000)	(45,000)	(70,000)	(70,000)	(70,000)	(70,000)	(785,000)
c. Community Revitalization	(95,000)	(545,000)	(97,000)	(97,000)	(105,000)	(105,000)	(1,044,000)
d. Gateway Improvement	(275,000)	-	-	-	-	-	(275,000)
e. Public Infrastructure	(3,550,923)	(348,000)	(750,000)	(800,000)	(650,000)	(50,000)	(6,148,923)
Service Delivery	(92,500)	(45,500)	(45,500)	(45,500)	(45,500)	(45,500)	(320,000)
Plans	(363,000)	(88,750)	(33,750)	(33,750)	(73,750)	(83,750)	(676,750)
Debt Service	(977,724)	(979,601)	(975,711)	(975,336)	(978,786)	(976,636)	(5,863,795)
Administration Expense	(498,061)	(534,671)	(551,793)	(574,944)	(593,500)	(611,305)	(3,364,276)
TOTAL	(6,392,208)	(2,626,522)	(2,583,754)	(2,676,531)	(2,576,537)	(1,982,192)	(18,837,744)
Other Adjustments							
ERAF III Payment to State	(1,124,153)	(300,000)	-	-	-	-	(1,424,153)
Repayment of Notes Receivable	33,586	44,781	44,781	44,781	157,071	-	325,000
TOTAL	(1,090,567)	(255,219)	44,781	44,781	157,071	-	(1,099,153)
Net increase or (decrease) for year	(5,557,759)	(975,847)	(507,045)	(465,475)	(124,666)	394,347	(7,236,445)
Ending Fund Balance	\$4,292,397	\$3,316,550	\$2,809,505	\$2,344,030	\$2,219,364	\$2,613,711	\$2,613,711

Note: The Tax Increment projections assume a 3% per year growth in the assessed value of property.

The Total column is designed to show the total for the 5 year Plan; therefore the Total Beginning Fund Balance is the 2009/10 beginning balance.

Table 2.4: Potential New Development Resulting in Additional Tax Increment, 2010 - 2014

	Number of Buildings	Net Taxable Value	Total Taxable Value	Tax Rate	Annual Tax Increment
Janes Creek Meadows (Res)	10	\$ 180,000	\$ 1,800,000	0.00607	\$ 10,926
Q Street Subdivision (Res)	18	275,000	4,950,000	0.00607	30,047
BBB Associates (Res) O Street	12	275,000	3,300,000	0.00607	20,031
Los Harbors (8 Res 2 Ind)	10	275,000	2,750,000	0.00607	16,693
Best Lumber	1	400,000	400,000	0.00607	2,428
NEC	1	600,000	600,000	0.00607	3,642
Sachi Truck lot	1	450,000	450,000	0.00607	2,732
Sachi Used Car Lot	1	700,000	700,000	0.00607	4,249
Humboldt Machine Works	1	500,000	500,000	0.00607	3,035
Zanzi	5	500,000	2,500,000	0.00607	15,175
Valley West/East	1	3,500,000	3,500,000	0.00607	21,245
Mill Yard	1	1,200,000	1,200,000	0.00607	7,284
Aldergrove	1	300,000	300,000	0.00607	1,821
Desserts on Us expansion	1	500,000	500,000	0.00607	3,035
West End Road	2	500,000	1,000,000	0.00607	6,070
Alibi	1	1,000,000	1,000,000	0.00607	6,070
Britt Lumber	1	4,000,000	4,000,000	0.00607	24,280
Trillium	8	300,000	2,400,000	0.00607	14,568
Unidentified New Developments	15	<u>275,000</u>	<u>4,125,000</u>	<u>0.00607</u>	<u>25,039</u>
Total		<u>\$ 35,975,000</u>			<u>\$ 218,368</u>

NOTE: Net and Total Taxable Income is based on additional building valuation and does not assume increased land value.

2.4 Tax Increment Generated from Potential New Development

The tax increment projections and revenue generation outlined in Tables 2.1, 2.2, and 2.3 are based on all current existing development assuming a 3% annual growth increase; however, the increment is expected to grow as new projects are permitted, financed and developed over the next five years. The Redevelopment Project Area has the potential to develop projects with a total taxable value of approximately \$35,975,000 over the period of this plan (Table 2.4). This has the potential to yield an additional Annual Tax Increment of \$218,368 to be distributed to Housing and Program funds. This is “Additional increment from new projects” in Tables 2.2 and 2.3. The total revenue projected is greater than \$218,368 because after a project is complete the Agency will receive the Annual Tax Increment each year.

2.5 Bond Fund Caps

Monetary: The *Arcata Community Development Project Area Plan: 1983* specified that bonded indebtedness stemming from bonds issued by the Agency to be repaid in whole or in part from the allocation of taxes pursuant to *Section 33670* of the *California Health and Safety Code* shall not exceed \$20,000,000 at any one time. The Agency currently has a total debt burden of \$12,470,000. The Agency should consider issuing additional bonds beginning in year four of this Plan, fiscal year 2013/14. In addition, the Project Area Plan states, “as to tax increment generated within the Project Area, no more than \$50,000,000 may be divided and allocated to the Agency without further amendment of this Plan” (pp. 45-46). The total allocation to the Agency as of 2009 is \$25,525,772 which is well below this limit (Table 2.6). In order to continue making bonds available to finance redevelopment activities, the cap will need to be increased to approximately \$100 million through 2033. Table 2.5 details increased valuation in monies accrued by the Agency due to redevelopment activities.

2.6 Educational Revenue Augmentation Fund (ERAFF)

Redevelopment Agencies throughout the state are required to shift \$1.7 billion in tax revenues to K-12 Schools and community colleges during FY2009/10 and \$350 million during FY2010/11. These funds are deposited in county "Supplemental" Educational Revenue Augmentation Funds (SERAFF) to be distributed to meet the State's Proposition 98 obligations to schools. The formula for calculating the amount each agency must surrender is based half on net tax increment (net of pass-throughs) and half on gross tax increment. The City's 2009/10 estimated contribution is \$1,124,153 and the 2010/11 estimated contribution is \$300,000 (Table 2.3). The California Redevelopment Association is filing a lawsuit to stop this take of funds, but the outcome is unknown at this time. Since additional payments beyond 2010/11 have not been enacted, this plan assumes that the ERAFF payments will occur only through this time. This potential ERAFF shift if continued by the State would have significant budgetary implications. The Agency should monitor the ERAFF closely and amend this plan as may be required.

2.7 Annexation

The Northtown area should be considered for annexation into the Redevelopment Project Area (Figure 2). City Council and Agency Board goals have consistently stated that the Northtown area should be annexed. The Agency staff should monitor legislation that might allow Agencies to annex land within one mile of an intermodal transit facility into the project area. The Westwood and Sunny Brae neighborhood Shopping Centers as well as the industrial area on West End Road should also be considered for annexation. In addition, the Agency should work with the school district to support their redevelopment of the Bloomfield School site. The Agency should consider establishing a separate Redevelopment Project Area or other mechanism to support the private redevelopment activities at the Westwood and Sunny Brae neighborhood shopping centers, West End Road, and Bloomfield School sites.

Table 2.5: Arcata Community Development Agency Historical Assessed and Projected Valuations from 1983/84 (Base Year) to 2023/24

<u>Year</u>	<u>Assessed Valuation</u>			<u>Growth Since Base Year</u>	<u>Annual Growth</u>	<u>Annual Growth Rate</u>
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>			
1983/84	110,134,758	17,593,928	127,728,686	(Base Year)		
1984/85	111,758,968	19,980,229	131,739,197	4,010,511	4,010,511	3.1%
1985/86	119,289,385	20,519,348	139,808,733	12,080,047	8,069,536	6.1%
1986/87	128,751,162	12,550,941	141,302,103	13,573,417	1,493,370	1.1%
1987/88	139,630,735	14,226,365	153,857,100	26,128,414	12,554,997	8.9%
1988/89	136,692,214	14,063,816	150,756,030	23,027,344	(3,101,070)	-2.0%
1989/90	147,830,487	15,719,739	163,550,226	35,821,540	12,794,196	8.5%
1990/91	159,295,211	20,390,474	179,685,685	51,956,999	16,135,459	9.9%
1991/92	180,519,042	19,758,986	200,278,028	72,549,342	20,592,343	11.5%
1992/93	195,760,248	21,285,803	217,046,051	89,317,365	16,768,023	8.4%
1993/94	213,858,626	24,970,810	238,829,436	111,100,750	21,783,385	10.0%
1994/95	225,809,647	24,611,996	250,421,643	122,692,957	11,592,207	4.9%
1995/96	233,483,873	28,309,820	261,793,693	134,065,007	11,372,050	4.5%
1996/97	240,971,430	30,509,045	271,480,475	143,751,789	9,686,782	3.7%
1997/98	249,071,698	31,110,975	280,182,673	152,453,987	8,702,198	3.2%
1998/99	259,464,468	31,591,238	291,055,706	163,327,020	10,873,033	3.9%
1999/00	269,826,962	31,428,820	301,255,782	173,527,096	10,200,076	3.5%
2000/01	285,170,264	30,451,989	315,622,253	187,893,567	14,366,471	4.8%
2001/02	300,516,524	33,727,715	334,244,239	206,515,553	18,621,986	5.9%
2002/03	312,244,526	39,906,548	352,151,074	224,422,388	17,906,835	5.4%
2003/04	319,840,063	41,880,136	361,720,199	233,991,513	9,569,125	2.7%
2004/05	345,433,507	41,837,005	387,270,512	259,541,826	25,550,313	7.1%
2005/06	370,413,704	43,680,584	414,094,288	286,365,602	26,823,776	6.9%
2006/07	404,167,625	42,733,197	446,900,822	319,172,136	32,806,534	7.9%
2007/08	435,191,096	42,691,103	477,882,199	350,153,513	30,981,377	6.9%
2008/09	460,556,878	41,620,372	502,177,250	374,448,564	24,295,051	5.1%
					Average	14,977,943
						5.7%
<u>Projections</u>						
2009/10	458,654,876	52,837,124	511,492,000	383,763,314	9,314,750	3.0%
2010/11	472,414,523	54,422,237	526,836,760	399,108,074	15,344,760	3.0%
2011/12	486,586,958	56,054,904	542,641,863	414,913,177	15,805,103	3.0%
2012/13	501,184,567	57,736,552	558,921,119	431,192,433	16,279,256	3.0%
2013/14	516,220,104	59,468,648	575,688,752	447,960,066	16,767,634	3.0%
2014/15	531,706,707	61,252,708	592,959,415	465,230,729	17,270,663	3.0%
2015/16	547,657,908	63,090,289	610,748,197	483,019,511	17,788,782	3.0%
2016/17	564,087,646	64,982,997	629,070,643	501,341,957	18,322,446	3.0%
2017/18	581,010,275	66,932,487	647,942,762	520,214,076	18,872,119	3.0%
2018/19	598,440,583	68,940,462	667,381,045	539,652,359	19,438,283	3.0%
2019/20	616,393,801	71,008,676	687,402,477	559,673,791	20,021,431	3.0%
2020/21	634,885,615	73,138,936	708,024,551	580,295,865	20,622,074	3.0%
2021/22	653,932,183	75,333,104	729,265,288	601,536,602	21,240,737	3.0%
2022/23	673,550,149	77,593,097	751,143,246	623,414,560	21,877,959	3.0%
2023/24	693,756,653	79,920,890	773,677,544	645,948,858	22,534,297	3.0%

Table 2.6: City of Arcata Redevelopment Agency Tax Increment Analysis

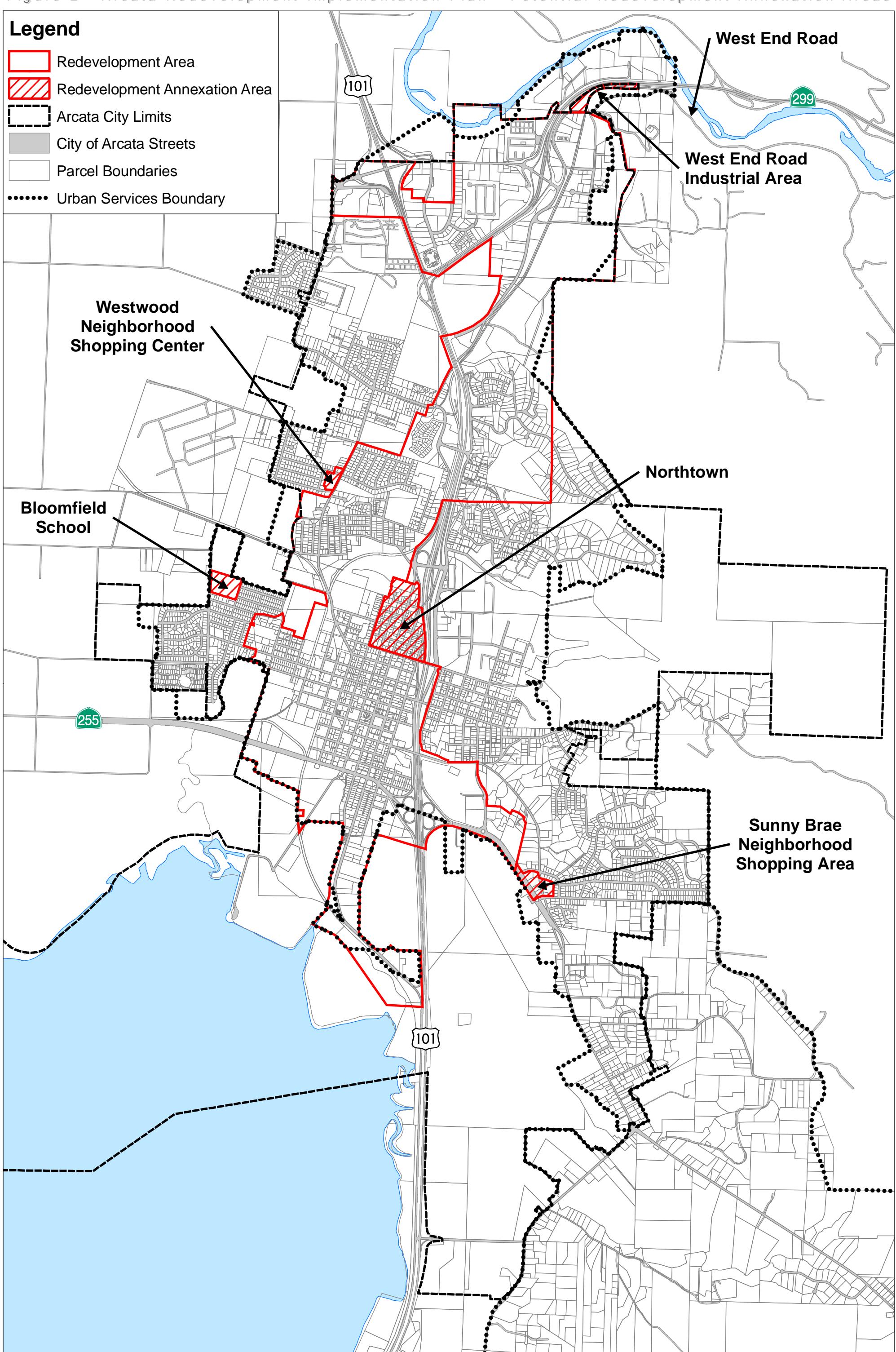
Fiscal Year	Project Fund Tax Increment	Housing Fund Tax Increment	Total
1988/89	\$ 466,541	\$ 116,634	\$ 583,175
1989/90	253,821	62,812	316,633
1990/91	361,323	89,544	450,867
1991/92	549,463	136,454	685,917
1992/93	582,134	145,534	727,668
1993/94	687,966	171,992	859,958
1994/95	738,234	184,558	922,792
1995/96	768,683	192,171	960,854
1996/97	721,829	180,457	902,286
1997/98	738,394	184,598	922,992
1998/99	753,773	188,443	942,216
1999/00	905,559	226,390	1,131,949
2000/01	1,001,484	250,371	1,251,855
2001/02	1,082,218	270,385	1,352,603
2002/03	1,211,274	302,819	1,514,093
2003/04	1,224,963	306,241	1,531,204
2004/05	1,337,658	334,162	1,671,820
2005/06	1,528,279	382,070	1,910,349
2006/07	1,725,631	431,408	2,157,039
2007/08	1,746,118	436,529	2,182,647
2008/09	2,037,483	509,371	2,546,854
Total-to-date	<u>\$ 20,422,828</u>	<u>\$ 5,102,944</u>	<u>\$ 25,525,772</u>
Budget 2009/10	<u>\$ 2,100,000</u>	<u>\$ 525,000</u>	<u>\$ 2,625,000</u>

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Figure 2 - Arcata Redevelopment Implementation Plan - Potential Redevelopment Annexation Areas

Legend

- Redevelopment Area
- Redevelopment Annexation Area
- Arcata City Limits
- City of Arcata Streets
- Parcel Boundaries
- Urban Services Boundary



SECTION 3

PROGRAMS TO REDUCE BLIGHT: 2010-2014

3.1 Purpose and Requirements

The Agency's blight reduction programs have a threefold purpose:

1. To provide a statement for the public of the Agency's intentions for redevelopment activities over the next five-year period;
2. To provide the basis for formulating specific blight reduction or elimination programs within the project area; and
3. To serve as a guideline for the future Agency fund budgeting and expenditure.

