IMPLEMENTATION PLAN
FOR THE REDEVELOPMENT AGENCY OF
THE CITY OF FREMONT

Effective July 1, 2003 to June 30, 2008

(Adopted June 10, 2003)

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(FY 2003/04 THROUGH FY 2007/08)

TABLE OF CONTENTS

I. INTRODUCTION
1. Purpose of the Plan
2. Current Uncertainties regarding Redevelopment Agency Resources
3. Plan Required by California State Law
4. The 1998 Implementation Plan
5. Contents of the Plan

II. ACCOMPLISHMENTS: THE PAST FIVE YEARS
1. Programs and Projects Assisted with Non-Housing Redevelopment Funds
   1.1 Niles Project Area
   1.2 Irvington Project Area
   1.3 Centerville Project Area
   1.4 Industrial Project Area
2. Programs Assisted with Affordable Housing Funds (20% Housing Set-Aside)
   2.1 New Construction
   2.2 Apartment Acquisition and Rehabilitation
   2.3 First-Time Homebuyers Program
   2.4 Home Improvement Loan Program
   2.5 Preservation of Affordable Housing
   2.6 Other Housing Accomplishments

III. IDENTIFICATION OF KEY BLIGHTING CONDITIONS AND DEFICIENCIES TO BE CORRECTED
1. Conditions of Blight Existing in the Niles, Irvington, and Centerville Project Areas
2. Conditions of Blight Existing in the Industrial Project Area

IV. AGENCY NON-HOUSING ACTIVITIES DURING THE IMPLEMENTATION PERIOD (GOALS, OBJECTIVES, PROGRAMS AND BLIGHT ELIMINATION)
1. Niles Project Area
   1.1 Project Area Map and Background
   1.2 Redevelopment Plan Goals
   1.3 Implementation Plan Programs
   1.4 Elimination of Blight (Title of fourth subsection under Section IV-1)

2. Irvington Project Area
   2.1 Project Area Map and Background
   2.2 Redevelopment Plan Goals
   2.3 Implementation Plan Programs
   2.4 Elimination of Blight (Title of fourth subsection under Section IV-2)
3. Centerville Redevelopment Project Area
   3.1 Project Area Map and Background
   3.2 Redevelopment Plan Goals
   3.3 Implementation Plan Programs
   3.4 Elimination of Blight (Title of fourth subsection under Section IV-3)
4. Industrial Project Area
   4.1 Project Area Map and Background
   4.2 Redevelopment Plan Goals
   4.3 Implementation Plan Programs
   4.4 Elimination of Blight (Title of fourth subsection under Section IV-4)
5. Summary of Non-Housing Projects (List of Priority and Other Projects)

V. PROJECTED REVENUES AND EXPENDITURES OF NON-HOUSING REDEVELOPMENT FUNDS (FY2003-08)

VI. AFFORDABLE HOUSING PROGRAM
1. Summary of Legal Requirements
2. Affordable Housing Program and Expenditure Plan for Affordable Housing Fund
   2.1 Five-Point Housing Program
   2.2 Investments Over the Previous Five Years (FY 1998-2003)
   2.3 Estimated Funds and Proposed Expenditure Plan for the Next Five Years (FY 2003-08)
   2.4 Housing Fund Targeting
   2.5 Schedule for Annual Agency Assistance for the Next Five Years
3. Inclusionary and Housing Production Obligations
   3.1 Historical Production
   3.2 Ten Year Production Plan (FY 1998-2008)
   3.3 Production Over Life of Redevelopment Plans
4. Replacement Housing Requirement
5. Conformance to City of Fremont Housing Element (FY 2001-2006)

I. INTRODUCTION

1. Purpose of the Plan

This Implementation Plan highlights the accomplishments of the Redevelopment Agency of the City of Fremont during the past five years and establishes policy priorities for the Agency during the next five years (Implementation Period) to redevelop Fremont's four project areas (Niles, Irvington, Centerville, and Industrial). The Implementation Plan sets forth programs and projects that will eliminate blight in the redevelopment project areas and create new affordable housing opportunities in the community during the Implementation Period. The Implementation Plan provides an explanation of how the goals, objectives, programs and expenditures for the next five years will serve to eliminate blight in the Project Area.

2. Current Uncertainties regarding Redevelopment Agency Resources

The Redevelopment Agency faces two key issues that will significantly influence its resources during the Implementation Period. First, the Governor's January 2003 Proposed FY 2003-04 Budget proposes to significantly reduce redevelopment agency funds during the upcoming 15 years. Since the Governor and Legislature have not approved a FY 2003-04 budget, the ultimate impact of the State budget on redevelopment agencies is unknown at this time. Second, the Agency has appropriated funds, and set aside contingency funds, to support the construction of two critical infrastructure projects in the community (the Washington Boulevard grade separation project and the I880/Mission Boulevard/Warren Avenue interchange reconstruction). Until these projects have been bid and ultimately constructed the Agency's total investment in these projects will be uncertain.

The State's budget solution and the ultimate cost of these two critical infrastructure projects will significantly influence the resources available for non-housing projects during the next five years. This Implementation Plan assumes the full impact of the Governor's proposed budget, and the current Agency allocation of funds to the infrastructure projects. **These impacts will result in very limited resources for historic district non-housing projects.** As the State's budget impact becomes known and the costs associated with the infrastructure projects discussed above are clearly established, the Agency will assess its ability to implement non-housing projects.

3. Plan Required by California State Law

AB 1290 and SB 732, enacted in 1993 and 1994 respectively, as a comprehensive reform of the California Redevelopment Law (CRL), established regulations, which required each redevelopment agency to adopt an Implementation Plan no later than December 31, 1994, and to update the plan every five years. The Redevelopment Agency of the City of Fremont adopted its first Implementation Plan for the Industrial Project Area, the Niles

Original Project Area, and the Irvington Original Project Area in December 1994. The initial Implementation Plan for the Centerville Redevelopment Project was adopted in 1997. A new Implementation Plan for the four project areas was later adopted in 1998 as part of the Report to Council for the 1998 Redevelopment Plan Amendments and Merger Program.

The Implementation Plan requirements include the Affordable Housing Plan requirements for redevelopment agencies enacted by AB 315 in 1992 and AB 637 in 2001. This Implementation Plan has been drafted to meet the requirements of the California Redevelopment Law per AB 1290, SB 372, AB 315 and AB 637.

4. The 1998 Implementation Plan

The 1998 Implementation Plan allowed the original project areas of Niles, Irvington, Centerville, and Industrial, and the proposed added areas in Niles and Irvington to have a common five-year planning and implementation period under the CRL, thus avoiding the confusion to decision makers and the public of having multiple, overlapping and inconsistent planning periods for different geographic portions of Fremont's project areas. The 1998 Implementation Plan also enabled the Agency to set forth a comprehensive and coordinated redevelopment program for each of the project areas that takes into account the financial and legal resources made possible through the 1998 Plan Amendments, including the resources made available through the financial Merger.

5. Contents of the Plan

The Implementation Plan consists of the following components:

- Introduction
- Accomplishments during the past five years
- Summary of Blighting Influences and Deficiencies to be Corrected
- Proposed Activities in the Niles, Centerville and Irvington Project Areas
- Proposed Affordable Housing Activities

The Plan is Flexible

The Implementation Plan is intended to provide general guidance for the implementation of the Agency's redevelopment programs. As discussed above, it is expected that conditions will change in the course of undertaking these programs. Therefore, the Agency intends to use and interpret this Implementation Plan as a flexible guide, incorporating the goals, objectives and potential programs shaping redevelopment agency activities during the Implementation Period, while providing flexibility so the agency may adjust to changing circumstances, resource availability and new opportunities.

The Implementation Plan will be in effect for the period from July 1, 2003 through June 30, 2008, encompassing Fiscal Years 2003/04 through Fiscal Years 2007/08. The Agency will update the plan at least once during the Implementation Period, by June 30,

2006. The Affordable Housing section of the Implementation Plan also addresses ten-year compliance periods for certain affordable housing functions of the Agency, as required by the CRL.

II. ACCOMPLISHMENTS: THE PAST FIVE YEARS

1. Programs and Projects Assisted with Non-Housing Redevelopment Funds

This section provides brief descriptions of public and private improvements supported or implemented by the Redevelopment Agency during the past five years (July 1, 1998-June 30, 2003).

1.1 Niles Project Area

1. **Alameda County Veterans Building Rehabilitation:** In collaboration with Alameda County this historic building was rehabilitated to support use by the veterans and other community groups. ***Agency role:*** Funding and administrative support.

2. **Niles Beach at Quarry Lakes Regional Park:** Include improvements, Niles District information display and b rochure, and Discount Coupon Program. ***Agency role:*** Funding, design of Niles display and brochure and coordination of Coupon Program.

3. **Niles Boulevard Streetscape Improvement:** This project included the undergrounding of utilities and the installation of pedestrian-scaled street lighting, trash receptacles, benches, gutters, curbs, and sidewalk improvements. ***Agency role:*** Funding and implementation of bench installation.

4. **Nile Concept Plan:** The City Council adopted the Niles Concept Plan in September 2001. The Plan provides a strategic framework for future revitalization in the area. ***Agency role:*** Funding, implementation and coordination.

5. **Niles Sign Program:** The City Council adopted the Niles Sign Plan in October 1999. Silhouette banners and directional signage were installed in March 2002.Gateway entry signs to Niles have been designed and installation is anticipated in Fall 2003. ***Agency role*:** Funding.

6. **Retail Recruitment Program:** In collaboration with the Office of Economic Development, the Agency worked with property owners, the Niles Main Street Association and Main Street Retail Services (a retail expert retained by the City) on developing a retail marketing and business recruitment strategy for the Niles District. A listing of potential tenants and marketing materials were developed. After completing a series of leasing workshops with the Property Owners Group, a six-month retail recruitment campaign was completed in June 2003. Targeted sectors included restaurants, artisans and specialty retail. ***Agency role:*** Implementation and funding.

7. **Niles Main Street Association Grants:** In 1998, Niles Main Street Association received $55,000 in grant monies to fund the organization and its activities. In 2002, the organization also received $68,070 in funding for Niles District revitalization projects and programs as part of the Agency's capacity building grant program . ***Agency role:*** Funding.

