

IMPLEMENTATION PLAN
FOR THE
TIBURON REDEVELOPMENT PROJECT
(Covering Fiscal Years 2006-07 through 2010-11)

Tiburon Redevelopment Agency

Adopted May 2, 2007

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PART I INTRODUCTION & ORGANIZATION

The California Community Redevelopment Law (the "CRL") requires each redevelopment agency administering a redevelopment plan to prepare and adopt a five-year Implementation Plan. The principal goal of the Implementation Plan is for an agency to plan for and implement its general redevelopment programs in a manner directly related to eliminating blighting influences. In addition, the affordable housing component of the Implementation Plan provides a mechanism for a redevelopment agency to monitor its progress in meeting both its affordable housing obligations under the CRL and the affordable housing needs of the community.

The Tiburon Redevelopment Agency (the "Agency") adopted its initial Implementation Plan for the Tiburon Redevelopment Plan (the "Redevelopment Plan") in August, 1994, focusing primarily on the Agency's plans to meet certain affordable housing obligations. (The initial Implementation Plan was referred to as the Agency's "Housing Compliance Plan.") The Agency adopted an amended and restated Implementation Plan in December 1997. The Agency is now updating the Amended and Restated Implementation Plan. Through the updated Implementation Plan, the Agency can provide the community with an updated vision of redevelopment goals, objectives and programs, focusing on the fulfillment of the Redevelopment Plan's affordable housing obligations.

This updated Implementation Plan covers fiscal years 2006-07 through 2010-11, the five-year period required under the CRL. The updated Implementation Plan provides updated financial estimates, goals, objectives and proposed programs for the next five fiscal years.

A. ORGANIZATION

In accordance with the CRL, the updated Implementation Plan addresses the following information:

- ! Specific goals and objectives for the five-year planning period for both housing and non-housing activities.
- ! Specific programs and expenditures for the five-year planning period for both housing and non-housing activities.
- ! An explanation of how the goals, objectives, programs, and expenditures will assist in the elimination of blight and in meeting affordable housing obligations.
- ! Other information related to the provision of affordable housing, as discussed in Part III below.

The information listed above falls into two broad categories of redevelopment activities. There are: 1) Non-affordable housing-related activities; and 2) affordable housing-related activities. Consequently, the remainder of this Implementation Plan is organized into two principal parts. Part II sets forth the requirements for all activities and expenditures under the Redevelopment Plan other than for the provision of affordable housing. Part III addresses affordable housing activities and expenditures and charts Agency progress and strategy for meeting its affordable housing obligations.

This Implementation Plan utilizes terms with specified meanings. The definitions for the defined terms, as designated by initial capital letters, may be found in Appendix A.

B. INTERPRETATION

This Implementation Plan is intended to provide general guidance for the implementation of the Agency's programs and activities. It is expected that particular constraints and opportunities, not fully predictable at this time, will arise in the course of undertaking the programs and activities described in this Implementation Plan over the five-year planning period. Therefore, the Agency intends to use and interpret this Plan as a flexible guide, and intends that the Agency's specific programs and activities, as actually implemented, may vary in their precise timing, location, cost, expenditure, scope, and content from that set forth in this document.

PART II GENERAL REDEVELOPMENT ACTIVITIES

A. BACKGROUND AND PROJECT AREA STATUS

In November 1983, the Tiburon Town Council adopted the Redevelopment Plan for the Tiburon Redevelopment Project (the "Redevelopment Plan"), establishing an approximately 55-acre redevelopment project area (the "Project Area") in Tiburon, as depicted in Appendix C. The Project Area includes, but is not limited to, the 38-acre former Southern Pacific Railroad property (now known as the Point Tiburon development), the land between Lyford Drive and Ned's Way (including the Reed Union School District lands), and portions of Tiburon Boulevard and properties along it adjacent to the former railroad property.