Although program descriptions are provided, it must be emphasized that, for the most part, specific program and project details are not presently known. The general programs and projects set forth in this section are indications of the types of activities contemplated by the Agency for the next five-year period.

Health and Safety Code Section 33490 provides that adoption of the Implementation Plan shall not constitute an approval of any specific program, project, or expenditure and shall not change the need to obtain any required approval of a specific program, project, or expenditure from the Agency or community. While the Implementation Plan is more specific than the Redevelopment Plan as to the Agency's intentions and proposed programs over the five-year period, it is not intended to limit the authority of the Agency to take advantage of shifts in market conditions or opportunities that arise in the five-year period in order to effectively eliminate blight. The Implementation Plan, therefore, does not constitute a final "blueprint" for all Agency activities over the next five years.

3.2 Blight to be Addressed Within the Next Five Years

The Agency has a number of tools to address blight in the project area. One such tool is the use of eminent domain which was ratified on November 28, 1995 by Ordinance No.1245. The Agency's current authorization to utilize this tool to eliminate blight, for limited purposes, was described and adopted on June 6, 2007 through Ordinance No. 1362 and November 7, 2007 through Ordinance No. 1368.

The blight conditions intended to be addressed by the programs, activities, and expenditures identified in this Plan from January 1, 2010 to December 31, 2014 include the following:

- Inadequate City street, County roadway, and State highway system, including: inadequate access to industrial, commercial and residential areas, improper road alignments at intersections, congested street segments, lack of proper traffic channelization, inadequate curbs, gutters and sidewalks, missing links in streets and sidewalks, deterioration and disrepair in existing streets and sidewalks, inadequate bike lanes and trail system connectivity based on the *Arcata Pedestrian and Bicycle Master Plan Update*.
- Inadequate and deteriorating public infrastructure and facilities, including: inadequate parking in the downtown; inadequate street lighting; deteriorating and insufficient storm and sanitary sewer systems; lack of needed improvements in public parks.
- Obsolescence and disrepair in commercial structures and facades, especially within the Samoa Boulevard and Valley West areas.
- Inadequate investment in housing, especially at affordable price and rent levels.
- Declining economic base, including insufficient new private investment and lack of development or redevelopment within the Project Area which has resulted because of the inadequacy of the required public facilities and services, and adequate circulation improvements necessary to accommodate the redevelopment of the area in cooperation with the private sector.
- The presence of vacant and viable industrial and commercial property whose development has been impeded due to a community infrastructure system which is not fully designed and developed to a standard for development.

3.3 Estimated Expenditures

Housing Set-aside Expenditures: The Redevelopment Agency Housing Set-aside Programs include Home Ownership, Multifamily, Housing Rehabilitation, Housing For Homeless, and Service Delivery Programs. Table 3.4. outlines the specific estimated expenditures by year for the Programs described below. Table 3.4 also includes funds for Committed Projects. These Committed Projects are housing projects currently in the planning stage that may need financial assistance in the next 5 years. Additional information concerning the 20% Housing Set-aside Programs can be found in section four.

The Home Ownership program is designed to assist low- and moderate-income families purchase a home by providing financing for the construction of new homes and/or providing low-interest and partially deferred payment loans that effectively reduce monthly housing costs. The Housing Rehabilitation Program is designed to provide low-interest and partially deferred

payment loans to improve the City's existing housing stock by assisting below moderate income households to eliminate health or safety deficiencies, renovate and/or restore older homes, and eliminate blight. The Multifamily Program is designed to provide financial assistance for the new construction and/or the rehabilitation of existing apartments that will be rented to households with below moderate income. The Housing for Homeless Program is designed to provide assistance for the construction of Emergency, Transitional, or Supportive Housing to homeless individuals and families. Service Delivery is intended to provide predevelopment, grant application preparation, loan servicing, and long term project compliance monitoring to ensure that there is a continuous new project pipeline and that existing projects are maintained as intended.

New Affordable Housing construction projects typically take from three (3) to five (5) years from project inception to completion. As a result of this time frame, it is important to have a project pipeline that includes projects in various stages ranging from grant application, environmental review, land use permitting, financing, and construction. The Agency has tried to provide funding for all programs, but intends to continue to focus on home ownership as this has consistently been identified as a community priority and will have the most positive benefits towards strengthening community values. The Agency will also focus on developing transitional housing on South E Street, Plaza Point senior housing on 8th and I Streets, rehabilitation of two mobile home parks, providing financial assistance for inclusionary zoning developments, and will also seek to develop an Emergency Shelter within the term of this plan. The Agency may also work to develop single room occupancy units.

The Agency's Housing Set-aside funds have been used to leverage grant funds to support affordable housing. Table 4.5 documents that the City has received a total of approximately \$22,888,785 of CDBG and HOME grants since 1982. In the last planning period (2005 - 2009), the City received \$4,690,000 primarily to support affordable housing and the City's Business Loan Program. The Agency generally provides 25% cash leverage to these projects. Based on the previous history of receiving grants and the amount of Agency funds available for affordable housing, it is estimated that the City has the potential to receive up to \$2,500,000 of CDBG Grants and between \$4,000,000 and \$12,000,000 of HOME grant funds. The Agency has also leveraged funds for a \$1,000,000 Emergency Housing Assistance Program Capital Improvement Funds grant/loan application for transitional housing for the homeless.

In addition, the City has worked with both non-profit and private developers to acquire over \$10,000,000 of low-income tax credits. These tax credits have assisted with the construction of the Bayview Courtyards Senior Housing Project as well as the Courtyards at Arcata Phase I and II apartments. The City is currently working with a private developer for an additional \$6,000,000 of tax credits for a senior housing development. Based on these estimates, the Agency and City of Arcata have the potential to make \$4,500,000 to \$25,000,000 of tax increment, grant, and tax credits available to support affordable housing during the planning period.

Administration: Table 3.1 outlines the funds available to support Agency Administration Expenditures. In 2009 the Agency reviewed the current staffing level against the projected projects and revenue available and determined that additional staffing is required to implement

this Plan. A second Redevelopment Specialist is anticipated for hire in 2010, to focus on the Economic Development aspects of the Redevelopment Agency projects. This addition will bring the staffing level of the Redevelopment Agency to the level needed to carry out the proposed programs and projects in a timely and efficient manner. With the addition of the new staff position, the Agency is projected to expend a total of \$498,061 to \$611,305 per year for administrative expenses. Based on a total estimated annual expenditure of approximately \$3,139,624 per year the Agency expends 17% on administrative expenses. To maintain this staff level, the Agency should plan to retain enough project funds in reserve to fund administrative expenses for 2 years. Therefore, the project fund balance should remain above approximately \$1,200,000 annually (Table 2.3). The Agency allocates personnel funds to directly support affordable housing through the Deputy Director of Community Development, Redevelopment Project Coordinator, and Redevelopment Program Specialist positions.

Projects and Planning: The Redevelopment Agency Project Fund Programs include a Façade Grant Program, Infill Development, Community Revitalization, Gateway Improvement, Public Infrastructure to Support Private Investment, and Service Delivery Program. Table 3.2 outlines the specific estimated expenditures by year for the Programs described below. Table 3.2 also includes funds for Committed Projects. These Committed Projects are projects currently in the planning stage that may need financial assistance in the next 5 years. Committed Projects include public infrastructure improvements for public and City projects, as well as development of agency-owned property.

The Façade Program is intended to provide tax generation, infrastructure improvement, community beautification, historic preservation, job creation, and provide a sense of well being and vitality in the targeted area. The Infill Development Program is intended to eliminate blight and create jobs by promoting the orderly development of vacant and underutilized parcels within the urban area to discourage open space development. The Community Revitalization Program provides street trees, widens sidewalks, as well as removes graffiti in order to make the community more attractive for residents and to attract tourists. The Gateway Improvement Program will focus on the Samoa Blvd., Giuntoli Lane, and Sunset/H Street gateways by establishing coordinated landscaping, signage, and highlighting the community's image to make the community more attractive to tourists and community members. The Owner Participation Program develops or expands deficient public infrastructure to support private investment of key parcels. The Service Delivery Program is intended to provide predevelopment, grant application preparation, loan servicing, and long term project compliance monitoring to ensure that there is a continuous new project pipeline and that existing projects are maintained as intended. In total, approximately \$8,932,923 in project expenditures is projected for the plan term (Table 3.2).

Tabel 3.1: Administration Expenditures

	FTE	Estimated Expenditures by Year						TOTAL
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
Personnel								
Community Development Director	0.40	\$ 58,131	\$ 59,875	\$ 62,270	\$ 65,384	\$ 68,653	\$ 70,713	\$ 385,027
Deputy Director of Community Development	0.60	\$ 62,102	\$ 64,586	\$ 67,815	\$ 71,206	\$ 73,342	\$ 75,542	\$ 414,592
Misc other admin (Rdevelopment Specialist I)	0.40	-	27,443	28,815	30,255	31,163	32,098	\$ 149,774
Redevelopment Program Coordinator	0.40	\$ 32,204	\$ 33,492	\$ 35,166	\$ 36,925	\$ 38,032	\$ 39,173	\$ 214,992
Redevelopment Project Specialist	0.40	\$ 27,443	\$ 28,540	\$ 29,967	\$ 31,466	\$ 32,410	\$ 33,382	\$ 183,208
Senior Planner	0.05	\$ 5,039	\$ 5,240	\$ 5,502	\$ 5,778	\$ 5,951	\$ 6,129	\$ 33,639
Secretary	0.10	\$ 6,678	\$ 6,945	\$ 7,292	\$ 7,656	\$ 7,886	\$ 8,123	\$ 44,579
City Manager	0.20	\$ 35,254	\$ 36,664	\$ 38,498	\$ 40,422	\$ 41,635	\$ 42,884	\$ 235,358
Finance Director	0.15	\$ 21,044	\$ 21,886	\$ 22,980	\$ 24,129	\$ 24,853	\$ 25,598	\$ 140,490
Public Works Director	0.05	\$ 7,109	\$ 7,394	\$ 7,763	\$ 8,152	\$ 8,396	\$ 8,648	\$ 47,462
Public Works Deputy Director	0.05	\$ 6,108	\$ 6,353	\$ 6,670	\$ 7,004	\$ 7,214	\$ 7,430	\$ 40,780
Public Works Technician	0.20	\$ 7,162	\$ 7,449	\$ 7,821	\$ 8,212	\$ 8,459	\$ 8,713	\$ 47,816
Redevelopment Specialist I Part Time	0.25	\$ 7,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,771
GIS Specialist Part Time	0.10	\$ 4,307	\$ 4,480	\$ -	\$ -	\$ -	\$ -	\$ 8,787
Office Assistant Part Time	0.30	\$ 8,529	\$ 8,870	\$ 9,313	\$ 9,779	\$ 10,072	\$ 10,375	\$ 56,938
	TOTAL	3.65	\$ 288,881	\$ 319,216	\$ 329,874	\$ 346,368	\$ 358,066	\$ 368,808
								\$ 2,011,214
Materials, Administration, & Overhead								
Training, Memberships, & Dues		\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 38,810
Memberships and Dues		\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 25,874
Insurance		10,350	10,661	10,980	11,310	11,649	11,998	\$ 66,948
Departmental Postage, Supplies, & Photocopy		10,000	10,300	10,609	10,927	11,255	11,593	\$ 64,684
Replacement		6,000	6,180	6,365	6,556	6,753	6,956	\$ 38,810
Overhead		87,930	90,568	93,285	96,083	98,966	101,935	\$ 568,767
	TOTAL	\$ 124,280	\$ 128,008	\$ 131,849	\$ 135,804	\$ 139,878	\$ 144,075	\$ 803,894
Professional Services								
Audit Services		\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 51,747
Sales & Property Tax Consulting		12,100	12,463	12,837	13,222	13,619	14,027	\$ 78,268
Property Tax Administration (County)		68,000	70,040	72,141	74,305	76,535	78,831	\$ 439,852
Arbitrage Rebate Services		-	-	-	-	12,000	-	\$ 12,000
	TOTAL	\$ 88,100	\$ 90,743	\$ 93,465	\$ 96,269	\$ 111,157	\$ 102,132	\$ 581,867
	GRAND TOTAL	\$ 501,261	\$ 537,967	\$ 555,188	\$ 578,441	\$ 609,102	\$ 615,015	\$ 3,396,975