8. **District Advertising:** The Office of Economic Development has developed seasonal advertising of the district in local newspaper and general marketing brochures which included individual business district information on Niles. ***Agency role:*** Funding.

9. **Niles District Parking Study:** In March 2003, the Agency Board accepted the final draft of the Niles District Parking Study and directed staff to begin the process to engage the Niles community regarding proposed parking policies to modify off-street parking requirements and revise the existing Niles Parking Assessment District. The goal is to provide incentives for new development in the district and to attract new, complementary retail and restaurant businesses. ***Agency role:*** Funding and implementation.

10. **Former UP Property:** Acquisition / Study Area Master Planning– The Agency is working on a master plan for a study area that includes the former UP property. The master plan will develop a comprehensive site plan that proposes to include a town plaza, new mixed-development, parking and amenities to support a historic railroad. The Agency has begun to engage regulatory agencies in a discussion regarding the site's environmental cleanup required to implement the master plan

and continues in negotiations with UP on the acquisition of the property through the eminent domain process. ***Agency role:*** Funding and implementation.

11. **Heyman Building Improvement:** The Agency Board authorized a $250,000 unreinforced masonry building and commercial rehabilitation loan to the property owners of 37627-43 Niles Boulevard. The rehabilitation is complete. ***Agency role:*** Funded commercial rehabilitation loan.

12. **Fay Louie Building Improvements:** The Agency Board authorized a $50,000 unreinforced masonry building rehabilitation loan and a $10,000 commercial rehabilitation loan at 37651-59 Niles Boulevard and a $50,000 unreinforced masonry building rehabilitation loan and a $75,000 commercial rehabilitation loan at 37663-71 Niles Boulevard. The rehabilitation is nearing completion. ***Agency role:*** Funded commercial rehabilitation loan.

1.2 Irvington Project Area

1. **Irvington Concept Plan:** A draft Concept Plan was approved by the Planning Commission and will be considered by the City Council in June 2003. The plan envisions a higher intensity of development around the location of the future Irvington BART station. ***Agency role:*** Funding and assistance in development of plan document.

2. **Commencement of Plan Amendment process:** The Agency commenced a plan amendment to provide a funding source to contribute to the Irvington BART station. The State budget solution could impact this project and the Agency is awaiting the final resolution of the State budget and its impact on redevelopment agencies before completing this plan amendment process. The Agency is currently working with BART to ensure the Warm Springs Extension is designed in such a way that the Irvington station can be built when funds become available. ***Agency role*:** Funding and managing plan amendment process.

3. **Washington Boulevard Grade Separation:** The City commenced design for Washington Boulevard to go over railroad and future BART tracks. Currently refining financing plan. Grade separation will facilitate construction of BART tracks and future Irvington BART Station. ***Agency role:*** Funding and coordination with BART/City on grade separation design.

4. **Bay Street Parking and Circulation Report:** The Agency accepted the final report in October 2000. The report's contents will help inform the Bay Street Planning and Implementation Project. ***Agency role:*** Funding.

5. **<u>Bay Street Planning and Implementation Project:</u>** The Agency was awarded a Metropolitan Transportation Commission (MTC) planning grant to modify zoning requirements, develop detailed streetscape designs and develop a business improvement district to generate property owner investment in the area. Goal is to create a pedestrian retail district on Bay Street. Work has commenced with design plans scheduled for completion in early 2004. ***Agency role:*** Funding and assistance in development of plan document.

6. **<u>District Advertising:</u>** The Office of Economic Development has developed seasonal advertising of the district in local newspaper. ***Agency role:*** Funding.

1.3 Centerville Project Area

1. **<u>Bill Ball Plaza:</u>** The Agency participated in the development of a new plaza adjacent to restored Centerville Depot. ***Agency role:*** Provided primary financing for project and facilitation of community input.

2. **Centerville Depot Restoration:** The Agency assisted in the relocation and restoration of this historic structure. ***Agency role*:** Funding and project management.

3. **Alice Miller Building Improvement:** Property owner received commercial rehabilitation loan from the Agency. Façade work recently completed. Tenant signage being designed. ***Agency role:*** Funded commercial rehabilitation loan.

4. **Silvera Building Improvement:** Seismic retrofitting of unreinforced masonry building. ***Agency role:*** Funded low interest unreinforced masonry building loan.

5. **Fremont Boulevard streetscape improvements:** Installation of new sidewalks and light standards. ***Agency role*:** Funding.

6. **Centerville Unified Site:** On February 11, 2003, the Agency Board directed staff to pursue a new mixed-use development of this 6.5 acre site. The Agency had been pursuing a high quality grocery anchored retail project for the site. The Agency has acquired two of three parcels in this unified site, relocated tenants and conducted environmental work to prepare the site for development. The Agency anticipates selection of a developer in late Summer 2003 and commencement of development in late 2004. ***Agency role:*** Funding for acquisition and clean up of site. Lead role in planning for development of site.

7. **Central Avenue Street Improvements:** Preliminary design work completed for widening of Central Avenue from Fremont Boulevard to Joseph Street, and undergrounding of utilities from Fremont Boulevard to Dusterberry. ***Agency role:*** Funding and facilitation of community input.

8. **District Advertising:** The Office of Economic Development has developed seasonal advertising of the district in local newspaper. ***Agency role:*** Funding.

1.4 Industrial Project Area

1. **Dixon Landing Interchange:** Construction began in August 2001. The new eight-lane Dixon Landing bridge was completed in September 2002 and is open to the public. Work continues on the approach ramps and freeway widening. The widening and all but one ramp are scheduled to be completed in Fall 2003, and the project will be fully completed in Spring 2004. ***Agency role:*** Funding for design, Right-of-Way engineering and construction.

2. **Mission Interchange:** Design and right-of-way engineering activities proceeded throughout 2002. Design will be completed and the project will be ready to bid in June 2003. Construction is scheduled to begin in Fall 2003. ***Agency role:*** Funding for design, Right-of-Way engineering, and construction.

3. **Other Accomplishments:**
   - Agency acquired Pacific Commons Municipal Parcel site. ***Agency role:*** Funded acquisition and ongoing management of site.
   - Agency issued tax allocation bond to raise necessary funds for interchange projects, grade separation projects and other key projects in the redevelopment project areas.

2. Programs Assisted with Affordable Housing Funds (20% Housing Set-Aside)

2.1 New Construction

1. **Fremont Oak Gardens (Outside of Project Areas):** The first affordable housing apartment community in Fremont for very low and lower income seniors, featuring amenities and design features oriented to the special needs of deaf seniors. Construction is scheduled to begin in June 2003 and completed in Fall 2004. ***Agency role:*** Provided $3.3 million in predevelopment, land acquisition and construction loans.
2. **Bridgeway East (Irvington):** An 18-unit development consisting of transitional and permanent housing for households with incomes ranging from extremely low to low income. Construction plans have been submitted to the City and plan checking is underway. ***Agency role:*** Provided $2.75 million in predevelopment, land acquisition and construction loans.

3. **Adams Avenue Homes (Irvington):** Consists of 17 single family homes for first-time homebuyers, with 3 homes built by East Bay Habitat for Humanity and buyers selected from the City's award-winning Housing Scholarship Program. Development was completed in August 2002. ***Agency role:*** Provided $2,247,206 in housing funds for predevelopment, acquisition and construction. In addition, the Agency provided $921,374 in non-housing funds for street improvements.

4. **Fremont Vista Retirement Homes (Outside Project Areas):** Assisted living apartment complex consisting of 100 units, with 20 units reserved for very low and low-income seniors for a 55-year period. A groundbreaking was held in March 2003, and grading of the site has begun. Construction is expected to be completed in August 2004. ***Agency role:*** Provided $2.38 million in development gap financing.
5. **Affirmed Housing (Centerville):** A 132 affordable apartment community for families, which also includes 9 market rate, single family homes. The developer is currently seeking entitlements and plans to submit an application for Low-Income Housing Tax Credits for construction financing in July 2003. If application is successful, construction will begin in March 2004 and completed in February 2005. ***Agency role:*** Provided $319,715 in predevelopment loan.

New Construction (In Pipeline):
The following projects were initiated in FY 2002-03 and are in the early planning stages. The Agency is working with developers in conducting due diligence for the sites.

1. **Lincoln Street Apartments (Irvington):** Proposed 11-unit development for developmentally disabled residents (11 very low income). ***Agency role:*** Assisting Developer, Housing Consortium of the East Bay (HCEB), in due diligence process. HCEB has submitted request for Agency acquisition and construction loan.

2. **Mercy Family Housing (Outside Project Area):** Proposed development of at least 100 rental housing units for families. Agency role: Provided funds for appraisal and Phase I. Assisting Developer, Mercy Housing California, in due diligence process. Agency consideration of acquisition and construction loan pending. ***Agency role:*** Funding and project management.
3. **Centerville Unified Site (Centerville):** Development plans will include a housing component. The number of affordable units and Agency contribution to project is yet to be determined. The Agency anticipates selection of a developer in late Summer 2003 and commencement of development in late 2004. ***Agency role:*** Facilitation of site development.
4. **Central Avenue Townhomes (Centerville):** A 22-unit approved development, with 2 units reserved for moderate income first-time homebuyer. ***Agency role:*** Acquired Haller's Pharmacy and relocated the tenants to a neighboring site.

2.2 Apartment Acquisition and/or Rehabilitation

1. **Glen Haven Apartments (Centerville):** Acquisition and rehabilitation of an 81-unit apartment complex on Central Avenue in Centerville. When completed, 57 of the units will have rents affordable to very low and low-income households for a 55-year period. ***Agency Role:*** Provided $3.0 million for acquisition and rehabilitation costs.

Interior Improvements

Exterior Improvements

2.3 First-Time Homebuyers Program

1. **Program Development/Implementation:** Developed and implemented the First Time Homebuyers Program which provides up to $40,000 in down payment assistance to eligible homebuyers. ***Agency role*:** Provided down payment assistance to 28 First Time Homebuyers and developed/implemented informational workshops, serving over 1,268 potential homebuyers. An additional 45 families who participated in the

City's informational workshops purchased homes using other funding sources, such as CaHLIF, for down payment assistance.