The purpose of the Redevelopment Plan was to eliminate blight and to stimulate private redevelopment of the downtown area, particularly through participation in the Point Tiburon development and provision of affordable housing as mandated by the CRL. The Redevelopment Plan was administered by the Redevelopment Agency (the "Agency"), and provided for allocation to the Agency of property taxes attributable to the growth in assessed valuation of property in the Project Area above the assessed valuation existing at the time the Redevelopment Plan was adopted ("Tax Increment Revenue").

On November 21, 1983, in connection with adoption of the Redevelopment Plan, the Agency entered into a Fiscal Agreement with the local taxing entities that receive property taxes from the Project Area, including the County of Marin, the Marin Community College District, the County Superintendent of Schools, the Reed Union School District, the Tamalpais Union High School District, the Tiburon Fire Protection District, and the Tiburon Sanitary District. The Project Area bonds were paid off in approximately 2003, roughly twenty years after Redevelopment Plan adoption, and the Tax Increment Revenue collection from other agencies ceased at that time.

At this point in time, the Redevelopment Plan's remaining obligations are: 1) performance of the reporting, accounting, and administrative functions of the Agency, and 2) production of the remaining increment of very low income housing required under the CRL.

B. NON-AFFORDABLE HOUSING-RELATED GOALS AND OBJECTIVES

Goal 1. Meet the Agency's existing financial and administrative obligations.

Objective 1. Adequately and timely perform all reporting, accounting, and administrative functions imposed by the CRL and prudent government practice.

C. PROPOSED PROGRAMS AND EXPENDITURES

The Agency's expenditures for programs and activities other than affordable housing during the five-year planning period are proposed as shown in Table 1 below. These expenditures are for basic administration, accounting, and reporting of the Agency general fund. The expenditures will be funded with Agency program income generated from non-Housing Fund sources.

**TABLE 1
AGENCY EXPENDITURES
(EXCLUSIVE OF HOUSING FUND)**

<u>Program</u>	<u>2006-07 (Estimated)</u>	<u>2007-08 (Estimated)</u>	<u>2008-09 (Estimated)</u>	<u>2009-10 (Estimated)</u>	<u>2010-11 (Estimated)</u>	<u>Five-Year Total</u>
Payments on Pt. Tiburon Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agency Admin.	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 22,500
Annual Total	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 22,500

**D. LINKAGE AMONG GOALS, PROGRAMS AND ELIMINATION OF
BLIGHTING INFLUENCES**

The Agency's goal and objective for the five-year planning period, and the proposed expenditures for the period with respect to non-affordable housing activities, relate to meeting existing financial and administrative obligations, principally reporting, accounting, auditing, and administrative functions (meetings and minutes) of the Agency. The Agency has successfully completed the blight-eliminating programs associated with the Project Area.

PART III AFFORDABLE HOUSING ACTIVITIES

California Community Redevelopment Law emphasizes the role of affordable housing activities within the overall redevelopment program. Like most other redevelopment agencies, the Agency is expressly required to undertake activities which will assist in "increasing, improving, and preserving the community's supply of low and moderate income housing".

A. CRL AFFORDABLE HOUSING REQUIREMENTS

The CRL requires the housing component of this Implementation Plan to include:

- ! The amount available in the Housing Fund and estimates of both deposits into and expenditures from the Housing Fund during the five-year planning period.
- ! The number of new, rehabilitated, or price-restricted housing units to be assisted during the five-year planning period.
- ! If existing affordable housing will be removed as a result of redevelopment activities, a list of proposed sites for the replacement housing the Agency is required to produce.
- ! Specific information related to the Agency's Affordable Housing Production Requirement, total population (8,666), and the number of persons under 65 years of age (7,236) as reported in the most recent United States Census.
- ! The Affordable Housing Production Plan for the Project Area, showing how the Agency's Project Area Housing Production Requirement will be met.
- ! An explanation of how the goals, objectives, projects, and expenditures set forth in the Implementation Plan will implement the affordable housing requirements of the CRL, including a housing program for each of the five years of the Implementation Plan.