Table 3.2: Long Term Planning Expenditures

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
Facade Rehabilitation Program Grants							
Downtown	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Samoa Blvd	-	40,000	40,000	40,000	20,000	20,000	\$ 160,000
Valley West & Quintoli Lane	-	-	20,000	40,000	40,000	20,000	\$ 120,000
TOTAL	\$ 80,000	\$ 40,000	\$ 60,000	\$ 80,000	\$ 60,000	\$ 40,000	\$ 360,000
Infill Development Program							-
Business Loans Programs	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000
Mill Reuse Master Planning	50,000	25,000	-	-	-	-	\$ 75,000
Alquist Priolo	60,000	20,000	20,000	20,000	20,000	20,000	\$ 160,000
Brownfields/UST assessment & clean-up program	250,000	-	-	-	-	-	\$ 250,000
TOTAL	\$ 460,000	\$ 45,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 785,000
Community Revitalization Program							-
Downtown Street Scape Improvements	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Street Tree Program	15,000	15,000	15,000	15,000	15,000	15,000	\$ 90,000
Valley West Streetscape and Trail	-	100,000	-	-	-	-	\$ 100,000
Samoa Boulevard Revitalization	-	200,000	-	-	-	-	\$ 200,000
Neighborhood Improvement Program	10,000	10,000	12,000	12,000	15,000	15,000	\$ 74,000
Neighborhood Sidewalk Infill	30,000	30,000	30,000	30,000	35,000	35,000	\$ 190,000
Graffiti Abatement Program	5,000	5,000	5,000	5,000	5,000	5,000	\$ 30,000
Main Street; Commercial; and Tourism Revitalization	35,000	35,000	35,000	35,000	35,000	35,000	\$ 210,000
TOTAL	\$ 95,000	\$ 545,000	\$ 97,000	\$ 97,000	\$ 105,000	\$ 105,000	\$ 1,044,000
Gateway Improvement Program							-
Samoa Boulevard Gateway	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Sunset/H Street Gateway	25,000	-	-	-	-	-	\$ 25,000
Giuntoli Lane/Janes Road Gateway	-	-	-	-	-	-	-
Giuntoli Lane/Boyd Road Gateway	-	-	-	-	-	-	-
TOTAL	\$ 275,000	\$ -	\$ 275,000				
Public Infrastructure to Support Private Investment							-
8th and I	200,000	-	-	-	-	-	\$ 200,000
Franke Environmental	200,000	-	-	-	-	-	\$ 200,000
Mill Yard	230,000	-	-	-	-	-	\$ 230,000
E Street	150,000	-	-	-	-	-	\$ 150,000
Los Harbors	-	3,000	-	-	-	-	\$ 3,000
O Street	-	70,000	-	-	-	-	\$ 70,000
Zanzi/Quintoli Lane	-	-	100,000	-	-	-	\$ 100,000
Little Lakes/Happy Valley/Franke	2,720,923	-	600,000	750,000	600,000	-	\$ 4,670,923
Alibi Public Infrastructure	-	75,000	-	-	-	-	\$ 75,000
Do-It-Best	-	100,000	-	-	-	-	\$ 100,000
Parkland In Lieu	-	100,000	-	-	-	-	\$ 100,000
Leverage Funds for Public Works Grants	50,000	-	50,000	50,000	50,000	50,000	\$ 250,000
TOTAL	\$ 3,550,923	\$ 348,000	\$ 750,000	\$ 800,000	\$ 650,000	\$ 50,000	\$ 6,148,923
Service Delivery							-
Legal Services (Non- Housing)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 15,000
Appraisal Services	5,000	3,000	3,000	3,000	3,000	3,000	\$ 20,000
Grant Application Preparation	10,000	10,000	10,000	10,000	10,000	10,000	\$ 60,000
CEQA, NEPA and Permitting	75,000	30,000	30,000	30,000	30,000	30,000	\$ 225,000
TOTAL	\$ 92,500	\$ 45,500	\$ 320,000				
GRAND TOTAL	4,553,423	1,023,500	1,022,500	1,092,500	930,500	310,500	8,932,923

Table 3.3: Long Term Planning Expenditures and Bond Servicing

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
PLANS							
Samoa Blvd Neighborhood Revitalization Strategy	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
ED Strategy	27,000				40,000		\$ 67,000
CDBG and EDA Grant matching funds	10,000	8,750	8,750	8,750	8,750	8,750	\$ 53,750
Historic Neighborhood Assess	20,000	-		-	-	-	\$ 20,000
City Infill Land Inventory marketing plan/program	-	10,000	5,000	5,000	5,000	5,000	\$ 30,000
Arcata Image Marketing Image/Gateway	36,000	-	-	-	-	-	\$ 36,000
Housing Element	45,000	-	-	-	-	-	\$ 45,000
2010-2015 Agency Implementation Plan	25,000	-	-	-	-	50,000	\$ 75,000
Undetermined Planning Projects	200,000	20,000	20,000	20,000	20,000	20,000	\$ 300,000
TOTAL	\$ 363,000	\$ 88,750	\$ 33,750	\$ 33,750	\$ 73,750	\$ 83,750	\$ 676,750
Debt /Lease Payments							
Bond Debt Service	TOTAL	\$ 977,724	\$ 979,601	\$ 975,711	\$ 975,336	\$ 978,786	\$ 976,636
							\$ 5,863,795

Table 3.4: Long Term Housing Set-aside Expenditures

	2009/2010	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
Home Ownership Program							
Second Mortgage Loan (Low Income)	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Second Mortgage Loan (Moderate Income)	-	40,000	40,000	40,000	40,000	40,000	\$ 200,000
Land Trust & Subdivision Construction Loan	500,000	-	-	-	-	-	\$ 500,000
Inclusionary Zoning Incentive Program	90,000	-	170,000	90,000	90,000	-	\$ 440,000
Graffiti Abatement / New Paint Program	5,000	5,000	5,000	5,000	5,000	5,000	\$ 30,000
TOTAL	\$ 595,000	\$ 85,000	\$ 255,000	\$ 175,000	\$ 175,000	\$ 85,000	\$ 1,370,000
Multifamily Program							
Multifamily New Construction Program	50,000	600,000	-		200,000	-	\$ 850,000
Mobilehome Park Program	397,000						\$ 397,000
Acquisition/Rehabilitation Program	-	-	-	-	-	-	\$ -
Neighborhood Improvement program	5,000	5,000	5,000	5,000	5,000	5,000	\$ 30,000
Inclusionary Zoning Incentive Program	-	360,000	-	300,000	-	-	\$ 660,000
TOTAL	\$ 452,000	\$ 965,000	\$ 5,000	\$ 305,000	\$ 205,000	\$ 5,000	\$ 1,937,000
Housing Rehabilitation Program							
Owner Occupied Rehabilitation	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 120,000
Multifamily Rehabilitation	-	-	-	-	-	-	\$ -
Non-Profit/Cooperative Rehabilitation	-	-	-	-	-	-	\$ -
Weatherization and Energy Efficiency Program	-	30,000	45,000	45,000	45,000	45,000	\$ 210,000
Handicap Ramp Program	8,000	8,000	8,000	8,000	8,000	8,000	\$ 48,000
TOTAL	\$ 8,000	\$ 38,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 378,000
Housing for Homeless							
Homeless Center Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Shelter Construction	-	-	-	250,000	-	-	\$ 250,000
Transitional Shelter Construction	200,000	-	-	-	-	-	\$ 200,000
Apartments First	32,605	25,000	25,000	25,000	25,000	25,000	\$ 157,605
TOTAL	\$ 232,605	\$ 25,000	\$ 25,000	\$ 275,000	\$ 25,000	\$ 25,000	\$ 607,605
Service Delivery							
Legal Services (Housing)	\$ 5,500	\$ 6,000	\$ 6,500	\$ 7,000	\$ 7,500	\$ 7,500	\$ 40,000
General Admin	\$ 10,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 70,000
Appraisal Services	5000	3000	3000	3000	3000	3000	\$ 20,000
Grant Application Preparation	16000	15000	15000	15000	15000	15000	\$ 91,000
Planning & Technical Assistance Grant Match	15000	8750	8750	8750	8750	8750	\$ 58,750
Loan Servicing and Project Compliance Monitoring	25000	25000	30000	30000	30000	30000	\$ 170,000
TOTAL	\$ 76,500	\$ 69,750	\$ 75,250	\$ 75,750	\$ 76,250	\$ 76,250	\$ 449,750
GRAND TOTAL	\$ 1,364,105	\$ 1,182,750	\$ 443,250	\$ 913,750	\$ 564,250	\$ 274,250	\$ 4,742,355

SECTION 4

AFFORDABLE HOUSING PLAN & ESTIMATED EXPENDITURES: 2010-2014

This section, in conjunction with Section 3.3, identifies the five-year affordable housing programs that will help meet the Agency's goals and objectives, projects, and expenditures. This includes expenditure of funds and other activities relating to the production of housing affordable to very-low, low-, and moderate-income households. Due to changes in Housing Element law, the list of income categories has been expanded to include extremely-low income households (Government Code 65583 (a) (1)), which are incorporated into the concept of very-low income households for the purpose of this Plan. *Health and Safety Code, Section 33490*, stipulates that adopted Implementation Plans must include:

- The amount available in the Low and Moderate Income Housing Fund and the estimated amounts [that] will be deposited in the Low and Moderate Income Housing Fund during each of the next five years;
- A housing program with estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of monies from the Low and Moderate Income Housing Fund during each of the five years;
- Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within one or more project areas both over the life of the plan and during the next 10 years;
- Estimates of the number of units of very-low, low-, and moderate-income households required to be developed within one or more project areas in order to meet the requirements of paragraph (2) of subdivision (b) of Section 33413;
- The number of units of very-low, low-, and moderate-income households [that] have been developed within one or more project areas [that] meet the requirements of paragraph (2) of subdivision (b) of Section 33413;
- Estimates of the number of agency developed residential units [that] will be developed during the next five years, if any, [that] will be governed by paragraph (1) of subdivision (b) of Section 33413; and
- Estimates of the number of agency developed units for very-low, low-, and moderate-income households [that] will be developed by the agency during the next five years to meet the requirements of paragraph (1) of subdivision (b) of Section 33413.

4.1 Legal Requirements

The Agency has deposited, as required by Community Redevelopment Law, 20% of the tax increment revenue from the Project area into a separate Affordable Housing Fund to be used for increasing, improving, and preserving the community's supply of low- and moderate-income housing. The state legislature has declared that it shall be the policy of the Agency to expend monies in the Fund to assist low- and very low-income housing in at least the same proportion as the total need for low- and very low-income housing within the community that is not being provided by other governmental programs (Health and Safety Code Section 33334.4). The monies in the Fund may be used outside the project area upon a finding by the agency and legislative body that the use will benefit the project area (Health and Safety Code Section 33334.2{g}).

Inclusionary and Replacement Housing Requirements: For Agency-produced housing, Inclusionary housing, and replacement housing, the Implementation Plan must contain:

- Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased by the Agency over the life of the plan and during the next 10 years; and
- Estimates of the number of units that must be developed in order to meet the requirement that at least 15% of all new housing developed by public or private entities within the project area be affordable to persons and families of low- or moderate-income [the requirement]; and
- If the Implementation Plan for the Arcata Community Development Project Area were to contain a project that would result in the destruction or removal of dwelling units that will have to be replaced pursuant to subdivision (a) of Section 33413, the Implementation Plan is required to identify proposed locations suitable for those replacement dwelling units.

4.2 Affordable Housing Goals, Policies and Guiding Principles

Guiding Principles: The *City of Arcata Housing Element: 2010* outlines the City's housing program that works toward the preservation, improvement, and development of housing within the City. The Agency's housing program was developed to be consistent with the *General Plan: 2020* and implement the following guiding principles and goals that pertain to housing:

- Allow for a range of housing choices that include affordable dwellings for community residents, accommodate families, individuals, and other household types, and vary in size and type to reflect the diverse character of the community;
- Encourage infill development of vacant, Brownfield, and underutilized land designated for development as a way of meeting housing and employment needs without major extensions of infrastructure and services; and

- Promote mixed use by encouraging residential units on upper floor areas of industrial and commercial buildings.

Affordable Housing Goal and Policies: It is the goal of the City of Arcata to promote affordability of housing of all types to meet the present and projected needs of households of all income levels. The following policies are established in the General Plan: 2020 Housing Element:

Policy HE-3a Assure that new housing developments provide a fair share of housing for persons of very low, low and moderate incomes.

Policy HE-3b Preserve assisted housing identified in this document as reserved for lower-income households.

Policy HE-3c Seek and support programs that address the housing needs of and prioritize housing for special groups such as seniors, disabled, farmworkers, those in need of temporary shelter, single-parent families, and large families.

Policy HE-3d Assist in the development of housing affordable to very low-, low- and moderate-income households through financial and/or technical assistance

Policy HE-3e Implement inclusionary zoning and provide incentives to developers to include low and moderate income housing units in their proposals; ensure that housing for persons with lower incomes is included in residential developments in all areas of the City through a variety of methods, thereby avoiding the segregation of certain economic groups into specific neighborhoods.

Policy HE-3f Continue to provide a housing rehabilitation program for lower income renters and owners. Housing rehabilitation is a cost-effective way of keeping the community's stock of affordable housing in a safe and decent condition.

Policy HE-3g Give priority to meeting the needs of low income households since they represent the most significant area of unmet need.

Policy HE-3h Encourage the development of second units.

Policy HE-3i Encourage the use of density bonuses to incorporate affordable housing units into projects.

Policy HE-3j Assist in determining the Regional Housing Needs Allocation Methodology for 2007 – 2014.

4.3 Inclusionary Housing / Housing Production Plan

This requirement applies to housing development or rehabilitation within the Project Area by the Agency and other public or private entities or persons.

Agency-Developed Housing: For any housing units developed by the Agency itself, at least 15% of all new or substantially rehabilitated units must be available at affordable housing cost to low- and moderate-income persons and families. The Agency currently owns a multifamily zoned parcel on Foster Avenue and Alliance Road, a parcel on Sunset Boulevard, a parcel on South E Street, and a parcel in the Aldergrove Industrial Park, which are wholly or partially set aside for affordable housing development and are expected to be developed within the next five years.

Housing Developed by Other Public-Private Entities/Persons: At least 15% of all new or substantially rehabilitated units developed within the Project Area by public or private entities or persons must be available at affordable housing cost to low- and moderate-income persons. Not less than 40% of these units (6% of total units) developed during the term of this Plan, must be available at affordable housing cost to very low-income households. This requirement may be satisfied outside the Project Area but at a ratio of two units for each one unit required if located within the project area (Section 33413(b) (2)).

Table 4.1 shows the amount of housing production in the Project Area from 1994 through the middle of 2009. Several of these units were developed with affordability covenants (Table 4.2). Production includes conversion of non-residential structures to housing.

A Regional Housing Need Plan (RHNP) is mandated by the State of California (Government Code, Section 65584) to address housing needs based on growth projections for the area. The RHNP is developed by Humboldt County Association of Governments (HCAOG) and allocates to cities and unincorporated county their “fair share” or Regional Housing Needs Allocation (RHNA) of the region’s projected housing needs. The intent of the RHNP is to ensure that local jurisdictions address not only the needs of their immediate areas but also fulfill the housing needs for the entire region. Additionally, a major goal of the RHNP is to assure that every community provides an opportunity for a mix of housing affordable to all economic segments of its population. The RHNP jurisdictional allocations are made to ensure that adequate sites and zoning are provided to address existing and anticipated housing demands during the planning period and that market forces are not inhibited in addressing the housing needs for all facets of a particular community. The City of Arcata RHNA established by the HCAOG has been adjusted based on the City’s housing production that addressed the RHNA, as well as by deducting the projects that have been proposed and/or permitted, but were not counted against the RHNA in the Housing Element (Table 4.3); for this reason, the City’s remaining need in the Plan does not match that of the Housing Element.

Table 4.1: Housing Production In The Project Area.

Year	Single Family	Multi-Family	Total
1994	3	15	18
1995	6	22	28
1996	15	15	30
1997	22	12	34
1998	33	59	92
1999	26	14	40
2000	23	0	23
2001	23	0	23
2002	17	0	17
2003	33	0	33
2004	22	18	40
2005	54	64	118
2006	29	2	31
2007	29	58	87
2008	35	19	54
2009	14	0	14
Totals	384	298	682

Note: This table represents building permits filed over the calendar year. 2009 totals represent 1/1/09 to 9/22/09.