2. **Greenwich Townhomes – Buyer Selection (Irvington):** Agency selected 3 First Time Homebuyers for a 30-unit townhouse development in Irvington. Issued 3 First Time Homebuyer loans to buyers to facilitate acquisition.

2.4 Home Improvement Loan Program

1. **Program Development:** Expanded the Home Improvement Loan Program to allow homeowners in the Redevelopment Project Areas and adjacent neighborhoods to participate in home improvements efforts. The program provides an average of $30,000 in a low interest loan to help rehabilitate homes to improve residential neighborhoods in Fremont. ***Agency role:*** Provided $673,046 in grants and loans. A total of 33 homes received Agency assistance, including two households that received a Home Access Grant for the disabled.

2.5 Preservation of Affordable Housing

1. **Affordable Housing Preservation Strategy:** Helped preserve 268 apartments in danger of converting to market rate. All units housed seniors or special needs households. ***Agency role:*** Manage relationship with apartment managers/owners to ensure at-risk units remain affordable, and provide funding for costs associated with initial due diligence, such as updating appraisal. Serve as an intermediary to seek out resources, including federal, state and local financial assistance programs.

2.6 Other Housing Accomplishments

1. **Landlord and Tenant Counseling:** Responded to an average of 200 calls monthly and inquiries from landlords and tenants, and over 100 calls monthly for homeseekers.
2. **Housing Scholarship Program:** Continued administration of the City's Housing Scholarship Program, assisting over 127 families with rental assistance, so that eligible families could become self-sufficient.
3. **Inclusionary Housing Ordinance:** Developed and will implement the City's Inclusionary Housing Ordinance that will require all new residential development, including those in the Project Areas, to reserve 15% of the project as affordable to very low and low income renters and moderate income homebuyers.
4. **Issuance of Bond for Housing Programs:** In May 2003, the Agency will issue a bond secured by 50% of the Affordable Housing Fund (20% housing set-aside of tax increment revenue), creating approximately $16-18 million to invest in new affordable housing development.

III. IDENTIFICATION OF KEY BLIGHTING CONDITIONS AND DEFICIENCIES TO BE CORRECTED

The Implementation Plan must provide an explanation of how the goals, objectives, programs and expenditures for the next five years will serve to eliminate blight in the Project Areas. This section summarizes the blighting factors that continue to affect the Redevelopment Project Areas. Section IV below describes the goals, objectives and programs for each Project Area, and explains how the programs and projects will help eliminate the remaining blighting conditions.

1. Conditions of Blight Existing in the Niles, Irvington, and Centerville Project Areas

The following is a list of blighting factors that remain in the Project Areas. A definition of the blighting condition is provided, followed by a description of conditions that remain to be corrected in each of the Project Areas.

A. Unsafe Buildings: (Definition) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions are caused by serious building code violations, deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.

The Project Areas of Niles and Centerville, specifically in the commercial core in Niles and along the Fremont Boulevard commercial strip in Centerville, contain unreinforced masonry buildings and commercial building facades in need of rehabilitation.

Throughout each of the Project Areas, there are numerous residential buildings (single-family, and multifamily developments) that are in need of rehabilitation to make such repairs as re-roofing, new plumbing, new wiring, and replacement of foundations.

B. Inadequate Public Improvements: (Definition) Inadequate utilities, aging and deteriorating streets, and deterioration of, or lack of curbs, gutters, and sidewalks.

Throughout the Project Areas, specifically in Irvington and Centerville, there are streets with inadequate street improvements, including: curbs, gutters, and sidewalks; improvements to encourage pedestrians, such as benches, planters, street trees; and lighting.

C. Inadequate Parking Opportunities: (Definition) Lack of parking may prevent or hinder the economically viable use or capacity of buildings or lots.

Throughout the Project Areas, specifically in the Fremont Boulevard commercial corridor in Centerville and the Bay Street commercial area in Irvington, parking is inadequate for

the commercial businesses. The lack of visible, accessible and adequate parking makes the area far less attractive to shoppers, and discourages commercial development of the existing buildings.

D. Underutilized properties: (Definition) These may include lots of irregular form and shape, are inadequate in size for proper usefulness and development, and/or are under multiple ownership. These sites might also suffer from environmental problems related to hazardous materials that inhibit private development.

The Project Areas of Irvington and Centerville contain underutilized vacant lots and properties that suffer from inadequate lot size and shape and/or are under multiple ownership, making acquisition and development of such parcels a challenge for potential developers. In all three Project Areas, there are key sites that contain environmental hazards that have inhibited, and will continue to inhibit private development until problems are addressed.

E. Lack of Neighborhood Commercial Opportunities: (Definition) Lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, banks and other commercial business.

The commercial core in Niles is underutilized, and is deficient in neighborhood shopping and commercial opportunities. Encouraging mixed-use development (including retail, other services, and residential uses) within the commercial district will be necessary to build upon and complement existing antique stores and to attract other commercial businesses to the area.

2. Conditions of Blight Existing in the Industrial Project Area

The major blighting condition in the Industrial Project Area is the underutilization of the land resulting from the Area's inaccessibility. The ability to achieve the critical community and regional economic objectives continue to be hindered by the Area's inaccessibility. The following major conditions contribute to the Project Area's inaccessibility, and result in underutilization of land.

A. Interstate-880 (I-880) Interchanges: Work remains to be completed on the two I-880 interchanges (Mission Boulevard and Dixon Landing Road). The existing configurations of these interchanges impede traffic on I-880 and on surrounding streets and intersections.

B. Public Infrastructure and Circulation Impairments: Fremont Boulevard is congested, and until it is widened, it will continue to obstruct the flow of traffic in the Project Area.

C. Multimodal transit station: The lack of a multimodal transit station is a major contributing factor to the Project Area's inaccessibility and the Area's unmet economic development potential. While interchange improvements and Fremont Boulevard

widening will facilitate personal vehicle access, public transportation alternatives for the Project Area are becoming more and more critical to the region.

IV. AGENCY NON-HOUSING ACTIVITIES DURING THE IMPLEMENTATION PERIOD (GOALS, OBJECTIVES, PROGRAMS AND BLIGHT ELIMINATION)

This section sets forth, for each project area, the Agency's goals, objectives and proposed programs for non-housing activities during the Implementation Period, and describes how the proposed programs and expenditures will eliminate blight in the respective project areas. Section V below estimates the revenues that will be available to the Agency to implement the non-housing programs during the Implementation Period and sets forth the anticipated non-housing expenditures by program category for each project area. As discussed in the Introduction, the impacts of the State budget and the allocation of Agency resources to the Washington grade separation project and Interstate 880 Mission/Warren Avenue interchange reconstruction will result in very limited resources for historic district non-housing projects.

1. Niles Project Area

1.1 Project Area Map and Background

The 68-acre Niles Original Project Area is located in the northeastern part of Fremont and is within the Niles Planning Area, one of Fremont's four historic commercial districts. The Niles Redevelopment Plan was originally adopted in 1977 to revitalize the historic commercial district and surrounding residential neighborhoods. The Plan was amended in 1994 to be in compliance with the CRL as amended by AB 1290. In 1998, the Plan was amended as part of the Redevelopment Plan Amendment and Fiscal Merger Program, which added the 70-acre "Added Project Area" that consists of the commercial and residential area adjacent to the Original Project Area, extending along Niles Boulevard to Second Street, and Mission Boulevard to Nursery Avenue. See Figure IV-1A for a map of the Niles Project Area.

1.2 Redevelopment Plan Goals

The Niles Project Area has not realized its full economic potential. The full implementation of the Redevelopment Plan will increase the amount of pedestrian activity, enhance the sales per square foot of businesses, preserve the historic character of the district and provide more diverse retail opportunities for residents of the project area and the City.

The Agency will focus on the following general goals of the Project during the Implementation Period:

- The elimination of adverse physical and economic conditions within the Project Area.

- The enhancement of the historic business district in Niles, including the attraction and retention of neighborhood-serving commercial facilities, the promotion of tourism-based businesses, and the attraction of new, complementary restaurant and specialty retail uses to make Niles a destination for workers and residents in other areas of Fremont and vicinity.