The Agency has three basic statutory obligations under the CRL with respect to affordable housing.

1. Housing Fund Requirement. The Agency is required to deposit and expend specified percentages of Tax Increment Revenue (generally, 20% of total Tax Increment Revenue each year) for the provision of affordable housing.

2. Affordable Housing Production Requirements. Specified minimum percentages of new or substantially rehabilitated housing units in the Project Area are to be available at a specified affordable housing cost.

3. Replacement Housing Requirement. The Agency must replace housing units removed from the housing stock as a result of redevelopment activities.

Paralleling these three requirements, Section B of this Part addresses the Agency's Housing Fund Requirement; Section C contains the Agency's Affordable Housing Production Plan to meet its Affordable Housing Production Requirements; and Section D discusses the Replacement Housing Requirement.

B. HOUSING FUND REQUIREMENT

This section describes the goals, objectives, proposed programs and proposed expenditures for the Agency's affordable housing program during the five-year planning period. Since deposits of Tax Increment Revenue made by the Agency into its Low and Moderate Income Housing Fund (the "Housing Fund") have ceased, the accumulated principal balance and accruals of interest are the revenue sources available to complete the Agency's affordable housing program. This section focuses on the use of the Housing Fund, beginning with a discussion of the legal requirements for the Housing Fund and including a summary of the funds contained in and to be deposited in the Housing Fund during the five-year period covered by this updated Implementation Plan. This section then outlines the Agency's goals and objectives for its affordable housing program, and concludes with the Agency's program strategy for affordable housing, including proposed expenditures and affordable housing production estimates for the five-year period.

1. The Housing Fund Requirement.

a. Basic Requirement. With limited exceptions, the CRL requires the Agency to set aside in its Housing Fund at least 20% of all Tax Increment Revenue generated from the Project Area for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. The Agency met this requirement throughout the life of the Redevelopment Plan and is now programming the expenditure of remaining Housing Funds to complete the housing production requirements of the Project Area.

The CRL also requires that the Agency encumber or spend money in the Housing Fund for affordable housing programs in a timely manner, so as to avoid building up an excess of unused and unencumbered money in the Housing Fund (known as an "excess surplus"). As noted later in this section, the Agency has been successful in encumbering and expending the Housing Fund in a timely manner. An excess surplus has not been incurred, and the Agency does not expect to generate an excess surplus in its Housing Fund at any time during the life of the Redevelopment Plan.

b. Assisted Households. Under the CRL, Housing Fund monies must be "targeted" to certain income levels. The Agency is specifically required to expend its Housing Funds to assist very low income, low income, and moderate income households, generally defined as:

Very Low Income	incomes at or below 50% of area median income, adjusted for family size
Low Income	incomes between 51% and 80% of area median income, adjusted for family size
Moderate Income	incomes between 81% and 120% of area median income, adjusted for family size

According to the Housing Element of Tiburon's General Plan, the community's regionally-determined housing needs numbers and the proportions for the three affordable housing income categories is as follows:

<u>Income Category</u>	<u>Number of Units Needed</u>	<u>Percentage</u>
Very Low Income	26	36.1%
Low Income	14	19.4%
Moderate Income	32	44.5%

Thus, approximately 55% of Tiburon's need for housing in these three income categories is for housing affordable to either very low income or low income households, while the balance of the need is for housing affordable to moderate income households. In compliance with the goal of the CRL, the Agency has targeted its Housing Fund assistance to provide affordable housing to income categories in proportion to these identified needs, provided that the Project Area's remaining very low income production requirements, as discussed below, are fulfilled during the process. The majority of affordable units would therefore be very low income units.

c. Affordable Housing Cost & Duration of Affordability. Housing assisted with Housing Fund monies must be "available at an affordable housing cost". For housing assisted by Housing Funds, the following affordable housing cost definitions apply:

<u>Income Level</u>	<u>Rental Housing</u>	<u>Ownership Housing</u>
Very Low Income	30% of 50%	30% of 50%
Lower Income	30% of 60%	30% of 70%
Moderate Income	30% of 110%	35% of 110%, but no less than 28% of actual income

The first percentage means the percent of income that can be spent on housing costs. The second percentage means the percent of area median income.