Table 4.2: Residential Projects With Affordability Restrictions To Low Or Very-low Income Households

Project	Address	Type	Project Area	Very Low Income	Low Income	Moderate Income	Total Units	Origination Date	Termination Date*
Windsong Phase I	Various Tina Court	Rental	Out	3	1	0	4	10/11/1996	2026
Windsong CLT Phase II	Various	Owner	Out	0	8	0	8	2005	2035
River Community Homes	1061 Hallen Dr.	Owner	In	40	0	0	40	1/31/2005	2020
Bayview Courtyards	530 Union	Rental	In	0	30	0	30	9/17/1997	2047
Courtyards at Arcata I	1101 Quintoli Ln.	Rental	In	55	9	0	64	12/15/2002	2052
Juniper Apts.	4854 Valley East	Rental	In	0	9	0	9	10/1/1995	2025
Meadowbrook I	115 Samoa Blvd.	Rental	Out	68	0	0	68	1995	2025
Brookside	117 Samoa Blvd.	Rental	Out	0	12	0	12	5/15/200	2028
Meadowbrook II	115 Samoa Blvd.	Rental	Out	6	6	0	12	5/15/1995	2027
Arcata Gardens	2255 Alliance Rd.	Rental	In	9	27	0	36	2/21/1997	2027
Humboldt Plaza**	2575 Alliance Rd.	Rental	In	0	135	0	135	1/1/1985	2005
Arcata House, #1	1005 11th Street	Shelter	In	6	0	0	6	10/18/2001	2041
Arcata House, #2	611 15th Street	Shelter	Out	6	0	0	6	11/1/2005	2025
Arcata House, #3	3076 Janes Rd.	Shelter	In	6	0	0	6	2/24/2000	2030
Courtyards at Arcata II	1101 Quintoli Ln.	Rental	In	8	28	0	36	8/8/2006	2061
Courtyards at Arcata III	1101 Quintoli Ln.	Owner	In	0	8	0	8	8/7/2007	2052
Plum Village	Aloha Way/Karen Ct.	Owner	Out	0	4	0	4	3/5/2007	2062
Sandpiper Mobile Home Park	115 G Street	Rental	In	4	7	10	21	3/9/2007	2062
Arcata Mobile Home Park	3022 Alliance Road	Rental	Out	11	21	2	34	7/30/2007	2106
Janes Creek Meadow***	Escarda Ct.	Owner	In	0	10	0	10	8/23/2008	2063
Totals				222	315	12	549		

*The year affordability restrictions will end.

**Prior to Plan adoption.

***Habitat for Humanity Units have been deleted and will be replaced by two of the Janes Creek Meadow units.

****Under construction and have not been sold to first time homebuyers.

Table 4.3: City of Arcata Regional Housing Needs Allocation for 2009-2014

	Number	%	Progress Since Jan 2007	Remaining RHNA	Proposed Projects*	Difference
Extremely Low	95	12%	0	95	80	15
Very Low	95	12%	12	83	0	83
Low	131	16%	68	63	81	-18
Moderate^	144	18%	14	130	10	120
Above Moderate	346	43%	155	191	82	109
Total	811		249	467	173	294

* Approved Projects without building permits issued

^ Assumes 2nd units and multifamily w/out other restrictions are moderate income

A total of 811 new housing units have been allocated to the City of Arcata for the 2010-2014 planning period. Assuming all currently proposed projects are built, the City of Arcata will need to accommodate 15 extremely-low income housing units, 83 very-low income housing units, and no additional low-income housing units to meet the RHNP allocation targets. The targets for moderate and above moderate income households are 120 and 109, respectively. While the RHNA pertains to the City at large, not just the project area, a significant proportion of the housing development over the planning period will likely be in the Project Area.

Ongoing Affordability: The Agency must require, through the recordation of covenants or restrictions, the total number of units rehabilitated, developed, constructed, or price-restricted remain available at affordable housing cost to very-low, low- and moderate-income persons and families for the longest feasible time, but not less than the period of the land use controls established in the Redevelopment Plan (with certain exceptions). As per *Health and Safety Code Section 33334.4*, rental units shall maintain a period of affordability of 55 years and owner occupied units for a period of 45 years.

To summarize, the number of affordable residential units to be developed during the next 10 years is affected by the RHNA, the Agency's housing programs, inclusionary housing requirements, and the availability of Agency owned property. Per the RHNA, the total extremely-low, very-low, and low units to be developed is 321 (Table 4.3). Of these, 161 proposed units will be developed on Agency owned property or restricted through the Inclusionary Zoning Program. An additional 40 units are projected to be developed on Agency owned property and are not included in the 161 units in Table 4.3. The total proposed new housing to be developed in the project area is summarized in Table 4.4.

Table 4.4: Proposed and Projected Construction in the Project Area

	Extremely Low, Very Low & Low	Moderate & Above	TOTAL
BJB, Reed & Write	2	10	12
Janes Creek Meadow	10	0	10
250 E Street Transitional	40	0	40
E Street SRO	20	0	20
Aldergrove Emergency Shelter	40	0	40
Los Harbors	2	6	8
Sandpiper	11	10	21
Q st Subdivision	3	19	22
Zanzi	7	38	45
8th and I	28	1	29
Franke/Foster Ave	46	41	87
O Street Subdivision	3	17	20
30th Street Subdivision	3	21	24
Total	215	163	378

4.4 Replacement Housing

If the Agency were to undertake activities which would result in the destruction or removal of housing from the low- and moderate-income housing market, the Agency would be obligated to rehabilitate, develop, or construct an equal number of replacement housing units at affordable housing cost (Health and Safety Code Section 33413). If such activities are contemplated within the next five years, such requirements must be addressed in the Implementation Plan. The Arcata Community Redevelopment Agency anticipates no activities that would result in the destruction or removal of any existing housing. As a consequence, no replacement provisions are included within the Implementation Plan.

4.5 Programs and Estimated Expenditures

City assistance in the development, rehabilitation, and preservation of affordable housing uses organizational and financial resources. The following programs include local, state, and federal housing programs that are valuable resources assisting in the development of affordable housing, preserving “at-risk” housing, and rehabilitating housing. The City leverages funds from these programs with Housing Set-aside Funds, acquiring additional revenue streams in support of affordable housing. This section is intended to provide additional information and expand on the programs outlined in Section 3.3. Table 3.4 summarizes the annual housing program assistance and estimated expenditures from the Housing Set-aside Fund. Total Projected expenditures during the next five-year period are \$4,742,355 (Table 3.4, Section 3).

City of Arcata Density Bonus Ordinance: The City of Arcata has instituted a housing density bonus for low, very-low income, and senior households in accordance with Government Code Sections 65915 and 35917. The City provides density bonuses to qualified residential projects through the City's Density Bonus Ordinance. Cities are required to grant a density bonus of at least 25% above the base zoning density and one additional concession or incentive. The provisions of the Density Bonus apply to all new residential developments in the Forest/Hillside, Rural Residential, Low Density, Medium Density, Medium-High Density, and High Density residential districts. In addition, a Special Density Bonus provision for disabled and senior persons is allowed in the above residential districts and in the Central Business District.

City of Arcata Inclusionary Zoning Ordinance: The City has instituted the requirement of "Inclusionary Zoning" through the adoption of *Arcata General Plan 2020* and the Land Use Code (LUC). The Inclusionary Zoning provision in the LUC requires projects of more than five units include affordable housing, senior housing, or housing for disabled persons. Generally, 15% of the units must be for very-low income or 20% for low-income households; Community Land Trust restricted single-family projects must construct a minimum of 10% low-income units.

Community Development Block Grant (CDBG): The Department of Housing and Urban Development awards Community Development Block Grant funds annually to entitlement jurisdictions and States for general housing and community development activities, including housing construction, housing rehabilitation, public services, and economic activities. The U.S. Department of Housing and Urban Development's (HUD) Small Cities Community Development Block Grant (CDBG) program provides funds for community development and housing activities and is administered by the State Department of Housing and Community Development (HCD).

The annual appropriations for CDBG are split between states and local jurisdictions. The City of Arcata receives funds through the Small Cities program. The Small Cities program is competitive, meaning that the City of Arcata must submit an application for funding annually and compete with other jurisdictions in the State. For all activities that receive CDBG funding at least 51% of the persons or households benefited must have annual incomes of less than 80% of the area medium income.

The City of Arcata has used CDBG funds for its housing rehabilitation program. In addition, the City has used CDBG funds to provide housing for and assistance to persons who are homeless. The City acquired three transitional housing facilities and constructed a day-use facility for homeless individuals and families. CDBG funds have also been used to fund pre-development work for affordable housing projects, to construct a senior day use center, to assist in the acquisition of a low-income manufactured housing park, and in the construction of new single family homes in Plum Village. In addition, the City has completed street, sewer, and water infrastructure in support of new and rehabilitated projects using CDBG funds. The City can apply for up to \$800,000 annually.

The CDBG program has a planning and technical assistance component which provides up to an additional \$70,000 annually. The City has used these funds to complete a housing feasibility

study, community land trust legal documents, and partially funded the 2003 Housing Element (Table 4.5). The City has received approximately \$10.8M in CDBG and related grant funds since 1982.

The City also maintains a CDBG Program Income fund that consists of income generated from loans originated from CDBG sources. This Program Income fund is in large part used as a revolving loan account from which new affordable housing programs and projects may be funded. The City's CDBG Program Income Reuse Plan regulates the management and use of CDBG program Income Funds.

HOME program: The Home Investment Partnerships Program (HOME) was created under the Cranston-Gonzalez National Affordable Housing Act enacted in November 1990 to improve and increase the supply of affordable housing. HOME funds are awarded annually as formula grants to States and participating jurisdictions. HCD administers HOME funds for jurisdictions such as the City of Arcata that do not receive an annual entitlement of HOME funds. As with CDBG funds, the City of Arcata applies to HCD for these funds and the grants are awarded on a competitive basis.

The City has used HOME funds to support its First-Time Homebuyer Program, which to date has assisted 76 lower-income households. HOME funds have also been used by the City to build 15 units of affordable senior housing and 100 affordable apartment units for lower-income single individuals and families. The Agency is currently working with the City and private developers to fund a 28-unit affordable senior housing development in the downtown. The City has applied for HOME funds to assist with construction and permanent financing.

The City has received approximately \$12.1M in HOME grants since 1993 (Table 4.5). The City also maintains a HOME Program Income fund that consists of income generated from housing rehabilitation and First-Time Homebuyer loans. The Program Income fund is used to provide loans for the City's housing programs and projects.

Community Reinvestment Act: The Community Reinvestment Act (CRA), enacted by Congress in 1977, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. The CRA has come to play an increasingly important role in improving access to credit in both rural and urban communities.

Low Income Housing Tax Credit Program: In 1986, Congress created the federal low-income housing tax credit to encourage private investment in the acquisition, rehab, and construction of low-income rental housing. Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the California Legislature created a state low income housing tax credit program to supplement the federal credit. The City has assisted non-profit and private developers to secure over \$11M through this program.

California Housing Finance Agency: The California Housing Finance Agency (CHFA) offers permanent financing for acquisition and rehabilitation to for-profit, non-profit, and public agency

developers seeking to preserve “at-risk” housing units. In addition, CHFA offers low interest predevelopment loans to non-profit sponsors through its acquisition/rehabilitation program.

Federal Home Loan Bank System: The Federal Home Loan Bank System facilitates Affordable Housing Programs (AHP), which subsidize the interest rates for affordable housing. Interest rate subsidies under the AHP can be used to finance the purchase, construction, and/or rehabilitation of rental housing.

California Department of Housing and Community Development (HCD): HCD conducts the Urban Predevelopment Loan Program, which provides funds to pay the initial costs of preserving existing affordable housing developments for their existing tenants. Priority is given to applicants with matching financing from local redevelopment agencies or federal programs.

HCD also conducts the acquisition and rehabilitation component of the Multi-family Housing Program to acquire and rehabilitate existing affordable rental housing. Priority is given to projects currently subject to regulatory restrictions that may be terminated. Assistance is provided through low interest construction and permanent financing loans. Eligible applicants include local government agencies, private non-profit organizations, and for-profit organizations.

Emergency Housing Assistance Program (EHAP): EHAP is administered by HCD and provides funds for emergency shelter, transitional housing, and related services for the homeless and those at risk of losing their housing. The funds are distributed to all 58 counties based on a “need” formula derived from factors including population, unemployment, and poverty.

4.6 Reporting and Monitoring Requirements

Agency's Annual Report: The annual report of the Agency must include a description of the Agency's activities affecting housing and displacement containing the information required by Health and Safety code Sections 33080.4, 33080.7 and 33334.13. (Health and Safety Code Section 33080.1{c})

Agency Monitoring: On an ongoing basis, the Agency will monitor housing affordable to low- and moderate-income persons and families which is developed or otherwise made available to low- and moderate-income persons or families pursuant to any provision of the Community Redevelopment Law to insure compliance with applicable laws and agreements relating to affordable housing units (Health and Safety Code Section 33418).

Table 4.5: CDBG and HOME Grants Received By City of Arcata

Source	Grant No.	Title	Amount	TOTAL
HOME Grants	93-HOME-0046	First-Time Homebuyer	1,000,000	
	95-HOME-0140	Senior Housing Construction	1,000,000	
	97-HOME-0245	First-Time Homebuyer	1,000,000	
	99-HOME-0356	Rental New Construction	1,000,000	
	00-HOME-0433	FTHB (Acquisition and Acquisition/Rehab)	500,000	
	01-HOME-0497	FTHB (New Construction) & Owner Occupied Housing Rehabilitation	750,000	
	02-HOME-0569	Courtyards	752,000	
	04-HOME-0704	Rental New Construction/FTHB	4,500,000	
	05-HOME-1698	FTHB/HR	800,000	
	05-HOME-2024	FTHB New Construction (Janes Creek)	800,000	
				\$ 12,102,000
CDBG Grants	82-STBG-068	Housing Rehab/Curtis Hts Sewer/Econ Dev	590,950	
	83-EDBG-068	Commercial Building and Parking	485,000	
	86-STBG-222	Housing Rehabilitation	255,000	
	89-STBG-317	Housing Conditions Survey	27,700	
	90-EDBG-119	Foodworks Incubator Building	465,000	
	90-STBG-429	Housing Rehabilitation	300,000	
	91-EDBG-158	Woodworker Incubator Study	30,000	
	92-EDBG-182	Composting Feasibility Study	30,000	
	92-STBG-565	Affordable Housing Study	30,000	
	93-CDBG	Food Products Marketing Study	30,000	
	93-STBG-735	Board & Care Facility Study	30,000	
	94-CDBG	Housing Rehabilitation/Transitional Shelter	500,000	
	95-STBG-882	Housing Rehabilitation/Transitional Shelter	500,000	
	96-STBG-995	Senior Center	500,000	
	97-STBG-1097	Housing Rehabilitation/Homeless Services Center	500,000	
	98-STBG-1227	(New Const) Street Improvement Project/Housing Rehabilitation	500,000	
	98-STBG-1318	Housing Feasibility Study	35,000	
	99-DRI	Disaster Recovery Initiative for Stream Restoration	70,000	
	99-STBG-1341	Housing Rehabilitation/Transitional Shelter/ArcSvCntr(Back2Basics)	500,000	5,378,650
		2000 and later		
	00-EDBG-713	Feasibility)	35,000	
	00-STBG-1496	Housing Rehab, Housing New Const, Pub Svcs, Sidewalk Imp (Ctyds)	338,000	
	01-CDBG-1666	Housing Rehab	270,000	
	01-CDBG-1671	Community Land Trust PTA	35,000	
	02-STBG-1685	Community Facilities	500,000	
	02-STBG-1740	Ecolodge Feasibility Study	35,000	
	02-STBG-843	Housing Element Update	35,000	
	03-STBG-1800	Housing Rehabilitation, Public Services	500,000	
	04-EDBG-0302	Arcata Theater Reuse PTA	35,000	
	04-EDBG-0302	Homeless Services Plan PTA	35,000	
	04-STBG-1574	Sidewalk Infill	500,000	
	05-STBG-1375	Arcata Service Center Relocation	50,000	
	05-STBG-PTA	Janes Creek Meadows Planning, Arcata Theater Reuse	70,000	
	07-EDOC-3899	Business Loan Humboldt Flakeboard	2,500,000	
	07-EDEF-3739	Business Loan Program	435,135	
	07-PTAE	Business Incubator	35,000	5,408,135
		HOME and CDBG Grants		\$ 22,888,785

SECTION 5

AGENCY ACTIVITIES & ACCOMPLISHMENTS DURING THE PAST FIVE YEARS

5.1 Project Area Overview

The Arcata Community Development Project Area was established in 1983. The Project Area is composed of 1,550 acres and includes approximately 65% of the City Limits area and 40% of the City's population. The Project Area boundaries are shown in Figure 1 and the neighborhood locations are shown on Figure 3.