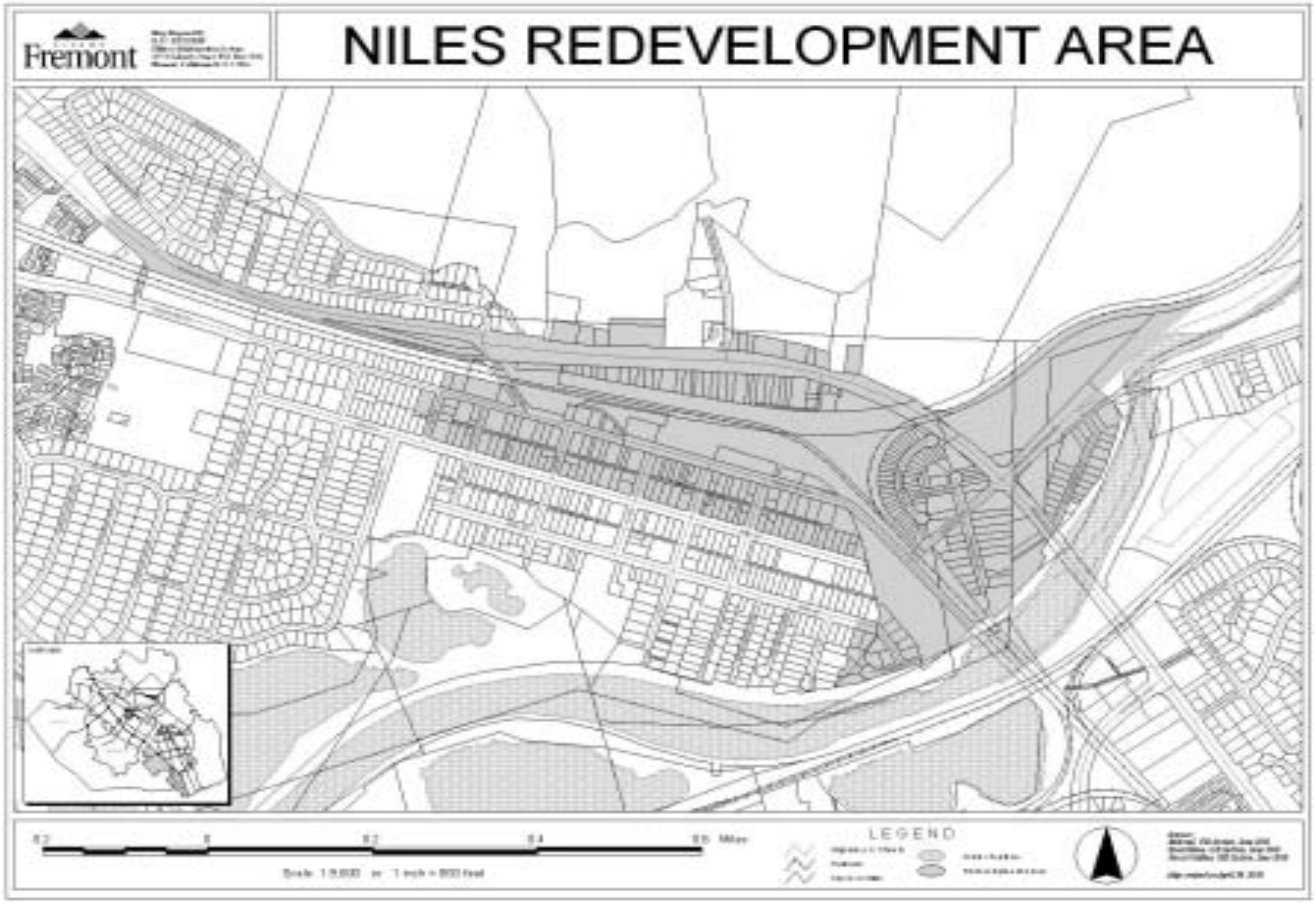


FIGURE IV-1A

- The conservation and enhancement of existing residential neighborhoods through housing rehabilitation and circulation, open space and other public improvements.
- The creation of residential opportunities for various segments of the community, including the provision of quality affordable housing within and outside the Project Area, as required by the CRL.

1.3 Implementation Plan Programs

Following are the major proposed non-housing programs during the Implementation Period, and a discussion of how the proposed activities will help to eliminate identified blighting conditions.

Program 1. Support Enhanced Performance of Businesses

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the project area.

Objectives
The following specific objectives of the Project will be priorities during the Implementation period:

1. The promotion of pedestrian-oriented uses and spaces especially in the historic business district.
2. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- (move to Infrastructure Projects)
- Re-establishment of the retail Marketing and Business Recruitment Program in collaboration with Office of Economic Development, property owners, residents and other interested Niles groups.
- Working with the Office of Economic Development, provide business development resources (e.g. seminars, workshops, written materials) to small businesses.

Program 2. Support Investment in Privately-Owned Property

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The renovation of and/or expansion of substandard buildings and the appropriate reuse of buildings whose uses conflict with uses permitted in the General Plan.
2. The conservation and rehabilitation of historic and contributory buildings that are an important link to Nile's heritage.
3. The development of vacant and underutilized properties.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Niles Concept Plan zoning and parking assessment district policy recommendations (e.g. parking assessment district changes and mixed-use and off-street required parking zoning ordinance modifications to support private investment).
- Commercial Rehabilitation loan/grant program to encourage building restoration in Niles, including assistance to install high quality:
  - Façade improvements.
  - Building safety deficiencies and tenant improvements.
  - Signage and lighting.
  - Design grants.
- Once property acquisition is complete, execute disposition for the portion of the former UP property study area suitable for private development.

Program 3. Invest in Public Infrastructure

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the district.

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The development of appropriate public gathering places and focal points for employees and customers in the Nile's historic business district.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to facilitate development of vacant and underutilized property in the district:

- Complete master plan for the former UP property study area.
- Finalize the acquisition of the former UP property and complete the site's remediation in order to prepare property for future development of the town square and public parking portion of the master plan, considering phased development of public improvements.
- Neighborhood sidewalk and landscaping improvements.
- Completion of Phases 1b, 2 and 3 of the Niles Sign Program.

1.4 Elimination of Blight

The projects proposed during the Implementation Period will reduce blight in the following manner: Commercial opportunities will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the project area.

Unsafe buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance design of signage and facades and encourage new construction in the project area.

Public infrastructure and parking opportunities will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area, provide parking facilities and encourage new construction in the project area.

2. Irvington Project Area

2.1 Project Area Map and Background

The 150-acre Irvington Original Redevelopment Project Area is located in the central part of Fremont and is within the Irvington Planning Area. Irvington is one of Fremont's four historic commercial districts. The Project Area is centered at the "Five Corners" intersection of Washington and Fremont Boulevards. The Irvington Redevelopment Plan was originally adopted in 1977 to revitalize the historic commercial district and surrounding residential neighborhoods. In 1998, the Plan was amended as part of the Redevelopment Plan and Fiscal Merger Program, which added approximately 323 acres of contiguous area within the boundaries of the Amended Irvington Survey Area as established and amended by the City Council. See Figure IV-2A for a map of the Irvington Project Area.

2.2 Redevelopment Plan Goals

The Irvington Project Area has not reached its full economic potential. Implementation of the Redevelopment Plan will increase the amount of public revenue received, and will create a more desirable neighborhood with pedestrian retail experience, preserve the historic character of the district, generate higher sales per square foot for commercial businesses, and enhance residential living opportunities.

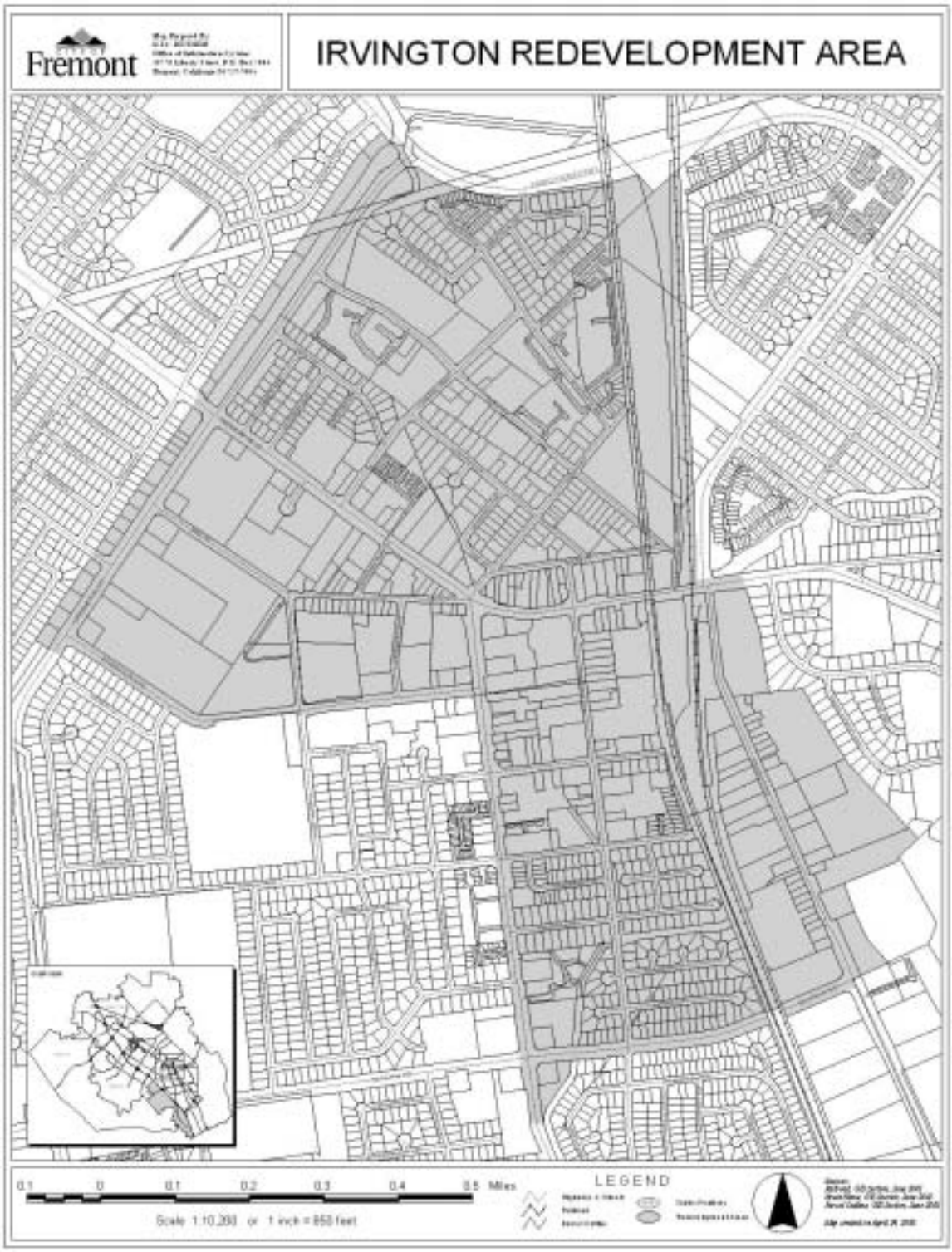
The Agency will focus on the following general goals of the Project during the Implementation Period:

- The elimination of adverse physical and economic conditions within the Project Area.
- The enhancement of the historic business district in Irvington, including the attraction and retention of neighborhood-serving commercial facilities, and the attraction of restaurants and specialty retail uses to make Irvington a destination point for workers in the industrial and other areas of Fremont.
- The conservation of enhancement of existing residential neighborhoods, through housing rehabilitation, and circulation, open space and other public improvements.
- The creation of residential opportunities for various segments of the community, including the provision of quality affordable housing within and outside the Project Area, as required by the CRL.

2.3 Implementation Plan Programs

Following are the major proposed non-housing programs during the Implementation Period, and a discussion of how the proposed activities will help to eliminate identified blighting conditions.

FIGURE IV-2A



Program 1. Support Enhanced Performance of Businesses

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the project area.