The CRL also requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted with Housing Fund monies. In the case of new or substantially rehabilitated rental housing, controls must be placed on the assisted housing units requiring them to remain affordable for the longest feasible time but not less than 55 years. For owner-occupied housing, the units must remain affordable for the longest feasible time, but not less than 45 years, although a shorter duration is permitted if the Agency recoups its Housing Fund investment when an assisted owner-occupied unit is sold at a non-affordable price or to a non-qualifying buyer. According to statutory definition, the "longest feasible time" requirement includes, but is not limited to, a period of unlimited duration.

As described below, the Agency's assistance has complied with these affordability and duration requirements.

2. Funding for Affordable Housing Activities; Status of Housing Fund. The Agency deposited the required 20% of gross Tax Increment Revenue in its Housing Fund in each fiscal year that such revenues were collected since the adoption of the Redevelopment Plan in 1983. As a result, the Agency has no deficit in its Housing Fund deposits.

Table 2 depicts (a) the Housing Fund balance at the beginning of the five-year planning period covered by this Implementation Plan, (b) the estimated Tax Increment Revenue, interest, and program income deposited into the Housing Fund for each fiscal year during the five-year planning period, (c) the actual or estimated expenditures for each fiscal year, (d) the excess or deficiency of revenues over expenditures from the Housing Fund for each fiscal year, and (e) the actual or estimated Housing Fund balance at the end of each fiscal year.

**TABLE 2
HOUSING FUND DEPOSITS AND BALANCE¹**

A	B	C	D	E	F
<u>Fiscal Year</u>	<u>Tax Increment Revenue Deposit</u>	<u>Interest and Other Income</u>	<u>Program Expenditure</u>	<u>Excess/ (Deficiency) of Revenue Over Expenditure</u>	<u>Fund Balance</u>
July 1, 2006	----	----	----	----	\$709,585
2006-07 (Estimated)	\$0	\$25,000	\$5,500	\$19,500	\$729,085
2007-08 (Estimated)	\$0	\$26,000	\$6,500	\$19,500	\$748,585
2008-09 (Estimated)	\$0	\$27,000	\$7,000	\$20,000	\$768,585
2009-10 (Estimated)	\$0	\$13,000	\$600,000	\$(587,000)	\$181,585
2010-11 (Estimated)	\$0	\$8,000	\$189,585	\$(181,585)	\$0
Total	<u>\$0</u>	<u>\$99,000</u>	\$808,585	<u>\$(709,585)</u>	\$0

¹This table is organized as follows: The sum of columns B and C for a given fiscal year constitute the deposits into the Housing Fund for that fiscal year. Subtracting the expenditures for the fiscal year (Column D) yields the net increase or decrease in deposits during the fiscal year, as shown in Column E. Adding the amount in Column E for a given fiscal year to the fund balance (Column F) from the preceding fiscal year yields the fund balance at the end of the fiscal year.

As shown in Table 2, the Agency's Housing Fund balance at the beginning of the five-year planning period was \$709,585. During the five-year planning period, it is estimated that an additional \$99,000 will be deposited in the Housing Fund from interest income. All of this money is anticipated to be spent during the five-year period for the programs described in detail in subsection 4 below, thereby using up the entire beginning balance and five-year deposits. In short, the Agency expects to make full utilization of its Housing Fund to produce affordable housing during the period covered by this updated Implementation Plan.

3. Goal and Objectives of Affordable Housing Activities. In developing its affordable housing program, the Agency has been guided by the goals and objectives of the Town's Housing Element, the legal requirements for affordable housing mandated by the CRL, and available resources. Based on these factors, the Agency's affordable housing goal and objectives for the five-year planning period are as follows:

Goal 1. Assist in the development of new affordable housing units, emphasizing the housing needs of very low income units to fulfill the Project Area's CRL requirements.