Both the *Arcata General Plan: 2020* and the draft *Arcata Economic Development Strategic Plan: 2010-2014* (EDSP) identify 15 neighborhoods that make up the City of Arcata, as each neighborhood is unique both in identity and development potential. Ten of the City's 15 neighborhoods are wholly or partially located in the Project Area. The EDSP identified five of these neighborhoods as target areas that have significant economic development potential. The 10 neighborhoods that comprise the Project Area are listed below. The first four are considered target areas in the EDSP.

Giuntoli Lane and Valley West: The Valley West neighborhood, an EDSP target area, is located at the northernmost limit of the City of Arcata east and west of U.S. 101 and north of State Route 299 (S.R. 299). This neighborhood's boundaries are S.R. 299 (east and south), the City boundary (north and west), and Palomino Lane (south). Valley West is characterized by the Valley West Shopping Center and the highway-commercial related business located nearby, such as motels, restaurants and the Arcata Welcome Center. This neighborhood generates the largest amount of Transient Occupancy Tax and the second highest Sales Tax revenues. This neighborhood has the potential for additional sales and Transient Occupancy Tax revenue generation Valley West contains a significant amount of vacant commercial and industrial land.

Samoa Boulevard: The Samoa Boulevard neighborhood, an EDSP target area, is located south of Downtown-Uniontown. This neighborhood's boundaries are U.S. 101 (east), 5th Street (north), and the City boundary (west and south). Samoa Blvd. is one of the prominent gateways to Arcata's downtown from U.S. 101, contains the Arcata Marsh and Wildlife Sanctuary, and is the City's oldest industrial area. This neighborhood also contains substantial opportunities for additional larger scale development.

West End Road / Aldergrove Industrial Park: The West End Road neighborhood, an EDSP target area, is one of two predominantly industrial Arcata neighborhoods. This neighborhood is located in the far northeastern corner of the City and is bounded by S.R. 299 (west), City

boundary (north and east), and the South Fork of Janes Creek (south). West End Road contains a significant amount of the vacant and underutilized industrial and commercial land in the City and has the largest manufacturing segment of Arcata's economy.

Arcata Heights-Northtown: The Arcata Heights-Northtown neighborhood is located in central Arcata, just north of downtown. This neighborhood is bounded by Jolly Giant Creek (north, west), U.S. 101 (east) and 11th Street (south). The portion of this neighborhood north of 14th St. and east of J St. is not included in the project area. The remainder of this neighborhood is in the project area and is considered a target area for the City (see EDSP Targeted Area Assessment). This neighborhood contains a wide range of uses including historic homes, restaurants, cafes, businesses, and a museum (the Humboldt State University Natural History Museum). High-density residential areas surround the commercial area. This neighborhood is second only to the commercial Downtown-Uniontown Neighborhood in terms of the number of businesses. However, most of the commercial area is outside the Redevelopment Project Area.

Downtown-Uniontown: The Downtown-Uniontown neighborhood is Arcata's core and the heart of the City's central business district. This neighborhood is bounded by 11th Street (north), U.S. 101 (east), City boundary (west), and 5th Street (south). The focal point of the Downtown-Uniontown Neighborhood is the Arcata Plaza and surrounding businesses to the east and the old creamery building to the west. This neighborhood contains most of the City's businesses and generates the bulk of the City's sales tax; seven of the top 20 sales and use tax generating businesses are in this area.

California Heights: The California Heights neighborhood is located in the northeast portion of the City adjacent to HSU. This neighborhood contains mostly residential uses with several commercial uses along L.K. Wood Boulevard. This neighborhood is bounded by Janes Creek (north), the Community Forest (east), HSU (south), and U.S. 101 (west).

Curtis Heights-Woodland Heights: The Curtis Heights - Woodland Heights neighborhood is an all residential neighborhood located in the northeastern hills of Arcata. The boundaries of this neighborhood include U.S. 101 (west), South Fork Janes Creek, (north and south), and the City boundary (east). This neighborhood contains a few apartment buildings along L.K. Wood and is zoned low-density residential throughout the remainder.

Sunset: The Sunset neighborhood is located in the north end of central Arcata. This neighborhood's boundaries are U.S. 101 (east), Grant Avenue (north), the City boundary (west) and railroad right-of-way (south). The Sunset neighborhood is almost entirely residential, but contains vacant residential lands and land that will be developed for Fire Protection. This neighborhood offers excellent HSU and Northtown access via Sunset Avenue, Arcata's main east-west connector. Sunset Avenue at Highway 101 is one of three gateways identified in the City Gateway Plan.

Greenview-Windsong: The Greenview-Windsong neighborhood contains both new and older residential areas on the city's west side and light industrial and general commercial towards the east. This neighborhood is bounded by the City limits (north and west), Alliance Road and L Street (east), and 10th Street and the City boundary (south). Like the other neighborhoods located on the west side of Arcata, Greenview-Windsong forms an edge between urban development and the agricultural bottom lands. Only the eastern portion of

this neighborhood is in the Project Area. The area contains a fairly large area of undeveloped land that will likely be developed as residential and industrial.

Westwood-Vassaide: The Westwood-Vassaide neighborhood is located in the northwest portion of Arcata and has the largest population of any Arcata neighborhood. This neighborhood's boundaries are U.S. 101 (east), the Valley West Neighborhood (north), the City boundary (west) and Grant Avenue (south). This neighborhood is characterized by its corner markets, single family residences, and agricultural lands. Most businesses in the neighborhood are located along Alliance Road, which is Arcata's primary north-south arterial. Only the southeastern portion of this neighborhood is in the Project Area.

Vacant and Underutilized Land: Table 5.1 provides an inventory of vacant land that is available in the City of Arcata for both multi- and single-family residential development. The City's stock of vacant and underused residential sites is considered in detail in the 2010-2014 Housing Element, which was adopted late 2009. The inventory in the Housing Element was based on an analysis of site constraints, existing density, and realistic capacity based on an assessment of recent, historic, and predicted development trends, as well as the applicable land use designations. The Housing Element assessed residentially zoned parcels for development or redevelopment potential. This plan sets objectives for affordable housing development on vacant and underutilized residential lands. Funds used for affordable housing development may be used to finance construction, permanent loans, and acquire property. In 2009 the Agency acquired several vacant underutilized parcels for future housing development.

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Figure 3 - Arcata Redevelopment Implementation Plan - Location

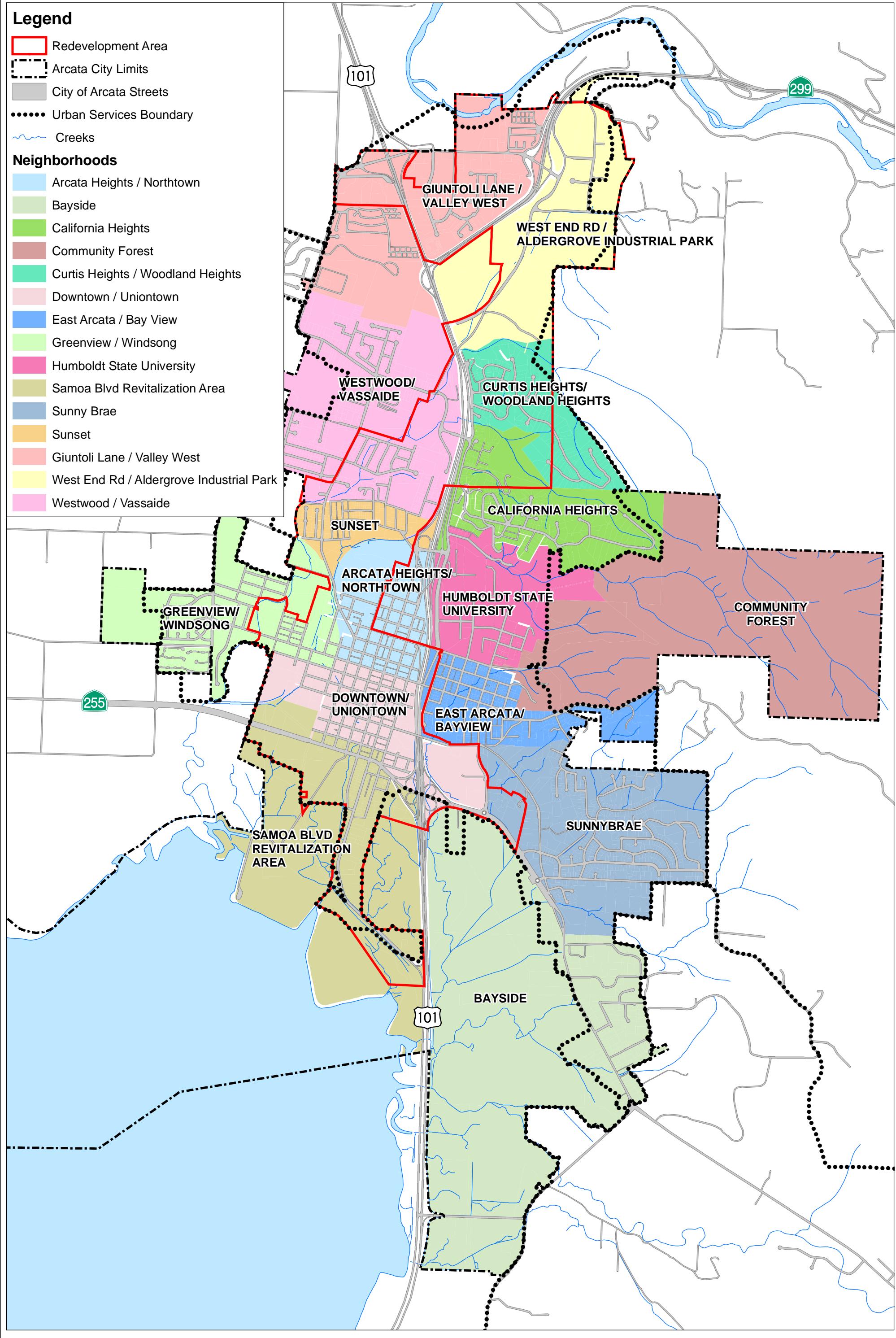


Table 5.1: Vacant and Underutilized Residential Land

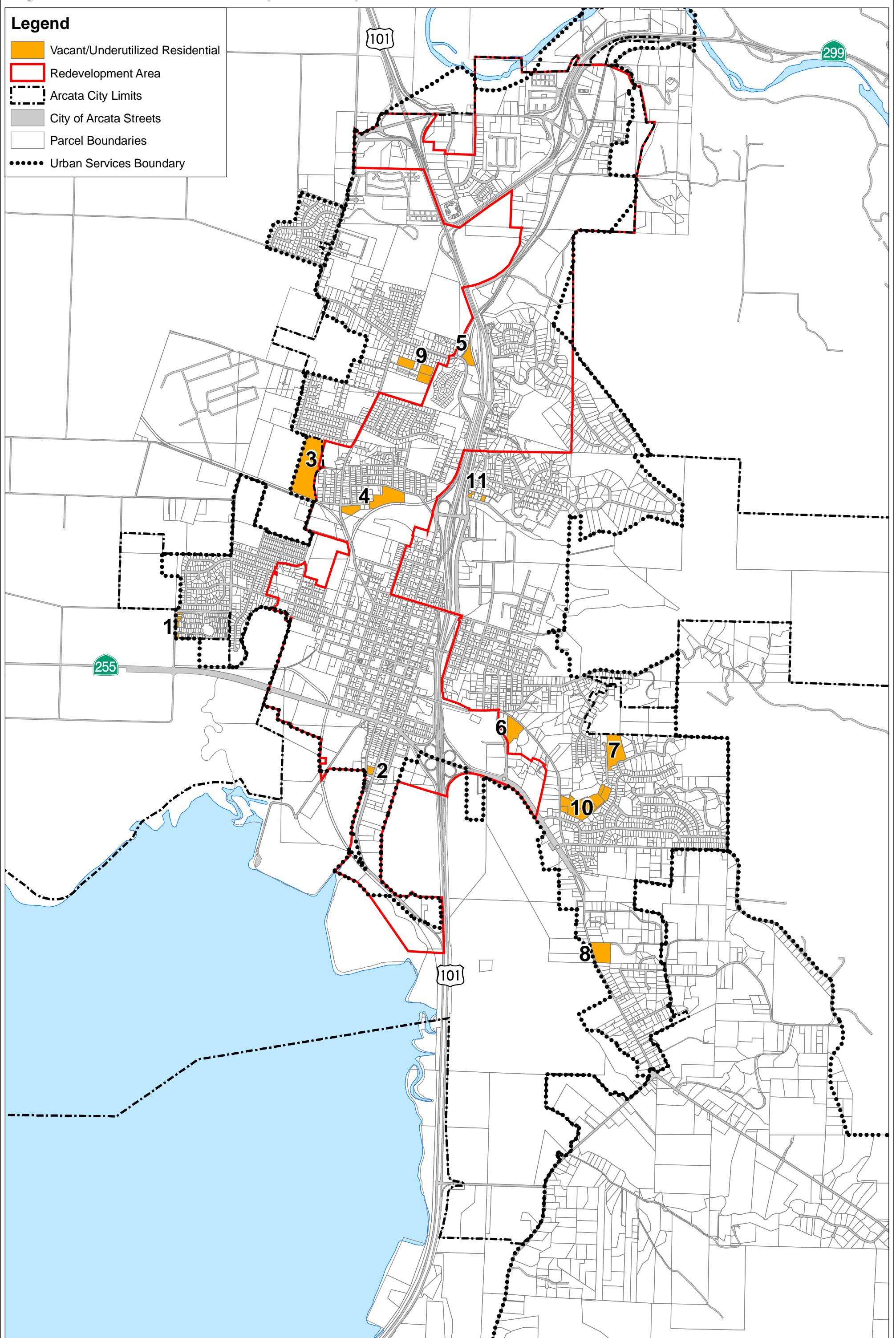
	Neighborhood	Site / APN	Location / Inside or Outside Project Area	Planned Land Use (Arcata GP 2020)	Notes / Constraints
1	Greenview / Windsong	505362014, 505362038, 505362057, 505362058, 505362060	North of 11 th St., west of Q St / Outside	RL	
2	Samoa Blvd	503224046	South G St. – Sandpiper MHP, Marsh Commons & adj. Parcel/ Inside	RM	Borders 100 year floodplain
3	Sunset	505161111	Foster/ Outside	RM	Borders 100 year floodplain
4	Sunset	Former Franke Property/505121021, 505131014	Sunset Avenue / Inside	RL	Underutilized heavy equipment storage Undeveloped for planned residential uses – planned Foster Ave. extension not constructed
5	Westwood/Vassaide	Sorenson Property / Janes Creek Meadow/ 507071004	Spear Avenue and St. Luis Road / Inside	RM	Lots remain vacant
6	Sunny Brae	503460012	East of Bayside Rd., south of Fickle Hill Rd. / Outside	RVL	100 year floodplain; slopes
7	East Arcata / Bayview	503082030	South of 10 th , east of C. St. / Outside	RVL	
8	Bayside	500172006	East of Old Arcata Rd., north of Hyland / Outside	RVL	