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The promotion of pedestrian-oriented uses and spaces especially in the historic business district.
2. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- Recruitment of new specialty retailers and restaurants through marketing efforts in collaboration with Office of Economic Development, property owners and other Irvington groups.
- Provide small businesses with access to business development resources (e.g. seminars, workshops, written materials).

Program 2. Support Investment in Privately-Owned Property

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The renovation of substandard buildings and the appropriate reuse of buildings whose uses conflict with uses permitted in the General Plan.
2. The conservation and rehabilitation of historic and contributory buildings that are an important link to Irvington's heritage.

Projects

As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Bay Street Streetscape Design Project
- Irvington Concept Plan zoning modifications.
- Commercial Rehabilitation loan/grant program to encourage building restoration in Irvington, including assistance to install high quality:
  - Façade improvements.
  - Building safety deficiencies and tenant improvements.
  - Signage and lighting.
  - Design grants.
- Conceptual planning assistance to property owners regarding redevelopment of property in a manner consistent with Irvington Concept Plan.

Program 3. Invest in Public Infrastructure

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the district.

Objectives:
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The encouragement of parking consolidation and development of new parking within the business district to provide adequate and convenient parking, in a manner sensitive to the rights and needs of property owners, while enhancing public access to the historic district.
2. The enhancement of traffic flow throughout the project area, including the provision of a grade separation on Washington Boulevard near Osgood, extension and widening of arterial streets, and intersection improvements.
3. The potential development of an Irvington BART station in support of the extension of the BART Fremont line and the provision of ancillary public transportation facilities and services that use Irvington as a transportation hub, all in the support of the revitalization of commercial and residential portions of the Project Area.
4. The elimination of substandard sized lots and lots of irregular shapes.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to improve street conditions and stimulate investment in vacant or underutilized land:

- Assist in Financing street and intersection improvements, such as the Washington Grade Separation, and achieve safe and more consistent street widths as appropriate throughout the Project Area.
- Bay Street Streetscape Design Project – Public Infrastructure Improvements.
- Neighborhood sidewalk and landscaping improvements (e.g. Roberts Avenue.
- Municipal and private parking consolidation projects.
- Contribution to funding of Irvington BART Station (Plan Amendment).

2.4 Elimination of Blight

The projects proposed during the Implementation Period will reduce blight in the following manner: Commercial opportunities will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the project area.

Unsafe buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance the appearance of utilities, enhance design of signage and facades and encourage new construction in the project area.

Public infrastructure and parking opportunities will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area, provide parking facilities and encourage new construction in the project area.

3. Centerville Project Area

3.1 Project Area Description

The 302-acre Centerville Project Area is located in the City's Centerville area, originally one of five communities that were incorporated into what is now the City of Fremont. The Centerville Redevelopment Project was adopted in 1997 to revitalize this historic commercial district and surrounding residential neighborhoods. The Project Area boundaries are roughly South Monroe to the east; Glenmoor Drive to the south; Alder Avenue to the west; and Paseo Padre Parkway to the north. See Figure IV-3A for a map of the Centerville Project Area.

3.2 Redevelopment Plan Goals

The Centerville Redevelopment Plan's overall purpose is to achieve physical and economic revitalization of the entire area by capitalizing upon the area's historical, social, educational and cultural resources to revitalize the historic business district and surrounding neighborhoods. Creating a vital retail core is key to the redevelopment efforts. The Plan will encourage private investment in the Project Area and will implement the Centerville Specific Plan.

The Agency will focus on the following general goals of the Project during the Implementation Period:

- Revitalization of Centerville's historic community business district.
- Provision of new housing opportunities for existing and future residents in locations undergoing land use transition.
- Conservation of Centerville's historic resources.

3.3 Implementation Plan Programs

Following are the major proposed non-housing programs during the Implementation Period, and a discussion of how the proposed activities will help to eliminate identified blighting conditions.

Program 1. Support Enhanced Performance of Businesses

The Agency will seek to work in collaboration with property owners and business owners to support enhanced business performance in the project area

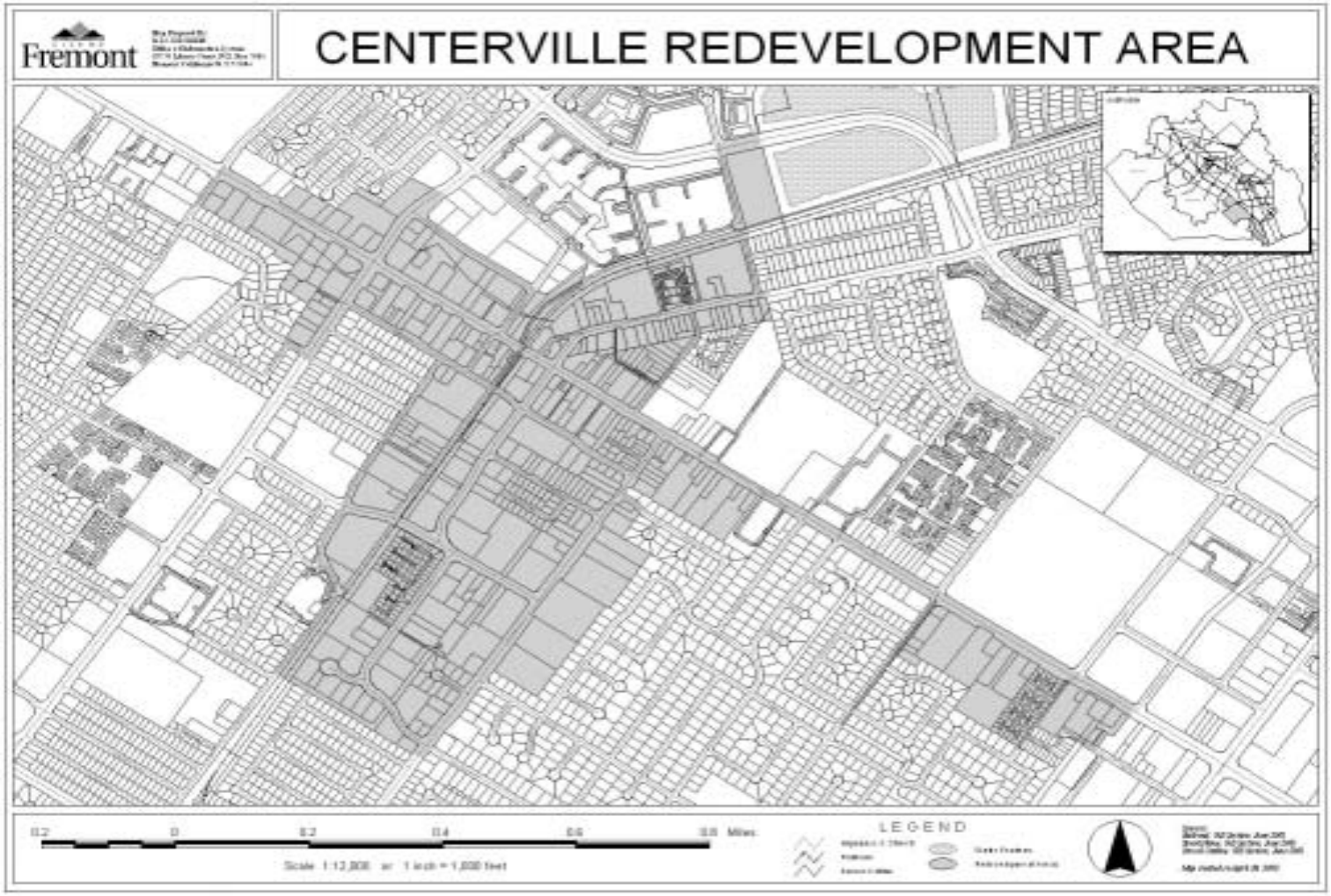


FIGURE IV-3A

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The concentration of retail activities in the historic business district of Centerville (Identified as Subarea 1 in the Centerville Specific Plan).
2. The promotion of pedestrian-oriented uses and spaces especially in the historic business district, including the retention of business entrances on Fremont Boulevard, as appropriate.
3. The attraction of appropriate new businesses and retention and expansion of existing businesses in coordination with citywide economic development programs.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to reduce business vacancies, improve property values, and increase retail sales performance:

- Recruitment of new specialty retailers and restaurants through marketing efforts in collaboration with property owners and other Centerville groups.
- Provide small businesses with access to business development resources (e.g. seminars, workshops, written materials).

Program 2. Support Investment in Privately-Owned Property

The Agency will work with property owners, residents and business owners to enhance the appearance and function of private properties.

Objectives
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The conservation and rehabilitation of historic and contributory buildings that are an important link to Centerville's heritage.
2. The elimination or renovation of substandard buildings and those that conflict with uses proposed in the General plan and Specific Plan.
3. The creation of sites of adequate shape and size for redevelopment in accordance with a unified development plan by assembling smaller parcels of inadequate size and shape.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to maximize use of buildings and improve physical deficiencies of private structures:

- Centerville Unified Redevelopment Area disposition and development.
- Commercial Rehabilitation loan/grant program to encourage building restoration in Centerville, including assistance to install high quality:
  - Façade improvements.
  - Building safety deficiencies and tenant improvements.
  - Signage and lighting.
  - Design grants.
- Conceptual planning assistance to property owners regarding redevelopment of property in a manner consistent with Centerville Specific Plan.
- Support for implementation of Center Theatre Business Plan.

Program 3. Invest in Public Infrastructure

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the district.

Objectives:
The following specific objectives of the Project will be priorities during the Implementation Period:

1. The encouragement of regional commuter rail service and Amtrak intercity service utilizing the existing railroad right-of-way, and the encouragement of other transit linkages to and through Centerville.
2. The encouragement of parking consolidation and development of new parking within the business district to provide adequate and convenient parking, in a manner sensitive to the rights and needs of property owners, while enhancing public access to the historic district.
3. The preservation and creation of civic, cultural and educational facilities as a catalyst for area revitalization.
4. Enhance the historic character, features and amenities of the Centerville Train Depot.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to improve street conditions, satisfy parking and transportation needs and stimulate investment in vacant or underutilized land:

- Parking, access, and platform improvements, including construction of passenger waiting shelter, associated with the Centerville Depot.
- Central Avenue widening and utility undergrounding
- Neighborhood sidewalk and landscaping improvements

- Municipal and private parking consolidation projects

3.4 Elimination of Blight

The projects proposed during the Implementation Period will reduce blight in the following manner: Commercial opportunities will be enhanced through Program 1 (Support Enhanced Business Performance) projects. These projects will increase the economic viability of the commercial area, enhance property values and increase the number of commercial facilities in the project area.