Objective 1. Assist in the redevelopment of the "IGA (formerly Bell) Market" site (1599 Tiburon Boulevard) to provide approximately five (5) very low income units, one (1) low income unit, and 2 (two) moderate income units.

Objective 2. Assist in the development of the "Parking Lot" site (1555 Tiburon Boulevard) to provide approximately two (2) very low income units, one (1) low income unit, and two (2) moderate income units.

Objective 3. In the event the Agency's very low income housing obligations are not met through the above sites, the other sites listed in Appendix B will be used by the Agency to expend Housing Fund money to assist in the development of at least five and one-half (5 ½) unit credits of housing affordable to very low income households. Some sites on Appendix B are in the Project Area and the Agency would receive credit for each unit developed; other sites are outside the Project Area and the Agency would receive one unit of credit for every two affordable units developed.

The estimated timetable for the production of the housing units described above is set forth in Table 4 below.

Goal 2. Administer and plan for expenditures from the Housing Fund in a timely and cost-effective manner.

4. Housing Activities and Expenditures; The Housing Fund Program. The focus of Agency affordable housing activities and Housing Fund expenditures during the life of the Implementation Plan will be upon the development of additional newly constructed affordable

housing units on sites as shown in the Tiburon Housing Plan as set forth in the Housing Element of the General Plan. These sites are described in Exhibit A hereto.

The Agency's efforts in IGA (formerly Bell) Market site and Parking Lot site developments, and in administration of the Housing Fund, are described in turn. Tables 3 and 4 summarize the Agency's proposed expenditures and assisted units produced during each year of the five-year planning period.

d. Housing Fund Administration. Finally, the Agency proposes to use a limited portion of the Housing Fund for administration of the above-described programs. As shown in Table 3, it is anticipated that approximately \$33,000, or about 4% of total Housing Fund expenditures for the five-year period, will go toward planning and administrative costs.

**TABLE 3
HOUSING FUND EXPENDITURES
(Rounded to Nearest Thousand)**

<u>Program</u>	<u>2006-07 (Estimated)</u>	<u>2007-08 (Estimated)</u>	<u>2008-09 (Estimated)</u>	<u>2009-10 (Estimated)</u>	<u>2010-11 (Estimated)</u>	<u>Five-Year Total</u>
IGA (formerly Bell) Market	\$0	\$0	\$0	\$400,000	\$100,000	\$500,000
Parking Lot	\$0	\$0	\$0	\$187,000	\$89,585	\$276,585
Administration	<u>\$5,500</u>	<u>\$6,500</u>	<u>\$7,000</u>	<u>\$8,000</u>	<u>\$6,000</u>	<u>\$33,000</u>
Total	\$5,500	\$6,500	\$7,000	\$595,000	\$195,595	\$809,585

**TABLE 4
PRODUCTION OF NEW AFFORDABLE HOUSING UNITS**

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>5-Year Total</u>
IGA (formerly Bell) Market 1599 Tiburon Boulevard	0	0	0	5 Very Low 1 Low 2 Moderate	0	5 Very Low 1 Low 2 Moderate
Parking Lot 1555 Tiburon Boulevard	0	0	0	2 Very Low 1 Low 2 Moderate	0	2 Very Low 1 Low 2 Moderate
Total	0	0	0	7 Very Low 2 Low 4 Moderate	0	7 Very Low 2 Low 4 Moderate

C. AFFORDABLE HOUSING PRODUCTION REQUIREMENTS AND PLAN

This section constitutes the Affordable Housing Production Plan of the Agency as required by Health and Safety Code Section 33413(b)(4). This section begins with a summary of the legal components of the Affordable Housing Production Requirements, followed by a quantification of the Agency's past and anticipated future Affordable Housing Production Requirements. This section concludes with a description of the Agency's proposed strategy to meet the limited portion of its Affordable Housing Production Requirements that has not already been satisfied.

