

EXHIBIT "A"

**CITY OF GRASS VALLEY REDEVELOPMENT AGENCY
Description of Priority Work Programs for FY04-05
Low to Moderate Income (LMI) Housing Fund**

**Addendum to AB1290 Program adopted March 28, 2000 (Resolution 00-2)
Adopted by Redevelopment Agency on June 22, 2004 (Resolution 04-04)**

I. OBJECTIVE

The Redevelopment area consists of 487 acres. The objective of the Redevelopment Agency is to improve and enhance the Redevelopment area of the City through the elimination of blight and the expansion of the City's supply of low and moderate income housing.

In compliance with AB 1290, Resolution 00-02 approved a Five Year Implementation Plan for the Redevelopment Agency for the Years 2000-2004. There is a need to review and clarify past accomplishments and future work priorities. In addition, this is an opportunity to consider amendments to the Implementation Plan.

II. DESCRIPTION OF PERSONNEL AND DUTIES

The Agency employs a variety of individuals to accomplish the priorities of the LMI program, on a proportional scale, consisting of the City Administrator, Finance Director, Community Development Director, Housing/Economic Development Specialist and Administrative Clerk. These individuals assist in the administrative, financial and procedural duties for the Agency. The Agency responds to public inquiries, manages programs of the Agency and provides Staff assistance to the Planning Commission and City Council.

III. ACCOMPLISHMENTS OF AGENCY FOR LMI PROJECTS/PROGRAMS IN FISCAL YEAR 03-04

During the year FY03-04, the Implementation Plan anticipated 11 affordable homes would be assisted or created by the Agency or built within the Agency boundaries. The programs currently being implemented by the Agency to achieve this goal, and the status of each, are listed below and include a Housing Rehabilitation Program, First Home Buyer Down Payment Assistance Program and an Affordable Housing Project.

1. Workforce Housing Programs.

A. Workforce Housing Task Force Group

Staff met with the Workforce Housing Task Force Group consisting of community representatives interested in increasing the inventory of housing for various income levels. The purpose of the Group is to establish a program which identifies parcels for in-fill development, evaluate land use requirements and determine appropriate sizes for a workforce housing project based on financial constraints.

B. Workforce Housing Prototype Study

Staff has been working with a consultant (Mogevero Notestine Associates), an advisory committee and the public to develop a "Workforce Housing Prototype Study". The scope of work includes:

- Evaluating opportunities for infill development.
- Preparing architectural designs and cost estimates for an affordable workforce housing prototype.
- Developing measures to maintain workforce housing affordability.

The study will provide a base of information that will guide the City, developers and home builders on how to construct and maintain "owner occupant" affordable housing within the community. A workshop was held on the Study to gain public input in February 2004. It is anticipated that a second workshop will be scheduled to present the draft Study and a public hearing on the final version of the Study will be conducted by the Planning Commission and/or City Council during FY04-05.

2. Affordable Housing Rehabilitation, Purchase or Construction Programs

A. Housing Rehabilitation Program

Staff has continued to maintain housing options for lower income households and ensure a decent, safe and healthy environment. This has been accomplished with the continuation of the citywide housing rehabilitation loan program with the use of program income funds and CDBG funds.

Total Number of Housing Rehabilitation Units Assisted: 4 Low Income Household Loan approved in FY03-04. 2 applicants were assisted in the application process, had their homes evaluated for lead based paint/asbestos hazards, and are awaiting final loan approval in FY04-05.

Housing Rehabilitation Grant

The City applied for State funding from the Community Development Block Grant (CDBG) Program to maintain its housing rehabilitation program. The grant application was approved and the City was awarded \$500,000 to continue its housing rehabilitation program.

Total Number of Housing Units Identified in Grant Application to be Rehabilitated: 6 Low Income Households.

B. First Time Homebuyer Program

Staff has continued to provide low income families with financial assistance for down payment or closing costs with The First Time Homebuyer Program. The program provides low interest loans to assist families purchasing a home. Funds for the program have been provided

by the HOME Investment Partnership Program (HOME) and the Redevelopment Agency's Housing Set-Aside Fund.

Total Number of Units Assisted: 4 applications were approved in FY03-04.

C. New Construction

Cedar Park Apartments, an 81-unit affordable housing project received state HOME funds from the Department of Housing and Community Development (HCD). A \$30,000 contribution from the Redevelopment Agency's Housing Set-Aside Fund has been added to the project. Final Certificate of Occupancy was issued during FY03-04, which will provide housing for low and very low income residents (those who earn 60% or less of the County's median income).