	Neighborhood	Site / APN	Location / Inside or Outside Project Area	Planned Land Use (Arcata GP 2020)	Notes / Constraints
9	Westwood / Vassaide	507092007, 507092013, 507092035	East of Alliance Rd., south of Spear Avenue / Outside	RL	In 100 year floodplain
10	Sunny Brae	503061003-04, 503061008, 503061010-11, 503061014, 503061016-17	East of Bayside Rd., north of Crescent Way / Outside	RM	100 year floodplain; slopes
11	Humboldt State University	Merry Point/503342012, 503342033-34	27 th & L K Wood Blvd. / Outside	RH	Slopes

Figure 4 - Arcata Redevelopment Implementation Plan - Vacant & Underutilized Residential

Legend

- Vacant/Underutilized Residential
- Redevelopment Area
- Arcata City Limits
- City of Arcata Streets
- Parcel Boundaries
- Urban Services Boundary



The EDSP identified vacant and underutilized commercial/industrial land in the City of Arcata. The EDSP updated, verified and supplemented prior database information pertaining to vacant and underutilized commercial and industrial land within the City of Arcata. The parcels that were identified as vacant or underutilized were verified using aerial photos. Table 5.2 provides a list of commercial/industrial land that is vacant or underutilized in the City of Arcata.

Table 5.2: Vacant and Underutilized Commercial/Industrial Parcels

TOTAL # of PARCELS	NEIGHBORHOOD	APN	VACANT (V) / UNDERUTILIZED (U) - INDUSTRIAL / COMMERCIAL	INSIDE or OUTSIDE PROJECT AREA
1	Valley West	507141042	V-Industrial	Inside
2	West End Road	507251021	U-Industrial	Inside
3	West End Road	507430002	U-Industrial	Inside
4	West End Road	507430004	V-Industrial	Inside
5	Valley West	507141036	U-Industrial	Inside
6	West End Road	507251017	U-Industrial	Inside
7	West End Road	507251026	V-Industrial	Inside
8	Valley West	507141045	U-Commercial	Inside
9	Valley West	507141044	U-Commercial	Inside
10	Valley West	507141041	V-Commercial	Inside
11	West End Road	507251039	V-Industrial	Inside
12	West End Road	507251040	V-Industrial	Inside
13	Valley West	507301056	U-Industrial	Inside
14	West End Road	507251011	V-Industrial	Inside
15	Valley West	507301074	V-Industrial	Inside
16	West End Road	507461049	V-Industrial	Inside
17	Valley West	507301052	V-Commercial	Inside
18	Valley West	507301047	V-Industrial	Inside
19	Valley West	507301065	U-Commercial	Outside
20	Valley West	507291048	U-Commercial	Inside
21	Valley West	507291054	U-Commercial	Inside
22	Valley West	507291051	V-Commercial	Inside
23	Valley West	507291050	U-Commercial	Inside
24	Valley West	507291049	V-Commercial	Inside
25	West End Road	507461043	V-Industrial	Inside
26	Valley West	507362043	U-Commercial	Inside
27	West End Road	507461060	V-Industrial	Inside
28	West End Road	507121046	V-Industrial	Inside
29	West End Road	507121036	U-Industrial	Inside
30	West End Road	507121014	U-Industrial	Inside
31	West End Road	507121045	V-Industrial	Inside
32	West End Road	507121044	V-Industrial	Inside
33	Valley West	507361005	V-Commercial	Inside
34	West End Road	507121025	U-Industrial	Inside
35	Valley West	507291032	V-Commercial	Outside
36	West End Road	507121042	V-Industrial	Inside
37	West End Road	507121011	U-Industrial	Inside
38	West End Road	507121033	U-Industrial	Inside
39	Valley West	507191077	V-Commercial	Outside
40	West End Road	507121034	V-Industrial	Inside
41	West End Road	507081001	U-Industrial	Inside

TOTAL # of PARCELS	NEIGHBORHOOD	APN	VACANT (V) / UNDERUTILIZED (U) - INDUSTRIAL / COMMERCIAL	INSIDE or OUTSIDE PROJECT AREA
42	West End Road	507081043	V-Industrial	Inside
43	West End Road	507081039	U-Industrial	Inside
44	West End Road	507081018	U-Industrial	Inside
45	West End Road	507081038	V-Industrial	Inside
46	West End Road	507081040	V-Industrial	Inside
47	West End Road	507081041	V-Industrial	Inside
48	West End Road	507081042	U-Industrial	Inside
49	West End Road	507081038	V-Industrial	Inside
50	Valley West	507191059	V-Commercial	Outside
51	West End Road	507081045	V-Industrial	Inside
52	West End Road	507081035	U-Industrial	Inside
53	Westwood / Vassaide	507071001	V-Industrial	Inside
54	Westwood / Vassaide	507331054	U-Commercial	Outside
55	Westwood / Vassaide	507331055	V-Commercial	Outside
56	Westwood / Vassaide	507091001	U-Commercial	Outside
57	Westwood / Vassaide	505011017	U-Industrial	Inside
58	Westwood / Vassaide	505012004	V-Industrial	Inside
59	Westwood / Vassaide	505011010	V-Industrial	Inside
60	Westwood / Vassaide	505022011	U-Industrial	Inside
61	Westwood / Vassaide	505291010	U-Commercial	Outside
62	Westwood / Vassaide	503372002	U-Industrial	Inside
63	Westwood / Vassaide	505295016	U-Commercial	Outside
64	Westwood / Vassaide	503372003	U-Industrial	Inside
65	Westwood / Vassaide	503372004	V-Industrial	Inside
66	Westwood / Vassaide	503372005	V-Industrial	Inside
67	Sunset	505095023	V-Commercial	Inside
68	Sunset	505095018	U-Commercial	Inside
69	Greenview / Windsong	505161031	U-Industrial	Inside
70	Sunset	505161031	U-Industrial	Inside
71	Arcata Heights / Northtown	020153008	U-Commercial	Outside
72	Greenview / Windsong	021251002	U-Industrial	Inside
73	Humboldt State University	020063011	V-Commercial	Outside
74	Greenview / Windsong	020137001	V-Industrial	Inside
75	Arcata Heights / Northtown	020136002	U-Industrial	Inside
76	Greenview / Windsong	505201003	V-Commercial	Outside
77	Greenview / Windsong	020127002	U-Industrial	Inside
78	Greenview / Windsong	020127001	U-Industrial	Inside
79	Arcata Heights / Northtown	020121003	U-Industrial	Inside
80	Arcata Heights / Northtown	020097007	U-Commercial	Outside
81	Arcata Heights / Northtown	020096006	U-Commercial	Outside
82	Greenview / Windsong	020128002	V-Industrial	Inside
83	Greenview / Windsong	020123002	U-Industrial	Inside
84	Arcata Heights / Northtown	020084008	U-Commercial	Inside
85	Downtown / Uniontown	021223006	U-Industrial	Inside
86	Greenview / Windsong	021171018	U-Industrial	Inside
87	Downtown / Uniontown	021141001	U-Industrial	Inside
88	Downtown / Uniontown	021223004	U-Industrial	Inside
89	Greenview / Windsong	021171017	U-Industrial	Inside
90	Arcata Heights / Northtown	021098004	U-Commercial	Inside

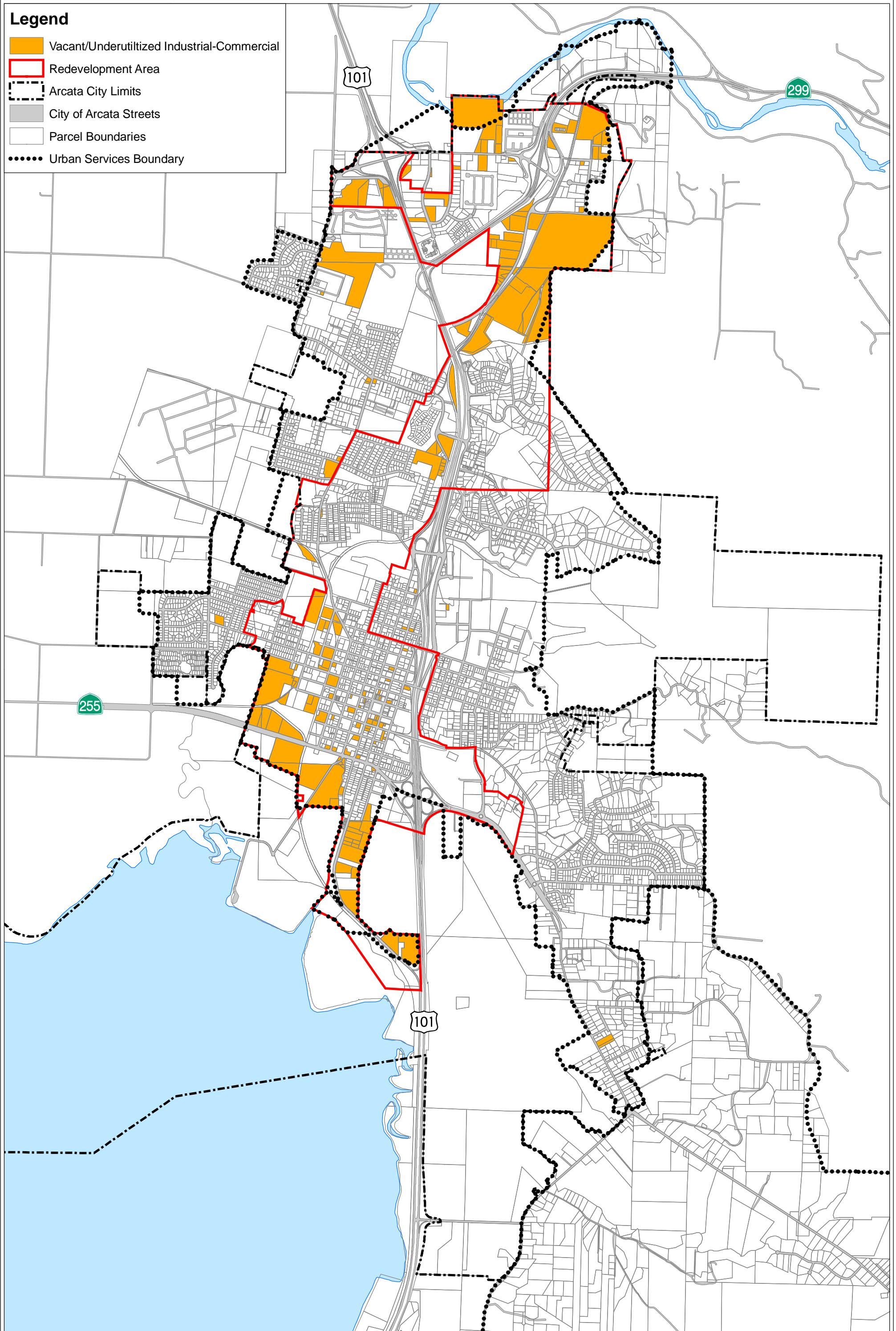
TOTAL # of PARCELS	NEIGHBORHOOD	APN	VACANT (V) / UNDERUTILIZED (U) - INDUSTRIAL / COMMERCIAL	INSIDE or OUTSIDE PROJECT AREA
91	Downtown / Uniontown	021211006	U-Industrial	Inside
92	Downtown / Uniontown	021172004	V-Industrial	Inside
93	Downtown / Uniontown	021146001	U-Industrial	Inside
94	Downtown / Uniontown	021211007	V-Industrial	Inside
95	Downtown / Uniontown	021175002	V-Industrial	Inside
96	Downtown / Uniontown	021105004	U-Commercial	Inside
97	Downtown / Uniontown	021175003	V-Industrial	Inside
98	Downtown / Uniontown	021052003	U-Commercial	Inside
99	Downtown / Uniontown	021106011	V-Commercial	Inside
100	Downtown / Uniontown	021103001	V-Commercial	Inside
101	Downtown / Uniontown	021211005	V-Industrial	Inside
102	Downtown / Uniontown	021151004	U-Industrial	Inside
103	Downtown / Uniontown	021174007	V-Industrial	Inside
104	Downtown / Uniontown	021153002	V-Commercial	Inside
105	Downtown / Uniontown	021106010	U-Commercial	Inside
106	Downtown / Uniontown	021106014	V-Commercial	Inside
107	Downtown / Uniontown	021174009	U-Industrial	Inside
108	Downtown / Uniontown	021102005	V-Commercial	Inside
109	Downtown / Uniontown	021058006	V-Commercial	Inside
110	Downtown / Uniontown	021102006	V-Commercial	Inside
111	Downtown / Uniontown	021102001	V-Commercial	Inside
112	Downtown / Uniontown	021154002	U-Commercial	Inside
113	Samoa Blvd	021201005	U-Industrial	Inside
114	Samoa Blvd	021201006	V-Industrial	Inside
115	Samoa Blvd	021201008	V-Industrial	Inside
116	Samoa Blvd	021201009	V-Industrial	Inside
117	Downtown / Uniontown	021161002	U-Industrial	Inside
118	Samoa Blvd	021201007	V-Industrial	Inside
119	Downtown / Uniontown	021162002	V-Industrial	Inside
120	Downtown / Uniontown	021108004	U-Commercial	Inside
121	Downtown / Uniontown	021108005	U-Commercial	Inside
122	Downtown / Uniontown	021108001	U-Commercial	Inside
123	Samoa Blvd	021201010	U-Industrial	Inside
124	Downtown / Uniontown	021108008	U-Commercial	Inside
125	Downtown / Uniontown	021044006	U-Commercial	Inside
126	Downtown / Uniontown	021164015	U-Commercial	Inside
127	Downtown / Uniontown	021044009	V-Commercial	Inside
128	Downtown / Uniontown	021114004	U-Commercial	Inside
129	Downtown / Uniontown	021114003	U-Commercial	Inside
130	Downtown / Uniontown	021115003	U-Commercial	Inside
131	Downtown / Uniontown	021165003	U-Commercial	Inside
132	Downtown / Uniontown	021115006	U-Commercial	Inside
133	Samoa Blvd	021191002	U-Industrial	Inside
134	Downtown / Uniontown	021116003	U-Commercial	Inside
135	Samoa Blvd	021182003	U-Industrial	Inside
136	Samoa Blvd	021184002	U-Commercial	Inside
137	Samoa Blvd	021183003	U-Industrial	Inside
138	Samoa Blvd	021112011	U-Commercial	Inside
139	Samoa Blvd	021185014	U-Industrial	Inside