1. The Affordable Housing Production Requirements. The CRL imposes two Affordable Housing Production Requirements on the Agency: one requirement relates to new or substantially rehabilitated housing developed by the Agency itself anywhere in the community; and the second requirement relates to new or substantially rehabilitated housing developed within the Project Area by any entity (private or public) other than the Agency. Housing receiving Agency financial or land assembly assistance but owned and developed by a private entity or another government entity (such as a housing authority) falls within the second requirement. Before describing these two requirements quantitatively, a brief refresher about nomenclature is in order.

The terms "very low income household", "moderate income household" and "affordable housing cost" have the same meanings in the context of the Affordable Housing Production Requirements as in the context of the Housing Fund Requirement described in Section B above. (Please refer to the definitions provided in Section B and in Appendix A.) A "substantially rehabilitated unit" is one whose post-rehabilitation value exceeds its pre-rehabilitation value by at least 25%.

Specifically, the Affordable Housing Production Requirements are as follows:

a. Agency-Developed Housing Anywhere in the Community. Fifteen percent (15%) of all new and substantially rehabilitated housing developed by the Agency anywhere in the community must be available for occupancy at an affordable housing cost to moderate income households. An additional fifteen percent (15%) of all new and substantially rehabilitated housing developed by the Agency anywhere in the community must be available for occupancy at affordable housing cost to very low income households.

b. Housing Developed In Project Area By Others Than The Agency. Nine percent (9%) of all new and substantially rehabilitated housing developed within the Project Area by private or public entities (other than the Agency) must be available for occupancy at affordable housing cost to moderate income households. An additional six percent (6%) of all new and substantially rehabilitated housing developed within the Project Area by private or public entities (other than the Agency) must be available for occupancy at affordable housing cost to very low income households.

Housing Fund deposits may be used to meet the Affordable Housing Production Requirements. To qualify as a unit that fulfills a portion of the Affordable Housing Production Requirement, a unit must be deed restricted to remain affordable to the applicable income category (moderate income or very low income) for the longest feasible time and in any event for a period that continues through the expiration of land use controls under the Redevelopment Plan. (If the unit is receiving Housing Fund assistance, a longer duration of affordability may apply, as discussed in Section B above).

The Affordable Housing Production Requirements need not be satisfied for each individual housing development, but must be satisfied in the aggregate over a ten-year period. Because of the ten year compliance period for this particular requirement, this Section covers a longer period than the balance of this Implementation Plan.

2. Quantification of Affordable Housing Production Requirements.

a. Agency-Developed Housing. As of the date of this Implementation Plan, the Agency has not itself developed any housing in Tiburon. The Agency has no plans to develop any housing itself in the future, since affordable housing can much more efficiently be developed by experienced for-profit and non-profit developers than by the Agency. Consequently, the

Agency does not have, and does not expect to incur, any Affordable Housing Production Requirement for Agency-developed housing.

b. Housing Developed In the Project Area By Others. As of the date of this Amended Implementation Plan, the only newly developed housing units in the Project Area by private or public entities (other than the Agency) since the adoption of Redevelopment Plan are the 155 condominium units in the Point Tiburon development and the 25 units at Chandlers Gate (Ned's Way). As of the date of this Implementation Plan, no housing units in the Project Area have been substantially rehabilitated since the adoption of the Redevelopment Plan. A newly developed Agency-assisted housing project outside the Project Area boundary, which is allowed one-half credit under State law, has been constructed at Cecilia Place.

The Project Area has some sites which the Town has recently designated for mixed-use commercial/residential development. These sites include the IGA (formerly Bell) Market site at 1599 Tiburon Boulevard and the Parking Lot site at 1555 Tiburon Boulevard. No rehabilitation of existing housing in the Project Area is contemplated during the ten-year compliance period for this Affordable Housing Production Plan.