Glenbrook Apartments, a 52-unit affordable housing project. The City applied and was awarded funds from the HOME Investment Partnership Program (HOME) for the development of this project through the state Department of Housing and Community (HCD). Building permits have been issued during FY03-04, which will construct housing for low and very low income residents (those who earn 60% or less of the County's median income).

Total of New Affordable Units Constructed FY03-04: 133 rental units were approved to be constructed in FY02-03. Of the 133 units, 106 units will be restricted to low income households (60% or less of the County's median income) and 27 units will be restricted to very low income households (50% or less of the County's median income).

D. Marketing

Staff has continued its Public Outreach Strategy to promote the City's Housing Rehabilitation Program and First Time Homebuyer Program. The Strategy includes:

- Developing a Media List.
- Identifying Neighborhood Groups.
- Recreating Flyer/Brochure.
- Distributing information through a variety of media sources.
- Monitoring the progress of the program by inventorying all inquiries and completed applications.

Projected Number of New Applicants: During FY03-04, the City received approximately 25 phone inquires and 7 new applicants have contacted the City as a result of this program and will be assisted with filing of an application.

3. Preparation of Housing Element Update

The consultant (Cotton/Bridges/Associates) worked with staff and the public to complete the Housing Element Update. The Update identifies the housing needs in the City including population/household characteristics, special housing needs and housing

stock characteristics. In addition, the Housing Element will identify regulatory constraints and encourage a variety of housing types, including mixed-use and live-work housing, affordable workforce housing and housing on infill sites.

A workshop on the Update was held in June 2003. Public hearings on the draft version of the Update was held by the Planning Commission and City Council in September 2003. A public hearing on the final version was held by the Planning Commission in December 2003 and by the City Council in January 2004. The Department of Housing and Community Development approved the City's Housing Element Update in April 2004.

4. Implementation of Downtown Strategic Plan

The Downtown Strategic Plan, which was adopted by City Council in August 2003 and is designed to be a housing and redevelopment tool that can be implemented over time and will include:

- An analysis of market conditions.
- Opportunities for creating and expanding employment.
- Implementation measures the City can use to enhance the diversity of the Downtown's economic base for local residents and visitors.
- An emphasis on affordable housing opportunities including infill development within the downtown area.

The policies of the Plan will serve to strengthen affordable housing opportunities within the Downtown Business District. Information from this Plan will be integrated to other City policy documents such as the Zoning Ordinance, General Plan and Master Utility Plans. Workshops on the Plan were held in September 2002 and June 2003. Public hearings on the final form of the Plan will be conducted in July 2003 by the Planning Commission and in August 2003 by the City Council. Based on the Recommendation identified in The Plan, City Council adopted a 3-year Priority Work Program and Tasks to be completed during FY03 – FY06.

5. South Auburn Street Master Plan

A consultant (RBF Consultant's Urban Design Studio) has been selected to develop a master plan for the buildings along the eastside of South Auburn Street. The LMI Redevelopment Agency staff will work with the consultant, the community and property and business owners on South Auburn Street to develop a master plan that will identify future parcel configurations, potential building footprints, shared parking and vehicular accessways, pedestrian pathways and public spaces.

6. Colfax Avenue Infill Study

The City applied for and received a State funding for a Planning/Technical Assistance Grant from the Community Development Block Grant (CDBG) Program to prepare a "Colfax Avenue Infill Study". The goal of this study is to better prepare for future redevelopment opportunities and examine ways for how the Colfax Avenue can be linked to the downtown.

IV. MAJOR WORK PRIORITIES AND OBJECTIVES OF AGENCY LMI FUND FOR FY04-05

The Implementation Plan has anticipated 40 affordable homes would be assisted or created by the Agency in FY04-05. The programs currently being implemented by the Agency to achieve this goal, and the status of each, are listed below and include a Housing Rehabilitation Program, First Home Buyer Down Payment Assistance Program and an Affordable Housing Project. For FY04-05, these programs are projecting that approximately 133 affordable housing units would be constructed, 5 affordable housing units would be rehabilitated and 3 affordable housing units would be purchased by low-to-median income families.

1. Work Force Housing Programs

A. Workforce Housing Task Force Group

Continue working with the Workforce Housing Task Force Group to identify a location for a workforce housing project. Work to create, adopt and implement an “Infill Strategy” for the community that encourages the development of a “workforce” housing units at these priority sites.