Unsafe buildings and underutilized properties will be improved through Program 2 (Support Investment in Privately-Owned Property) projects. These projects will increase the economic viability of the commercial area, enhance the appearance of utilities, enhance design of signage and facades and encourage new construction in the project area.

Public infrastructure and parking opportunities will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the commercial area, provide enhanced street and parking facilities and encourage new construction in the project area.

4. Industrial Project Area

4.1 Project Area Description

The Industrial Project Area consists of approximately 3,000 acres of land to the southwest of Interstate-880 (Nimitz Freeway) in the vicinity of the Auto Mall Parkway, Fremont Boulevard, Mission Boulevard, and Dixon Landing Road freeway interchanges. See Figure IV-4A for a map of the Industrial Project Area.

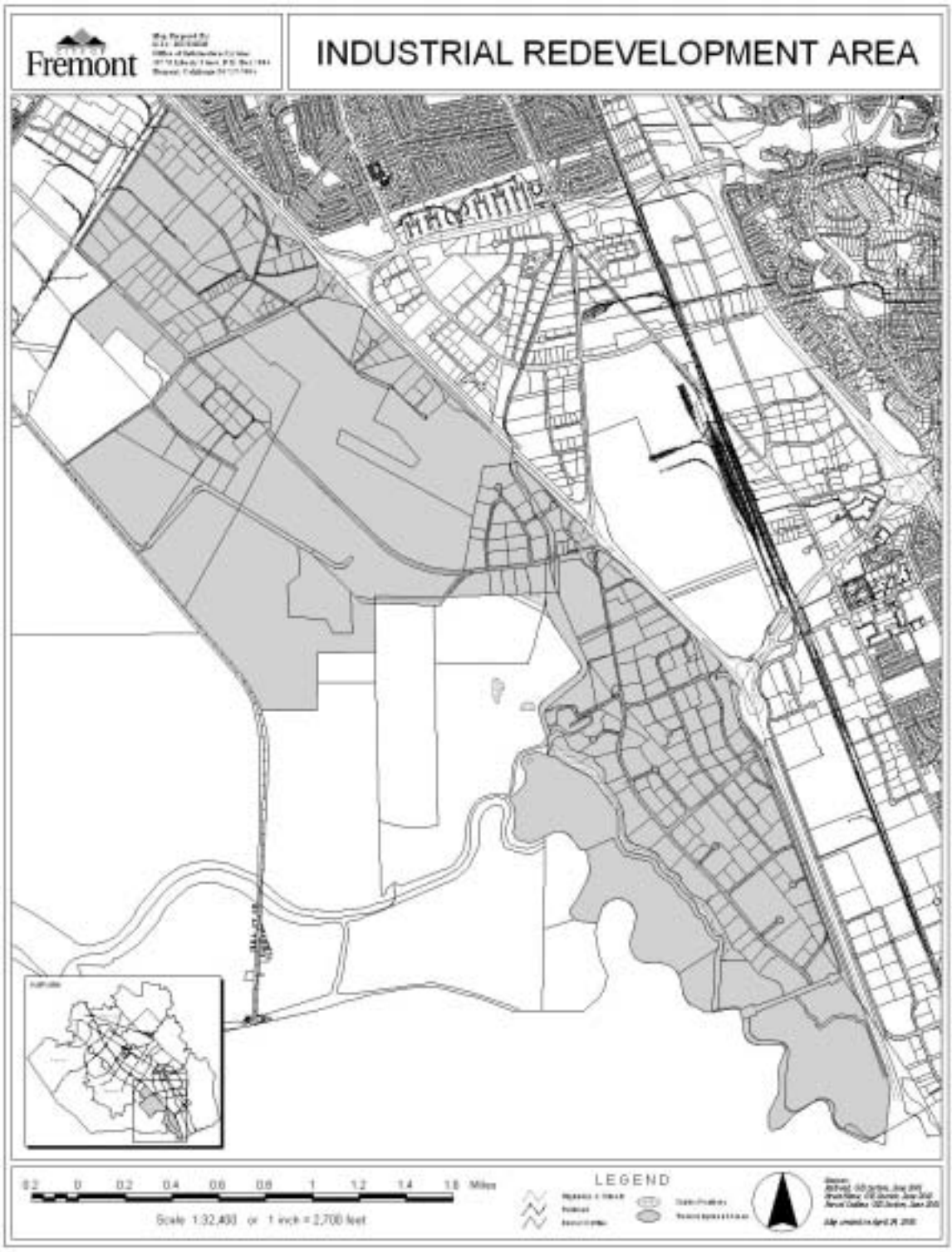
The Industrial Redevelopment Plan was established in 1983, primarily to provide an additional local financing mechanism to fund improvement of the four interchanges along I-880 that serve the Project Area and surrounding industrial land. In 1993, the Agency and the City reaffirmed the blighting conditions in the Project Area and undertook a major Plan Amendment to increase the amount of tax increment revenue available to fund the blight-alleviating interchange improvements. In 1998, the Plan for the Industrial Project Area was amended as part of the *Redevelopment Plan Amendments and Merger Program* that allowed for the merging of financial resources from all four Redevelopment Project Areas to support the Agency's overall redevelopment program for the City, including the completion of regional transportation and economic development projects planned for the Industrial Project Area.

4.2 Redevelopment Plan Goals

The Agency will focus on the following general goals of the Project during the Implementation Period:

- To provide for the residents of Fremont a balance between housing and job opportunities.
- To enable the full development of the Project Area as called for in the General Plan without the intolerable levels of traffic congestion and attendant environmental problems that have plagued rapidly expanding industrial areas in some other parts of the Bay Area and elsewhere in California.
- To ensure full utilization of the existing public infrastructure, including the regional highway network, railroad and mass transit systems that already provide excellent service to Fremont and that make Fremont a logical growth corridor for regional development.
- To promote centralized industrial development within the region, thus avoiding the premature spread of development to less accessible areas on the region's fringes with attendant increases in commuter travel times, energy consumption, air pollution, and absorption of prime agricultural lands.

FIGURE IV-4A


Fremont
INDUSTRIAL REDEVELOPMENT AREA
LEGEND
Miles
Scale 1:32,400 or 1 inch = 2,700 feet

- To retain and attract high-growth, clean industries to the benefit of Fremont, the Bay Area and the entire State of California, thus avoiding the loss of such desirable industries to aggressive competition from Sunbelt and other states and abroad.
- To expand and improve the community's supply of affordable low and moderate-income housing through the use of a portion of the tax increment revenues generated by the Project as mandated by the Redevelopment Law, and through development of the Affordable Housing.

4.3 Implementation Plan Programs

Program 1. Invest in Public Infrastructure

The Agency will make strategic investments in public infrastructure to help stimulate private investment in the district.

Objectives:
The following specific objectives of the Project will be priorities during the Implementation Period:

1. Working with Caltrans, the City of Milpitas and other governmental bodies, the Agency will undertake major improvements to the four Interstate-880 interchanges serving the Project Area. These interchanges will be upgraded to a capacity level capable of properly serving the private development envisioned for the area.

Projects
As funding permits, the Agency will implement the following projects during the Implementation Period to improve circulation and transportation deficiencies:

- Assist in financing the completion of improvements to the two Interstate-880 interchanges (Mission Boulevard and Dixon Landing Road) and related improvements (e.g. Warren Avenue grade separation project).

4.4 Elimination of Blight

The projects proposed during the Implementation Period will reduce blight in the following manner: Public infrastructure will be improved through Program 3 (Invest in Public Infrastructure) projects. These projects will increase the economic viability of the Industrial area, enhance accessibility, and encourage new construction in the project area.

5. Summary of Non-Housing Projects

The tables below show the list of Priority and Other projects proposed by the Agency in Niles, Irvington and Centerville redevelopment project areas. Table 5-1A identifies a list of priority projects the Agency proposes to implement under each major program area as described in Sections 1-4 above. The Priority Projects are projects the Agency proposes to implement during the next five-year period, as funding becomes available. These projects would be considered for funding subsequent to state budget action and greater certainty regarding the Agency's commitment to the two major Infrastructure Projects – the Washington Boulevard Grade Separation and the Interstate 880 reconstruction.

Table 5-1A

Priority Projects

Program 1: Support Enhanced Performance of Business	
Project	
1	All Districts - Implement Retail Marketing and Business Recruitment Program, in collaboration with Office and Economic Development.
2	All Districts - Provide Business Development Resources, in collaboration with Office of Economic Development.
Program 2: Support Investment in Privately-Owned Property	
Project	
1	Niles Concept Plan Zoning and Parking Assessment District Policy Modifications, to support private investment.
2	Niles - Union Pacific Property Study Area – Site Disposition.
3	Irvington - Bay Street Streetscape Design Project.
4	Irvington Concept Plan Zoning Modifications.
5	Irvington – Conceptual Planning Assistance to Property Owners of Key Sites in the Area.
6	Centerville Unified Redevelopment Area Disposition and Development.
7	Centerville Specific Plan – Conceptual Planning Assistance to property owners of key sites.
8	Centerville - Support for Implementation of Center Theater Business Plan. (*)
9	All Districts - Commercial Rehabilitation Loan/Grant Program. (*)
Program 3: Invest in Public Infrastructure	
Project	
1	Niles - Union Pacific Property Study Area – Complete Master Plan, Design and Development of Town Square (*after completion of Master Plan work).
2	Niles Sign Program - Completion of Phases 1b, 2, and 3.
3	Irvington – Assist in Financing for Washington Grade Separation Project.
4	Irvington - Bay Street Streetscape Design Project – Public Infrastructure Improvements.
5	Irvington – Contribution to Irvington BART Station (dependent upon feasibility of Industrial Redevelopment Plan Amendment). (*)

6	Centerville Depot – Parking, Access and Platform Improvements. (*)
7	Centerville - Central Avenue Widening and Utility Undergrounding.
8	All Districts – Neighborhood Sidewalk and Landscaping Improvements (e.g. Roberts Avenue). (*)
9	All Districts- Municipal Parking and Private Parking Consolidation projects. (*)

Table 5-1B identifies Other Projects including new projects and projects that have been identified in the past but not yet implemented.