In summary, the total number of "new and substantially rehabilitated" housing units that have been undertaken to date by the private or public sector (other than the Agency) during the life of the Redevelopment Plan is 180 units; consisting of the 155-unit Point Tiburon development and the 25-unit Chandlers Gate development.

This Implementation Plan incorporates the Tiburon General Plan Housing Element projections of 26 total units for the IGA/Bell Market site and 18 total units for the Parking Lot site. Adding the 44 projected units from these two sites to the 180 units already constructed yields 224 total units. Consequently, the Agency's total Affordable Housing Production Requirement for housing developed in association with the Project Area is as follows:

- ∃ Moderate Income Units: $224 \text{ total units} \times 9\% = 20.1 \text{ units}$
- ∃ Very Low Income Units: $224 \text{ total units} \times 6\% = 13.4 \text{ units}$

The Agency's Affordable Housing Production Requirement for Project Area housing is 20 moderate income units and 13 very low income units.

3. Strategy for Meeting the Project Area Affordable Housing Production Requirements. This subsection describes the strategy by which the Agency has met, or plans to meet, the Project Area Affordable Housing Production Requirement quantified above. (No strategy for Agency-developed housing is required since no Agency-developed housing has been, or is anticipated to be, undertaken in the community.)

a. Moderate Income Units. Twenty (20) of the condominium units in the Point Tiburon development (within the Project Area) assisted by the Agency have been deed restricted

by the Town for occupancy at affordable housing cost to moderate income households for at least the minimum period required by the CRL. In addition, eight (8) units in the Cecilia Place development have been deed-restricted by the Agency for availability at affordable housing cost to moderate income households for 99 years after completion of the development, thereby far exceeding the minimum period required by the CRL. The Cecilia Place development is outside the Project Area. However, under the current provisions of Health and Safety Code Section 33413(b)(2)(A)(ii), the Agency may obtain one unit of credit toward its Project Area Affordable Housing Production Requirement for each two units of deed-restricted new affordable housing developed outside the Project Area. On this basis, the eight (8) units of affordable moderate income housing developed and deed-restricted in the Cecilia Place development are worth four (4) units of credit to the Agency.

The Agency has caused a total of twenty-four (24) units of affordable moderate income housing (twenty (20) units at Point Tiburon and four (4) units at Cecilia Place) to be developed toward its Project Area Affordable Housing Production Requirement for moderate income housing. In comparison, the Agency's total obligation over the entire life of the Redevelopment Plan is projected to be only twenty (20) units of moderate income housing, as calculated in the preceding subsection. Therefore, the Agency has already met and exceeded its anticipated life-of-the Redevelopment Plan requirement for production of affordable moderate income housing in the Project Area.

b. Very Low Income Units. Four (4) units in the private-sector-developed Chandlers Gate development have been deed restricted for occupancy at affordable housing cost to very low income households for at least the minimum period required by the CRL. In addition, the Agency assisted the private sector in the development of seven (7) new housing units in the Cecilia Place development that are deed-restricted by the Agency for long-term (99 year) affordability to very low income households. Because these units are located outside the Project Area, they count on a "two-for-one" basis under current Health and Safety Code Section 33413(b)(2)(A)(ii) to yield three and one-half (3.5) units toward the very low income portion of the Agency's Project Area Affordable Housing Production Requirement. Since, as calculated in the preceding subsection, the very low income housing production requirement throughout the entire life of the Redevelopment Plan is projected to be thirteen (13) units, the Agency has achieved seven and one-half (7.5) very low income units and has a remaining Project Area Affordable Housing Production Requirement of five and one-half (5.5) very low income units. The Agency intends to achieve the production of these remaining units through the following strategy:

(1) IGA (formerly Bell) Market Site. As detailed in Section B, the Agency proposes to use Housing Fund money to assist in the development of this site with at least five (5) very low income units. Since this site is in the Project Area, all affordable units will count fully toward the remaining Project Area Affordable Housing Production Requirement.