TOTAL # of PARCELS	NEIGHBORHOOD	APN	VACANT (V) / UNDERUTILIZED (U) - INDUSTRIAL / COMMERCIAL	INSIDE or OUTSIDE PROJECT AREA
140	Samoa Blvd	021185015	U-Industrial	Inside
141	Samoa Blvd	503232009	V-Industrial	Inside
142	Samoa Blvd	503232015	V-Industrial	Inside
143	Samoa Blvd	503251011	V-Industrial	Inside
144	Samoa Blvd	503232016	V-Industrial	Inside
145	Samoa Blvd	503251013	V-Industrial	Inside
146	Samoa Blvd	503232013	V-Industrial	Inside
147	Samoa Blvd	503232014	V-Industrial	Inside
148	Samoa Blvd	503224042	V-Commercial	Inside
149	Samoa Blvd	021118002	V-Commercial	Inside
150	Samoa Blvd	503224043	V-Commercial	Inside
151	Samoa Blvd	503231019	U-Industrial	Inside
152	Samoa Blvd	503232004	V-Industrial	Inside
153	Samoa Blvd	503225002	V-Industrial	Inside
154	Samoa Blvd	503231010	V-Industrial	Inside
155	Samoa Blvd	503211033	V-Industrial	Inside
156	Samoa Blvd	503211013	U-Industrial	Inside
157	Samoa Blvd	503211012	U-Industrial	Inside
158	Samoa Blvd	503211027	U-Industrial	Inside
159	Samoa Blvd	503211021	V-Industrial	Inside
160	Samoa Blvd	503211035	V-Industrial	Inside
161	Samoa Blvd	503211037	V-Industrial	Inside
162	Samoa Blvd	503211036	U-Industrial	Inside
163	Samoa Blvd	503211038	V-Industrial	Inside
164	Samoa Blvd	503211029	U-Industrial	Inside
165	Samoa Blvd	503211011	U-Industrial	Inside
166	Samoa Blvd	503211023	V-Industrial	Inside
167	Samoa Blvd	503211026	U-Industrial	Inside
168	Samoa Blvd	501044003	U-Industrial	Inside
169	Samoa Blvd	501044006	U-Industrial	Inside
170	Bayside	500191002	U-Commercial	Outside
171	Bayside	500191020	U-Commercial	Outside

Figure 5 - Arcata Redevelopment Implementation Plan - Vacant & Underutilized Industrial & Commercial

Legend

- Vacant/Underutilized Industrial-Commercial
- Redevelopment Area
- Arcata City Limits
- City of Arcata Streets
- Parcel Boundaries
- Urban Services Boundary



5.2 Project Area Blight Identification

The *Arcata Community Development Project Area Plan 1983* established the Arcata Community Development Agency's primary goal: to "eliminate and reduce many aspects of visual, economic, physical and social blight presently existing within the City of Arcata and more specifically within the Project Area boundaries." In 2007 the City completed a Blight Report. Current blight conditions are as follows:

- Vacant parcels and deteriorating structures in residential, industrial/commercial areas, and mixed use areas. Boarded up houses and buildings, as well as façade damage and graffiti.
- Stagnant and unproductive condition of properties within the Project Area, especially brownfield and former mill sites, due to improper utilization of the land, which resulted in developmental constraints such as contaminated soil.
- Inadequate and deteriorating street system/surfaces to serve potential parking, circulation, and loading demand, antiquated street layouts and geometrics, missing links, unimproved curbs and sidewalks, insufficient street lighting, and intersection controls.
- Deteriorating wastewater collection system infiltration and inflow (I/I) creating higher flow in wet weather periods, water distribution system deterioration in established neighborhoods and new distribution systems need in growth areas, inadequate drainage facilities, causing flooding and reduced water quality.
- Unimproved parks with deteriorating facilities.
- Economic blight revealed in a declining economic base, lack of investment or reinvestment in some portions of the Project Area and the existence of long-term vacant sites and underutilized structures.

5.3 Five-Year Blight Reduction Goals and Objectives

The following goals and objectives expand on those from the 1983 *Project Area Plan*.

GOAL A: Improve City transportation system, consisting of local and arterial streets, parking, and related transit, pedestrian and bicycle facilities.

Objectives:

- Construct the Foster Avenue connector between Sunset Avenue and Alliance Road
- Provide leverage funds to Public Works to improve selected street intersections and rehabilitate deteriorated residential neighborhoods streets
- Identify transportation improvements for vacant parcels and/or underutilized parcels
- Complete missing sidewalk segments in commercial and residential areas
- Complete the Downtown Streetscape Improvements

- Complete a Valley West bike and pedestrian trail

Conditions of blight addressed: inadequate street, highway, and sidewalk improvements, deterioration in street infrastructure, and non-motorized travel connectivity.

GOAL B: Promote downtown and Samoa Boulevard investment and enhance business vitality.

Objectives:

- Improve the physical appearance of commercial building facades
- Expand and improve area sidewalks, add landscaping and street trees
- Complete downtown streetscape improvements on G and H Streets
- Complete a Samoa Blvd Revitalization Strategy and implement the Strategy to complete improvements

Conditions of blight addressed: inadequate street and infrastructure improvements, insufficient private investment, and the presence of vacant and underutilized parcels of land.

GOAL C: Promote a stable, diversified, and expanded economic base.

Objectives:

- Encourage orderly and appropriate brownfield site cleanup and redevelopment of vacant parcels throughout the Project Area, including, but not limited to, former mill sites such as the Little Lake Industries property on South I Street and parcels fronting on Samoa Blvd. west of the railroad tracks, as well as the Happy Valley property.
- Provide public infrastructure and infrastructure in support of new private commercial and industrial investment
- Allocate redevelopment resources towards EDSP targeted industries located in target areas.
- Complete gateway improvements for Sunset and Highway 101, Samoa Boulevard and Highway 101, and Giuntoli Lane at Highway 101 and Highway 299.

Conditions of blight addressed: declining economic base and insufficient new private investment within the Project Area.

GOAL D: Promote public infrastructure and facilities improvements, such as parks, storm drainage, wastewater collection and water distribution systems.

Objectives:

- Construct public infrastructure improvements which will promote new commercial and industrial development or investment in upgrading existing development
- Construct public infrastructure improvements which are needed to address deficiencies, inadequacies, or deterioration in existing facilities
- Focus the Neighborhood Improvement Program to make funds available for neighborhood parks
- Assist with park and trail improvements in Valley West

Conditions of blight addressed: Inadequate and deteriorating public infrastructure, declining economic base.

GOAL E: Provide for a range of housing types affordable to households of all income levels.

Objectives:

- Contribute funding to housing projects that reduce blight and provide affordable housing units.
- Assist in the development of affordable senior housing in the downtown
- Continue operating housing programs to provide assistance to home owners and developers to provide safe, affordable housing, including energy upgrades
- Disseminate information about incentives, second units, and density bonuses and how they can be used for affordable housing development.
- Complete the development of transitional housing at 250 E Street
- Complete the development of an Emergency Shelter

Conditions of blight addressed: vacant parcels and deteriorating structures in residential areas

GOAL F: Promote and enhance the economic vitality of the Valley West neighborhood.

Objectives:

- Complete streetscape improvements (e.g. street trees, bike lanes, and curbside landscaping) and promote public and private construction and streetscape improvements.
- Attract new private commercial and industrial investment in this neighborhood through Agency Programs such as facade grants and business loans.

- Complete gateway improvements for Highway 101 and Giuntoli Lane and Highway 299 and Giuntoli Lane.

Conditions of blight addressed: inadequate street, highway, and sidewalk improvements, lack of parks, deterioration in street infrastructure, and non-motorized travel connectivity and insufficient new private investment within the Project Area.

5.4 Blight and the Economic Development Strategic Plan

The 1983 Redevelopment Plan outlines general goals to eliminate blight and lines of action to accomplish each goal. The EDSP outlines specific strategies and implementation measures that have been updated to reflect the current development climate and supplement the goals and lines of action in the 1983 plan. The strategies are subdivided into citywide strategies and neighborhood based strategies (e.g., EDSP, Chapter Five).

The strategies and implementation measures in the EDSP incorporate broad elements of the following economic development models.

Business support and revitalization strategies: Existing business enterprises are important to Arcata's economic development. The County's economic development strategy highlights the importance of base industry enterprises that sell locally produced goods and services to those from outside the County and consequently inject income into the County's economy. Also important are local firms that primarily serve local residents, support the base industry firms, or "plug the leaks" in the local economy by providing local substitutes for goods and services purchased from outside of Arcata or outside of the County. Support strategies include coordination with County-level service providers at the Prosperity Center, streamlining of City regulatory and permitting processes, and identification and assistance for local entrepreneurs starting up owner-resident small businesses.

Targeted Industry Assessment: The City offers certain public incentives and resources to employers, but relies on those employers to provide significant private economic development opportunities for a vibrant local workforce. The targeted industry assessment seeks to determine where the City should offer incentives and allocate its resources to attract and grow targeted industry, and make a meaningful contribution to a viable public – private partnership. One of the key aspects of economic development strategic planning is identifying and focusing on those actions that make best use of city resources, and deriving the greatest benefit in terms of living wage jobs and taxable revenues. For reasons documented in the Targeted Area Assessment, the following four targeted industries have significant growth potential for the City and are worth pursuing:

- Diversified Health Care;
- Specialty Agriculture, Food, and Beverages;
- Management and Innovation Services; and

- Niche Manufacturing.

Targeted Area Assessment: The Targeted Area Assessment characterizes and assesses selected target areas of the City, describes the readiness for job related growth in those areas, and discusses the City's role in promoting geographically targeted economic development. The selection of these areas does not preclude other areas and/or neighborhoods (e.g., K Street and Downtown) from future economic development. For reasons documented in this report, the following five targeted areas have significant economic development potential for the City and are worth pursuing:

- Giuntoli Lane and Valley West;
- Humboldt State University/Northtown/D Street;
- West End Road/Aldergrove Industrial Park;
- Samoa Boulevard Revitalization Area; and
- Mad River Hospital/United Indian Health Services.

Economic diversification strategies: Economic diversification limits a community's exposure to the risk of job and income losses that might occur if one employer or one sector of the economy experiences a sharp decline. A diversified economy is more inherently stable and less subject to boom and bust cycles. Diversification of a relatively remote rural economy is limited by the small scale of the local market and labor pool, higher transportation costs, and the importance of large incumbent employers such as HSU. Public comment indicates particular support for the promotion of tourism (particularly eco- and cultural/heritage tourism), arts/culture/entertainment, manufacturing, information and technology, agriculture, and horticulture, and education and research.

Gateway community strategies: Due to Arcata's location at the intersection of U.S. 101 and S.R. 299, it possesses some features of a "Gateway Community" to regional natural resource amenities such as various local/state/national parks, area beaches, Humboldt Bay, and adjacent wildlife refuges and sanctuaries. Arcata is also a gateway to the cultural and educational resources of HSU. Gateway communities have the potential for hosting tourists and other visitors attracted to these natural, cultural, and educational resources. Realizing this potential involves an integrated strategy of information (e.g., signage), design, and corridor planning to encourage travelers to access Arcata's commercial hospitality sector as a part of their overall visit to the region.

Infill strategies -- development and increased use of vacant and underutilized commercial and industrial lands: Arcata has a substantial amount of vacant and underutilized commercial and industrial lands within the City limits. Development and increased use of these lands would have several potential benefits, including cleanup of contaminated industrial sites, job and income creation, and the generation of tax revenue from increased sales of goods and services. Infill provides positive and constructive alternatives to suburban sprawl development, and can help create compact and vibrant communities with a diverse mixture of land uses. Revitalization of blighted commercial and industrial areas improves

Arcata's overall economic development potential. Infill strategies must confront the challenge of limiting conflicts due to adjacent incompatible uses, such as mixed residential/commercial development. Existing industrial and commercially zoned lands must be protected from conversion to other uses

Façade Rehabilitation Grant Program: Façade grants are used for building improvements and renovations that are intended to provide tax generation, infrastructure improvement, community beautification, historic preservation, job creation, and a sense of well being and vitality in the Agency's commercial areas.

There have been 34 Façade Program grants awarded since the program began in 1990, 14 of these since 1997. The award amounts since 1997 have increased, with an average award of \$21,998 and a range of \$4,000 to \$40,000. All of the grants to date have been awarded for improvements in the downtown area. The Agency did not have any new façade grants from 2005-2009, but there are funds appropriated for the Arcata Theater and Robert Goodman Wines, both of which will likely begin construction in 2010.

While the Façade Program has been extremely successful assisting business to revitalize the downtown, this program is currently in a transition period as many of the façades in need of repair have been completed. During the next planning period the Agency intends to transition from the Downtown-Uniontown to the Samoa Blvd. and Valley West neighborhoods. Table 5.3 lists all of the Façade Grants awarded to date.

Table 5.3 Façade Grants Awarded by the City of Arcata

Name	Year Awarded	Location	Amount Committed
A. Stillman; Rocking Horse; Plaza Cards & Gifts	1991	833/853 H Street	10,000
Denver Phillips; Phillips Camera & Studio	1991	823 H Street	5,540
David Phillips; Historic Properties	1991	1015 H Street	75,000
Maurice & Evelyn Dungan; Julie-Jacklyn Florist	1991	898 G Street	5,358
Dennis Morgan; Hunter, Hunt & Hunt/KT Printin	1992	10th & G Street	4,041
Mario Celotto; Humboldt Brewing Co.	1992	856 10th Street	5,289
Dennis Rael; Los Bagels	1992	1061 H Street	2,209
Fred Slack; New Outdoor Store	1993	876 G Street	5,325
Historic Properties	1993	1041 H Street	10,000
Virgil Moorehead; Hotel Arcata	1993	708 9th Street	5,270
Demetri Mitsanas; Pythian Castle	1993	1101 H Street	9,793
Jan Dooley; Pacific Rim Noodle House	1994	1021 I Street	5,018
David Phillips; Minor Theatre Corp	1994	1036 G Street	20,000
Jeff Dickey; Arcata Stationer/Kelly's Jewelers	1994	833/837 G Street	13,970
Bill Silvester; U.S. Post Office	1996	799 H Street	4,750
Alexandra Stillman; Moonrise Herbs	1996	826 G Street	10,000
Julie Fulkerson; Plaza Design	1996	808 G Street	20,000
Virgil Moorehead; Hotel Arcata	1997	708 9th Street	7,698
Zumbrum & Atwood	1997	645 7th Street	17,463

Name	Year Awarded	Location	Amount Committed
Emily Stokes Rowe	1997	630 9th Street	19,740
North Coast Co-op	1998	811 I Street	20,000
Slack Family Partnership; Gaines Building	1999	905-933 H Street	40,000
Richard Sanborn; Tin Can Mailman	1999	1000 H Street	11,978
Grants awarded 2000-2005			
David Phillips; Historic Properties/Bubbles	2000	1041 H Street	20,000
Galardy, Wertz & Forman; Heart Bead	2000	830 G Street	30,000
Philip Dresser; Philip's Camera and Studio	2001	823 H Street	15,000
Virgil Moorehead; Hotel Arcata	2001	708 9th Street	40,000
Alex Stillman; The Hunt Building	2002	839 9th Street	20,000
Guido Canclini; Yi Fang Imports	2002	774 9th Street	15,000
Jan Dooley; Pacific Rim Noodle House	2003	1021 I Street	10,000
Dennis Morgan; Pialorsi Building	2003	1010-30 G, 650-80 10th	30,000
Scott Heller	2003	887 11th Street	4,000
Mike Wilson & Laura Kadlecik; Minor Cottage	2004	1068 I Street	30,000
Demetri Mitsanas; Pythian Castle	2004	1101 H Street	30,000
		TOTAL	\$572,442

Public Capital Improvements Program: Capital improvements are made through Owner Participation Agreements (OPA's) between the Arcata Community Development Agency and developers/property owners to encourage business vitality in Arcata. The Agency will agree to fund certain improvements to facilitate completion of projects needing public infrastructure. Agreements often encompass improvements such as paving sidewalks, improving drainage and grading, and other infrastructure improvements. There have been 15 Owner Participation Agreements made by the Agency since 2000 (Table 5.4). The total Agency Assistance for this program has been \$843,615 with average assistance of \$56,241 to each project.