Table 5-1B

Other Non-Housing Projects

Projects	
1	Niles Depot – Restoration and relocation of train depot to downtown Niles.
2	Irvington – Washington Grade Separation Pedestrian linkages
3	Irvington - Parking Lot Acquisition
4	Irvington – Design and implement historic streetscape improvements and install building and sidewalk plaques (Bay Street Streetscape Project)
5	Centerville – Train Depot Second Platform, including passenger waiting shelter
6	Centerville – Streetscape Nodes and Gateways
7	Centerville - Joseph Street Building Façade
8	Centerville – Train Depot second parking access
9	Centerville – Completion of Train Order Semaphore Signal display at the Train Depot
10	Centerville – Implement Centerville Specific Plan
11	Centerville – Assist Parks and Recreation to create neighborhood parks and other outdoor recreational facilities
12	Industrial - Business Conference Center
13	Industrial – Redevelopment Plan Amendment
14	Industrial – Development of Pacific Commons Train Station
15	All Districts – Reserves for Acquisition and Development
16	All Districts - Commercial Rehabilitation loan, Unreinforced Masonry loan and design grant program

As with the suspended projects on the Priority Projects list, these projects would be reconsidered for funding, as funding becomes available. A comprehensive review of the Agency's proposed expenditures will occur at a minimum annually during the Agency's consideration of its annual Operating Budget and Project Appropriations Plan.

V. PROJECTED REVENUES AND EXPENDITURES OF NON-HOUSING REDEVELOPMENT FUNDS (FY 2003-08)

Table V-1A
Estimated Expenditures and Revenue
Non-Housing Redevelopment Funds
From July 1, 2003 through June 30, 2008

Uses of Funds	Estimated Expenditures
Administration	
Pass-Through Payments	$ 37,700,000
Debt Service	$ 24,500,000
Affordable Housing 20% set-aside	$ 25,500,000
Non-Housing Administration/ County Administration	$ 4,100,000
ERAF Transfers	$ 20,300,000
Niles	
Enhanced Business Performance	$ 100,000
Foster Investment in Privately-Owned Properties	$ 450,000
Public Infrastructure Improvements	$ 0
Irvington	
Enhanced Business Performance	$ 100,000
Foster Investment in Privately-Owned Properties	$ 640,000
Public Infrastructure Improvements (a)	$ 20,754,000
Centerville	
Enhanced Business Performance	$ 100,000
Foster Investment in Privately-Owned Properties	$ 1,020,000
Public Infrastructure Improvements	$ 712,000
Industrial	
Public Infrastructure Improvements (b)	$ 52,409,000
Contingencies for Interchanges and Grade Separation	$ 4,000,000
Total Estimated Expenditures	**$ 192,385,000**

Sources of Funds	Estimated Revenue
Fund balance as of 7/1/03	$ 70,086,000
Tax Increment Revenue - Niles	$ 1,400,000
Tax Increment Revenue - Irvington	$ 11,200,000
Tax Increment Revenue - Centerville	$ 4,100,000
Tax Increment Revenue - Industrial	$ 110,599,000
Total Estimated Revenue	**$ 197,385,000**

Estimated 6/30/08 fund balance	**$ 5,000,000**

Notes:

(a) Washington Grade Separation project included.

(b) Mission Boulevard project included.

VI. AFFORDABLE HOUSING FIVE-YEAR IMPLEMENTATION PLAN

This section describes the Housing Component of the Implementation Plan for the Niles, Irvington, Centerville and Industrial Redevelopment Project Areas, and summarizes the Agency's housing obligations pursuant to the legal requirements of the California Community Redevelopment Law as amended by AB 1290, AB 315, AB 637 and SB 701.

1. Summary of Legal Requirements

a. Basic Housing Production Requirement: For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households, and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with private developers to produce affordable units). For housing produced by public (other than the Agency) or private developers, 6% must be affordable to very low-income households, and 9% must be affordable to low or moderate income households. *Exhibit VI-1A* shows the current income limits. This requirement is not imposed on each individual project, but rather these affordability requirements must be achieved in the aggregate.

b. Housing Fund Requirement: Redevelopment agencies are required to target financial investments to different income levels using the regional fair share allocation as a benchmark and must satisfy this requirement over a ten-year implementation plan period. A new requirement also requires redevelopment agencies to assist persons regardless of age in at least the same proportion that the community's population under age 65 bears to the total population of the community.

c. Replacement Housing Requirement: Agencies must replace housing units removed from the housing stock as a result of redevelopment activities.

The Affordable Housing Five-Year Implementation Plan must also include the following components:

- An explanation of how the goals, objectives, programs, and expenditures set forth in the Housing Implementation Plan will implement the affordable housing requirements;
- An explanation of how the Agency will meet its Housing Fund "expenditure targeting requirements;
- A determination as to whether at least 15% of the number of housing units developed or substantially rehabilitated by public or private entities over the ten (10) year housing production compliance period (1998-2008) will meet the affordable inclusionary requirement (6% affordable to very low income households and 9% to low and moderate-income households;
- An identification of proposed locations for replacement housing, which the Agency will be required to produce if a planned project will result in the destruction of existing affordable housing.

2. Affordable Housing Program and Expenditure Plan of Affordable Housing Fund

2.1 Five-Point Housing Program

Adopted in 1998 as part of the Agency's previous Five Year Implementation Plan, the Agency's Five Point Program invests in five distinct programs to meet the City's overall goals to produce, enhance, and preserve affordable housing. The Five Point Program has guided and will continue to guide appropriations and housing investments. Currently, funds are invested in:

1. **New construction,** which provides loans and technical assistance to produce new affordable housing;
2. **First Time Homebuyer's Program,** which provides loans of up to $40,000 in down payment assistance to increase ownership opportunity for Fremont first time homebuyers and stabilize neighborhoods;
3. **Home Improvement Loan Program,** which provides low interest loans to assist homeowners to improve their homes and to prevent neighborhood deterioration and to arrest blight;
4. **Apartment acquisition and rehabilitation**, which provides acquisition and/or improvement loans at reduced interest rates to secure affordable rents over a minimum 55 year term and to prevent neighborhood deterioration and to arrest blight; and
5. **Preservation of affordable housing,** which provides technical assistance and identifies and secures necessary financial resources so that affordable units do not convert to market rate after their restricted affordability term expires, causing a housing crisis for many Fremont households living in affordable units.

2.2 Investments Over the Previous Five Years (FY 1998-2003)

As part of the Five Year Implementation Plan, redevelopment agencies are required to prepare and adopt detailed plans regarding expenditures of the Affordable Housing Fund money. Sections 2.3 and 2.5 below provide a detailed expenditure plan and annual housing production goals for the Agency. Table 2-2A shows how the Affordable Housing Funds were spent in the previous five-year period. This table shows that the Agency invested over $20 million in the last five years on its Five Point Program, providing assistance to 579 affordable units. In addition, the Agency assisted in preventing 268 affordable units from converting to market rate units through its Affordable Housing Preservation Strategy, at minimum or no cost to the Agency.

Table 2-2A

Expenditure of Affordable Housing Funds
From July 1, 1998 through June 30, 2003

Program	**Total Investments**[1]	**Total Affordable Units**
New Construction[1]	$14,652,720	437 Units
First Time Homebuyers	$1,403,862	28 Units
Home Improvement Loan Program	$955,060	33 Units
Apartment Acquisition and Rehabilitation	$3,100,000	81 Units
Preservation of Affordable Housing[2]	(See Note #2)	(See Note #2)
	$20,111,642	579 Units

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:
1. Total investments represents amount of affordable housing funds allocated to individual projects, as of April 2003: a) Fremont Oak Gardens (50 affordable units); b) Bridgeway East (18); c) Adams Avenue (17); d) Oroyosm/Avelina (100); e) Fremont Vista (20); f) Affirmed Housing (132); and g) Mercy Family Housing (100). Additional affordable housing funds may be required for some of these projects, such as Affirmed and Mercy. Total Agency contribution for these projects are yet to be determined.
2. In the previous Five Year Implementation Plan Period (FY 1998-2003), the Agency assisted in saving a total of 268 affordable units from converting to market rate units. Administrative costs associated with the Affordable Housing Preservation Strategy were not substantial; however, in the next five year Implementation Plan period (FY 2003-2008), the Agency proposes to allocate $1.4 million to this effort.

2.3 Estimated Funds and Proposed Expenditure Plan for Affordable Housing for the Next Five Years (FY 2003- 2008)

According to the California Redevelopment Law, the Agency is required to include in its Implementation Plan a report on the amount available in the Affordable Housing Funds, estimates of deposits into the Housing Fund during the next five years, and the Agency's plans for utilizing annual deposits to the Housing Fund.

Table 2-3A shows the estimated amount of funds to be deposited into the Affordable Housing Fund in the next five years. The primary funding source for the Agency's affordable housing activities during the Implementation Plan period will be the proceeds from a taxable bond issued in June 2003 and the 20% housing set-aside of annual tax increment revenue deposited by the Agency into its Affordable Housing Fund. As shown in Table 2-3A, the Agency expects that $50,585,117 (Issuance of housing bond will generate $16.5 million, or $500,000 more than originally estimated) will be available in the Affordable Housing Fund over the next five years, comprised of a remaining fund balance of $8,585,117 in FY 2002/03, deposit of $16.5 million in proceeds from the June 2003 bond, and new deposits of housing tax increment dollars to the Fund during the next five years. The table shows the estimated amount of funds to be deposited

annually for the next five years beginning in FY 2003/04 to FY 2007/08. The expenditure plan is shown in greater detail in Table 2-3B.