(2) Parking Lot Site. As detailed in Section B, the Agency proposes to use Housing Fund money to assist in the development of this site with at least two (2) very low income units. Since this site is in the Project Area, all affordable units will count fully toward the remaining Project Area Affordable Housing Production Requirement.

(3) Other Sites in Appendix B. In the event the Agency's very low income housing obligations are not met through (1) and/or (2) above, the other sites listed in Appendix B hereto are proposed by the Agency to use Housing Fund money to assist in the development of at least five and one-half (5½) unit credits of very low income housing. Some sites on this list are in the Project Area and would receive full credit; other sites are outside the Project Area and would receive only one-half credit for affordable units produced.

Using the above sites, the Agency should have sufficient Housing Fund monies, in combination with available Town of Tiburon House In-Lieu Fund monies, to fulfill the remaining very low income unit obligation before the end of the Affordable Housing Production Plan compliance period. Additional affordable units beyond those described above shall be pursued as part of Tiburon's General Plan Housing Element goals, policies, and programs.

D. REPLACEMENT HOUSING REQUIREMENT

In general, when residential units housing low and moderate income persons are destroyed or taken out of the low-and moderate-income market as part of a redevelopment project, a redevelopment agency must replace those units within a specified time in accordance with a plan adopted following public review.

The Agency has incurred no replacement housing obligation under the CRL to date. The Agency is not likely to incur a replacement housing obligation for this Project Area. However, should the Agency obtain funds from the Town, developers, or other sources, and should these funds be used in a manner that results in the removal of dwelling units from the affordable housing stock, the Agency will meet all CRL requirements, including the preparation of a specific replacement housing plan prior to removal of such units.

**APPENDIX A
TERMS & DEFINITIONS**

"Affordable Housing Production Requirements" means the requirements of the CRL that specified percentages of low and moderate income housing be produced.

"Agency" means the Tiburon Redevelopment Agency.

"CRL" means the California Community Redevelopment Law as embodied in Health & Safety Code Section 33000 et seq. and which governs the practice of redevelopment in the State.

"Housing Fund" in general means the 20% of Tax Increment Revenue generated from the Project Area that must be set aside in a separate fund to be used for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing.

"Housing Fund Requirement" means the requirement to make deposits into and expend funds from the Housing Fund to produce affordable housing as required by the CRL.

"Moderate Income Household" means, generally, households with incomes not exceeding 120% of area median income.

"Project Area" means the specific geographical area within which the Agency has initiated a Redevelopment Project pursuant to the CRL. Appendix B provides a map of the Tiburon Project Area.

"Redevelopment Plan" means the Redevelopment Plan for the Tiburon Redevelopment Project adopted on November 28, 1983.

"Tax Increment Revenue" means that portion of property tax revenues generated by increases in assessed value within the Project Area and received by the Agency after the adoption of the Redevelopment Plan.

"Town" means the Town of Tiburon.

"Very Low Income Household" means, generally, households with incomes not exceeding 50% of area median income.

APPENDIX B: TIBURON HOUSING PLAN

SITE/ LOCATION	ZONING	ACRES	TOTAL UNITS	AFFORDABILITY OF HOUSING UNITS			
				VERY LOW	LOW	MODER- ATE	ABOVE MODER- ATE
Washington Mutual 1535 Tiburon Blvd.	NC/AHO	0.73	13	3	1	4	5
Bank of America 1601 Tiburon Blvd.	NC/AHO	0.57	10	2	1	3	4
Cove Shopping Center 1 Blackfield Dr.	NC/AHO	0.60	10	2	1	3	4
Reed Elementary School Unused 1199 Tiburon Blvd.	RMP/AHO	1.00	18	3	4	4	7
<p><i>Zoning Designations:</i> RMP/AHO – Residential Multiple Planned/Affordable Housing Overlay (density = range from 12.4 to 24.8 du/acre; assumed: 18 du/acre) NC/AHO – Neighborhood Commercial/Affordable Housing Overlay (density = range from: 17.4 to 20.7 du/acre, assumed: 18 du/acre)</p>							