B. Completion and Implementation of Workforce Housing Prototype Study

Complete and implement the “Workforce Housing Prototype Study” in FY04-05. Upon completion, gain Agency direction for implementing one or all of the policies related to:

- Establishing a Pre-Permitted Workforce Housing Prototype.
- Modifying existing City regulations or policies on workforce housing units.
- Educating contractors, developers and owner/builders.

C. Assistance with Whiting Street and Highlands Workforce Housing Development Projects.

Complete and implement affordable housing guidelines for these two projects to ensure that 20% of all units will remain affordable. These for-sale units would be available to low-to-median income families.

- *Whiting Street Housing:*
Projected Construction of Affordable Units: 13
- *The Highlands:*
Projected Construction of Affordable Units 8

2. Affordable Housing Rehabilitation, Purchase or Construction Programs

A. Housing Rehabilitation

Continue to provide assistance with rehabilitating houses citywide with low interest loans.

Projected Units to be Rehabilitated or Assisted: 3-5

B. First Time Homebuyer Program

Continue to provide assistance with households purchasing a new home. It is anticipated that 4-6 applicants will receive funding during FY04-05.

Projected First Time Homebuyer Applicants: 4-6

C. New Construction

Cedar Park and Glenbrook Apartments – administer the state grant requirements and ensure the affordability of the 133 rental units that will be developed and occupied in FY04-05.

Projected Construction of Affordable Units: 133 (as noted in FY03-04)

D. Marketing

Review the progress of the Public Outreach Strategy and its approach to recruit new loan applicants for housing rehabilitation. Continue to monitor success of program by tracking inquiries and number of completed applications. In addition, initiate new outreach efforts as needed.

3. Implementation of Housing Element Update

Begin to develop and implement programs and policies that were discussed within the Housing Element and serve to expand upon the existing the inventory of affordable housing units.

4. Implementation of Downtown Strategic Plan

Begin to implement areas in The Plan that were identified in the list of Priority Work Programs and Tasks. These were determined to be high priorities, particularly in the area of developing policies to create affordable housing. A few of the programs that focus on the preservation, rehabilitation or addition of affordable housing include:

- Encouraging additional density for both commercial and residential uses.
- Preserving Cabins along Wolf Creek as affordable housing or lodging.
- Investigating the feasibility of developing podium housing over larger existing public and private parking lots.

5. Preparation of Infill Development Strategy

LMI Redevelopment Agency staff will work with community leaders and the Workforce Housing Task Force in developing an “Infill Development Strategy” for the City. The Strategy will promote quality infill development and establish priorities and programs to promote targeted infill development. The Goals and Objectives within the Land Use Policies section of the City’s General Plan relating to Infill Development would be addressed as part of the Strategy and include:

- 4-LUP Identify areas appropriate for infill development and show them on the Land Use Diagram.
- 6-LUP Develop a more specific development strategy for identified infill parcels following General Plan adoption.
- 8-LUP Encourage and facilitate mixed-use developments on infill sites.
- 9-LUP Provide for higher residential densities on infill sites and in the Downtown area.

6. Implement the Doris Drive Infrastructure/Housing Rehabilitation Grant
With assistance from LMI Redevelopment Agency staff, implement a Community Development Block Grant (CDBG) grant for Doris Drive Infrastructure/Housing Rehabilitation. The Infrastructure portion of the grant includes construction of a water line with installation of 4 fire hydrants for fire protections and 4 sewer lateral connections for low income residents within the Doris Drive neighborhood. The Housing Rehabilitation portion, which includes a \$100,000 contribution from the Redevelopment Agency's Housing Set-Aside Fund, will rehabilitate housing units citywide.
Projected Units to be Rehabilitated or Assisted: 12
7. Preparation and Implementation of the South Auburn Street Master Plan
Obtain approval of the South Auburn Street Master Plan from the Planning Commission and City Council. Upon completion, the Master Plan will provide an implementation strategy that will guide the City, the Redevelopment Agency and property owners.
8. Preparation and Implementation of an Infill Study for Colfax Avenue
Select a consultant to complete the "Infill Study for Colfax Avenue". The work program will involve a series of workshops and meetings with the business and property owners to solicit their opinions and gain direction for the future of the Colfax Avenue corridor. Upon completion, the Study will provide a summary of the redevelopment opportunities, and an implementation strategy for the City, Redevelopment Agency and property owners