Table 5.4: Owner Participation Agreement

Name	Year Signed	Location	Total Assistance	Project Description
Paul Lubitz; Holly Yashi	2001	1266-1300 9th St	71,000	Survey, concrete walkways, curbs, drainage, grading, etc.
Thomas Perrett; Tomas Jewelry	2001	793 K St	30,000	Sidewalk, driveway apron, ramp, curb
Thomas Perrett; Tomas Jewelry	2000	8th and L St	17,880	Replace driveway cut, sidewalks and off site storm drainage improvements.
Jody Hansen; Coastal Care Centers, Inc.	2000	1635 & 1655 Heindon Rd	24,667	Assistance for traffic mitigation fee and sidewalk improvements
Karen Beaver-Buffington	2000	1058 9th St	7,230	Sidewalk improvements
Marsh Commons Project	2000	101 south G St	131,300	Assist with March Commons Project
J. Gutierrez; Plaza Shoe Shop	2001	699 G St	15,842	New construction
Noel Hilliard; Lamps By Hilliard	2000	1433 11th St	5,260	Sidewalk improvements on 10th and 11th.
Alex Stillman	2001	9th and H	72,500	Parking in lieu fee; alleyway parking
McBain and Trush	2001	7th and J	109,500	Construction of commercial/residential bldg; day lighting Jolly Giant Creek.
Pacific Builders/Lucchese and Rupp	2001	9th and G	261,000	3-story building commercial retail and residential.
Mary Kehne; Cypress Grove	2003	1330 Q St	37,436	Public infrastructure
Café Brio	2006	719 G Street	30,000	Public infrastructure
Revolution	2009	1360 G Street	14,000	Alquist Priolo
Tea Gardens Apartments	2009	567-587 12 th Street	16,000	Alquist Priolo
		TOTAL	\$843,615	

5.5 EDSP Implementation Measures to Eliminate Blight

The following EDSP implementation measures were selected based on their potential to eliminate blight and achieve Redevelopment Implementation Plan Goals and Objectives.

EDSP Implementation Measures to improve City transportation system, consisting of local and arterial streets, parking, and related transit, pedestrian and bicycle facilities (Goal A):

- Develop trails to complete the City-wide trail network (**SP-2, VW-2**)
- Encourage development of Carlson Park and Valley West trail system (**VW-10**).
- Develop a Samoa and Valley West Gateway Plan, (**VW-1, SB-1**)

EDSP Implementation Measures to promote downtown investment and enhance business vitality (Goal B):

- Reevaluate Business Improvement District (BID) formation feasibility including Arcata Heights-Northtown businesses south of 18th St. (**AHN-5, DU-6**)
- Extend the City's façade grant program to key gateway neighborhoods and integrate the façade grant program with gateway design and corridor plans (**BSR-12**)
- Develop a corridor plan for Samoa Boulevard (**SB-2**)
- Strengthen partnership between the City and Arcata Downtown Business Community (ABDC) / Arcata Main Street, and Arcata Chamber of Commerce to grow targeted industries (see EDSP, Targeted Industry Assessment). (**DU-3**)

EDSP Implementation Measures to promote a stable, diversified, and expanded economic base (Goal C):

- Complete a development plan for the newly acquired Happy Valley property off of West End Road. Determine the best use and complete an infrastructure plan to begin development similar to the Aldergrove Industrial Park (**WER-7**).
- Continue, replicate, and/or expand the Business Incubator Program (**BSR-11**)
- Develop a citywide Smart Infill Projects Plan to direct various uses to specific sites in the City and reduce conflicts in the future (**ID-2**)
- Conduct a study to determine the best use of the Foodworks building. The study will identify the best uses for this site, and determine the feasibility of expanding existing uses (**WER-4**)
- Explore the potential of developing a condominium style small business facility on one of the city-owned vacant parcels in Aldergrove (**WER-6**)

EDSP Implementation Measures to promote public infrastructure and facilities improvements, such as parks, storm drainage, wastewater collection and water distribution systems (Goal D):

- Improve East-West connectivity by encouraging infrastructure improvements that connect LK Wood Blvd. and the new College Creek housing with the north G St. commercial district (**AHN-6**).
- Facilitate the expansion of broadband and fiber optic telecommunications services throughout the City (**BB-1, BB-2, BB-3**)
- Develop a Samoa Boulevard Revitalization Plan (**SB-2**)
- Expand the use of owner participation agreements to encourage the elimination of blight within the Redevelopment Area (**BSR-14**)
- Develop vacant and underutilized parcels between State Highway 299 and West End Road in a manner that is consistent with the gateway plan for Valley West (**WER-1**)

EDSP and City of Arcata Housing Element: 2010 Implementation Measures to provide for a range of housing types affordable to households of all income levels. (Goal E):

- Update and implement the 2010-2014 Housing Element (**H-1**).
- Housing Condition Survey. The Community Development Department shall use the housing condition survey conducted as a part of this Housing Element update in order to identify the housing in the City in need of rehabilitation. The Survey information will be incorporated into the City's GIS database in order to identify target areas for rehabilitation (**HE-2**).
- Residential Development Information Program. The Community Development Department will identify all current approved housing projects and provide this information to the public and developers through postings in the planning department and on the City's web site (**HE-9**).
- Development and Acquisition of Affordable Single Family Housing. Continue to use HOME, CDBG, Redevelopment Agency Low and Moderate Income Housing Fund, as well as available Federal, State, and local funding to provide the First-time Homebuyer Program and other affordable single family housing ownership opportunities in the City. (**HE-16**).

EDSP Implementation Measures to promote and enhance the economic vitality of the Valley West neighborhood. (Goal F):

- Revitalize the Valley West Shopping Center by designating the increase in transient occupancy tax revenues from the new Hampton Inn toward streetscape improvements and funding a marketing director position (**VW-4**).
- Offer a ready supply of industrial and commercial properties for development (**VW-7**).

- Provide Redevelopment funding mechanisms for the vacant parcels near existing medical offices on Valley West Boulevard (**VW-8, VW-12**).
- Support the expansion of the hospitality industry (**VW-9**).
- Extend the City's façade grant program to key gateway neighborhoods and integrate the façade grant program with gateway design and corridor plans (**BSR-12**)

EDSP Implementation Measure Key:

AHN - Arcata Heights/ Northtown Neighborhood

BB - Broadband Telecommunications Services

BSR - Business Support and Revitalization

DU - Downtown/ Uniontown Neighborhood

H - Affordable Housing

HE - Housing Element

ID- Infill Development

SB - Samoa Boulevard Neighborhood

SP - Sustainability Program

VW - Valley West Neighborhood

WER - West End Road Neighborhood

5.6 Public Land in the Project Area

There are several City- and special district-owned (e.g., schools, Arcata Fire Protection, Northern Humboldt Recreation & Parks, and Humboldt County Library) properties within the Project Area (Table 5.5):

Table 5.5 Public Lands Located in Redevelopment Project Area

Name	Owner	Address/Neighborhood	Features/Notes
City Hall	City of Arcata	736 F St. / Downtown-Uniontown	Includes Library
Arcata Ballpark	City of Arcata	9 th and F St. / Downtown-Uniontown	Includes Yoga Hut
Arcata Transit Center	City of Arcata	925 E St. / Downtown-Uniontown	Includes Arcata Service Center
The Plaza	City of Arcata	Between 8 th & 9th. / Downtown-Uniontown	McKinley Statue and gardens
Corporation Yard	City of Arcata	Adjacent to Marsh / Samoa Boulevard	Bus barn, Wastewater Treatment Facility
Arcata Community Center	City of Arcata	321 Community Park Way / Downtown-Uniontown	Includes Senior Resource Center, Park & Ball fields
D Street Neighborhood Center	City of Arcata	14 th and D St. / East Arcata / Bay View	Event Rental
Foodworks Incubator/Culinary Center	City of Arcata	100 Ericson Ct. / West End Road	Includes AEDC Offices
Arcata Marsh Interpretative Center / wildlife preserve	City of Arcata	South I St. / Samoa Boulevard	Includes Wastewater Treatment Facility
Community Pool -	Northern Humboldt Recreation and Parks District	1150 16 th St. / Arcata Heights/ Northtown	Includes water slide and exercise facility
Arcata neighborhood parks	City of Arcata	Various locations*	Parks and recreation facilities
Various elementary schools and Arcata High School	School Districts	Various locations	Ball fields, tennis courts, outdoor recreation areas
Arcata Fire Station	Arcata Volunteer Fire Protection District	631 9 th St.	Meeting Room

*See Arcata Economic Development Strategic Plan: 2009-2014, Table 2.7

ARCATA COMMUNITY DEVELOPMENT AGENCY

COUNCIL CHAMBER

DECEMBER 16, 2009

Board Chairperson Stillman convened a regular meeting of the Arcata Community Development Agency Board of Directors on the above date at 6:07 p.m. Notice of this meeting was posted on December 11, 2009. **PRESENT:** Stillman, Ornelas, Wheetley, Brinton, Winkler. **ABSENT:** None. **STAFF PRESENT:** Interim Executive Director Mendosa, Agency Attorney Diamond, Director of Community Development Oetker, Finance Director Luzzi, Director of Environmental Services André, Director of Public Works Class, Personnel Director Demello, Deputy Director of Public Works Kessler, Deputy Director of Environmental Services K. Diemer, Redevelopment Project Coordinator Boyes, Energy Program Specialist Menten.

AGENCY CONSENT CALENDAR

1. Approve Minutes from the Community Development Agency
 - a. Regular Meeting, December 2, 2009
 - b. Special Meeting, December 8, 2009
2. Receive and file the State Controller's Office Annual Report for the community Development Agency 2008/2009.

ON MOTION BY ORNELAS, SECONDED BY BRINTON, AND WITH A UNANIMOUS VOICE VOTE THE AGENCY BOARD ADOPTED THE CONSENT CALENDAR FOR DECEMBER 16, 2009. AYES: STILLMAN, ORNELAS, WHEETLEY, BRINTON, WINKLER. NOES: NONE. ABSENT: NONE. ABSTENTIONS: NONE.

OLD BUSINESS—1. Public Hearing to Consider the Adoption of Resolution No. 10-10—Authorizing the Arcata Community Development Agency Implementation Plan 2010-2014.

Board Chairperson Stillman invited public comment. None was received. Board Chairperson Stillman closed the public comment period.

Boardmember Ornelas pointed out that a homeowner's authority to have a second dwelling unit is only implied in this Plan. She stated her desire to have the City adopt pre-approved plans for second dwelling units and make them available to the public. She noted that, in the Plan, second dwelling units are counted as moderate-income housing and she thought some could be designated low-income housing. Also, this Plan doesn't show that any very-low-income housing units are proposed in the next five years.

Director of Community Development Oetker said staff is working toward adoption of pre-approved plans for second dwelling units.

Councilmember Winkler stressed that it is important that impacts on a neighborhood from secondary dwelling units are taken into account. He suggested that the owners of primary units could be issued preferential parking permits for their neighborhood.

Boardmember Wheetley requested that in the Implementation Plan, Table 5.2: Vacant and Underutilized Commercial/Industrial Parcels include a column for acreage or size of parcel.

ON MOTION BY WHEETLEY, SECONDED BY ORNELAS, AND WITH A UNANIMOUS VOICE VOTE THE AGENCY BOARD ADOPTED *RESOLUTION NO. 10-10 A RESOLUTION OF THE ARCATA COMMUNITY DEVELOPMENT AGENCY ADOPTING THE IMPLEMENTATION PLAN FOR THE ARCATA COMMUNITY DEVELOPMENT PROJECT AREA: 2010—2014.* AYES: STILLMAN, ORNELAS, WHEETLEY, BRINTON, WINKLER. NOES: NONE. ABSENT: NONE. ABSTENTIONS: NONE.

ADJOURN: The meeting was adjourned at 6:27 p.m. to the regular City Council meeting.

Respectfully submitted,

Bridget Dory
Deputy City Clerk



Proof of Publication

STATE OF CALIFORNIA County of Humboldt

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the matter referred to herein. I am the "principal" clerk of the publisher of **THE ARCATA EYE** a newspaper of general circulation, published once a week, Tuesdays in the City of Arcata, county of Humboldt, and which has been adjudged a newspaper of general circulation by the Superior Court of the County of Humboldt, State of California, under the date of Feb 17, 2000, Court Decree Number CV000020; that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

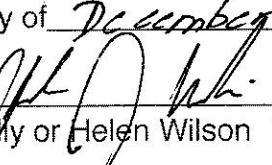
Run Dates 12/2

all in the year 2009

I certify (or declare) under penalty of perjury that the foregoing is true correct.

Dated at Arcata, California

this 2 day of December 2009

Signature: 
Terrence McNally or Helen Wilson
707-826-7535

This space is for the County Clerk's Filing Stamp

Proof of Publication of: Notice of Public Hearing

CITY OF ARCATA years. Through the Plan 2010 – 2014 at:
ARCATA COMMUNITY DEVELOPMENT implementation of the Community Development Department, 736 F Street, Arcata CA 95521. The Agency held the first Public Hearing on December 2, 2009 to take comments from interested persons and organizations regarding appropriate programs, projects, and expenditures.

AGENCY Plan the Agency will eliminate conditions of blight within the project area and fulfill the Agency's obligation regarding measures to increase, improve and preserve the community's supply of low and moderate income housing. The plan will specifically address how the Agency proposes to utilize the low and moderate income housing set-aside fund, which is required by the law. The Arcata Community development Agency promotes fair housing and makes all programs available to very-low, low, and moderate income households without regard of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap. The Agency will take comments from interested persons and organizations regarding appropriate programs, projects, and expenditures. Anyone desiring to present oral or written comments regarding this item may do so prior to or at the public hearing on Wednesday, December 16, 2009.

NOTICE OF PUBLIC HEARING The Public Hearing is to discuss a draft Arcata Community Development Agency Implementation Plan for the City's Project Area, as required by the State's Community Redevelopment Law. The purpose of the Implementation Plan is to identify programs, activities, and expenditures that may be undertaken by the Agency within the next five (5) years. If you are unable to attend the public hearing, you may direct written comments to the Agency to and/or review the Draft Implementation Plan.