Table 2-3A

Estimated Deposits to Affordable Housing Fund
From July 1, 2003-June 30, 2008

Year	**Estimated Deposits to Affordable Housing Fund**
FY 2002/03 Balance	$ 25,085,117
2003/04	$ 5,000,000
2004/05	$ 5,000,000
2005/06	$ 5,100,000
2006/07	$ 5,200,000
2007/08	$ 5,200,000
Five-Year Total	$ 50,585,117

Source: City of Fremont Redevelopment Agency Housing Bond Cash Flow, April 2003, and Redevelopment Agency Proposed Project Appropriations Plan, FY 2003/04.

Table 2-3B shows the Agency's proposed expenditure plan for the next five-year implementation period. This table shows the proposed expenditures for each of the five categories of the Agency's Five-Point Housing Program. This expenditure plan also shows the estimated expenditures for housing program administration and bond repayments.

In keeping with the Affordable Housing Investment Strategy (adopted by Redevelopment Agency Board on June 25, 2002), the Agency will continue to invest in its Five-Point Housing Program, focusing a majority of the funds on new construction. According to Table 2-3B, at least 76% of the Affordable Housing Funds is proposed to be spent primarily on new construction of rental housing for large families, people with special needs, and seniors. According to the Affordable Housing Investment Strategy, 80% of the New Construction funds will be spent on rental housing while 20% of the New Construction funds will be spent on homeownership units. Expenditures for the First-Time Homebuyer Program and Home Improvement Program (rehabilitation loan program for single family homes) make up 14% of Affordable Housing Funds. The remaining funds will be spent on acquisition and/or rehabilitation of at least 36 apartment units and preservation of existing affordable housing units at risk of converting to market rate.

Table 2-3B
Proposed Expenditure Plan for Affordable Housing Fund
From July 1, 2003 to June 30, 2008

	2003/04	2004/05	2005/06	2006/07	2007/08	Total	%
Affordable Housing Production							
1. New Construction	(See Note 1)					261	
2. First Time Homebuyer	15	15	15	15	15	75	
3. Home Improvement	13	13	13	14	14	67	
4. Apartment Acquisition and/or Rehabilitation	0	36	0	0	0	36	
5. Preservation of At-Risk Housing	0	130	0	114	132	376	
Total						**838**	
Estimated Expenditures (Programs Only)							
1. New Construction	$ 18,250,000	$ 8,800,000	$ -	$ -	$ -	$ 27,050,000	76%
2. First Time Homebuyer	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 3,000,000	8%
3. Home Improvement	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 2,000,000	6%
4. Apartment Acquisition and/or Rehabilitation	$ -	$ 1,500,000	$ -	$ 500,000	$ -	$ 2,000,000	6%
5. Preservation of At-Risk Housing	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 1,500,000	4%
Sub-Total, Programs						$ 35,550,000	
Estimated Expenditures(Administration Costs)							
1. Housing Administration	$ 975,000	$ 975,000	$ 750,000	$ 600,000	$ 384,810	$ 3,684,810	
2. Bond Repayment	$ 435,176	$ 588,960	$ 2,595,735	$ 2,597,670	$ 2,598,080	$ 8,815,621	

Sub-Total, Administration	$ 1,410,176	$ 1,563,960	$ 3,345,735	$ 3,197,670	$ 2,982,890	$ 12,500,431	
Reserves (for FY 2008/09)						**$ 2,534,686**	
Total Expenditures						**$ 50,585,117**	

Source: City of Fremont Redevelopment Agency Proposed Project Appropriations Plan, FY 2003/04-2007/08, April 2003.

Notes (to Table 2-3B):

1. New Construction: The number of units to be assisted on annual basis is yet to be determined and will depend on the number of projects initiated each year. The 261 units is an estimate of the number of units that may be assisted using 76% of Affordable Housing Funds on New Construction.

2. Preservation: The number of units to be *financially assisted* is yet to be determined. In the previous five year period, the administrative costs associated with implementation of Affordable Housing Preservation strategy were minimal. The number of units noted in the chart represent the units the Agency intends to preserve through its housing preservation strategy.

2.4 Housing Fund Targeting

The Agency must target its expenditures to produce units affordable to very-low and low-income households in at least the same proportion to the community's unmet need, using the regional fair share allocation as a benchmark to satisfy this requirement over a ten-year implementation period. In order to bring this ten-year compliance period for Housing Fund targeting into the same timeframe as the ten-year compliance period for Project Area production described in Section 3 below, which ends in 2008, the Agency will voluntarily accept a shorter initial targeting period that will also end in 2008. The next ten-year compliance period for both the Housing Fund targeting period described in this section, and the Project Area production on requirement described in Section 3 will then run from July 1, 2008, through June 30, 2018. Table 2-4A below shows the total housing need by income level.

Table 2-4A
ABAG Fair Share Allocation By Income Category
For 2001-2006

Income Category	Revised New Unit Need (RHND)
Very Low	873
Low	602
Moderate	1,791
Above Moderate	1,647
Total*	4,913

Source: ABAG Regional Housing Needs Determination, and City of Fremont Draft Housing Element, 2001-2006.

It is important to note that the Affordable Housing Funds can only be used to assist those whose incomes do not exceed moderate income (or up to 120% of median income computed by family size). Table 2-4B shows that at a minimum, the Agency must target 18% of the Affordable Housing Fund to produce housing affordable to very low-income households and 12% on housing affordable to low income households.

Table 2-4B
Expenditure Target for Affordable Very Low and Low Income Units
(based on ABAG Fair Share Allocation For 2001-2006)

Income Category	Revised New Unit Need (RHND)	Housing Fund Expenditure Target (Minimum Legal Requirement)
Very Low	873	18%
Low	602	12%
Moderate	1,791	N/A
Above Moderate	1,647	N/A
Total	4,913	

Source: Association of Bay Area Governments (ABAG), Regional Housing Needs Determination, City of Fremont, 2001.

According to the Proposed Expenditure Plan for the next five-year period, the Agency plans to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. As shown in Table 2-3B, 76% of Affordable Housing Funds will be spent on New Construction projects. According to the Affordable Housing Investment Strategy, at least 80% of the New Construction funds will be used for rental housing and 20% on homeownership units. Thus, the Agency will not only fulfill but will exceed its Fund Targeting requirements for very low and low-income households.

Additional Housing Fund Targeting

Recent law now requires Redevelopment Agencies to assist housing for persons regardless of age in at least the same proportion that the community's population under age 65 bears to the total population. Table 2-4C below describes the City of Fremont's population:

Table 2-4C
City of Fremont Population by Age

Age	2000
Under 10 yrs.	14.9%
10-19 yrs.	13.1%
20-44 yrs.	42.3%

45-64 yrs.	21.3%
65+ yrs.	8.4%
Total Population	100%

Source: 2000 Census.

In looking toward the balance of the Agency's first Housing Fund targeting compliance period, future investments in senior housing, defined as housing for those 62 years of age or older, should not exceed approximately 8-10%.

According to the Proposed Expenditure Plan for the next five-year period, the Agency plans to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. As shown in Table 2-3B, 76% of funds will be spent on new construction projects. In keeping with the Affordable Housing Investment Strategy, at least 80% of the New Construction funds will be used for rental housing and 20% on homeownership units. The Agency will fulfill its Fund Targeting requirements for senior households by expending no more than 8-10% of New Construction funds on senior housing.

2.5 Schedule for Annual Agency Assistance for the Next Five Years

The Agency plans to target its Housing Fund for very low and low-income households as specified by the California Redevelopment Law. However, the Agency will make every effort to encourage development of housing affordable to meet the needs of people at all income levels, and apply its resources in a manner that meets the ten year Housing Production requirement described in Section 3 below. By combining various funding sources and through collaborations with other partners dedicated to the development of affordable housing, the Agency is confident it will meet its Housing Production obligations in the next five years.

The Agency expects to take advantage of the opportunities as they are presented and to initiate actions as necessary to preserve and facilitate the development of affordable housing for households whose basic needs are not met by the private housing market. At this time, based on information and opportunities known to date, the Agency plans to achieve the following annual affordable housing goals.

FY 2003/04

New Construction (Agency funds committed prior to July 1, 2003):

- **Bridgeway East(Irvington Project Area):** This project includes a total of 18 units (10 extremely low and 8 very low-income units) The Agency is providing the Developer, Tri-City Homeless and Allied Housing, with a loan in the amount of $2.75 million for acquisition and construction. Construction plans have been

submitted to the City and plan checking is underway. Project expected to be completed: Summer 2004.

- **Fremont Oak Gardens (Outside Redevelopment Project Areas):** This project will provide 50 units of affordable housing featuring amenities and design features oriented to the special needs of deaf seniors (30 very low, 20 low-income). The Agency is providing the Developer, Satellite Housing Inc., a construction loan in the amount of $3.3 million. The project will also utilize $900,000 in City HOME funds and $210,000 in City CDBG funds. Construction is expected to begin June 2003 and completed in Fall 2004.
- **Fremont Vista (Outside Redevelopment Project Areas):** This project is an assisted living facility, which will provide 100 units of affordable senior housing (4 very low, 16 low and 80 market rate units). The Agency is providing the Developer, Fremont Vista Retirement Homes, a construction loan of $2.38 million. A groundbreaking was held in March 2003, and grading of the site has begun. Construction is expected to be completed in August 2004.
- **Affirmed Housing (Centerville Project Area):** Proposed 132-units of rental housing for families (96 very low income, 36 low income), including 9 market-rate, single-family housing units. The Agency provided $319,715 loan for predevelopment and is currently working with the Developer, Affirmed Housing, in securing an Agency loan of up to $13 million for acquisition and construction. Affirmed Housing plans to submit an application for Low-Income Housing Tax Credits for construction financing in July 2003. If application for tax credit allocation is successful, the project will begin construction in March 2004 and the project would be completed in February 2005.
- **Mercy Family Housing (Outside Project Area):** Proposed development of at least 100 rental housing units for families. The Agency is working with the Developer, Mercy Housing California (Mercy), in securing an Agency loan for acquisition and construction. Negotiations to purchase site are underway. Mercy plans to submit an application for Low-Income Housing Tax Credits in 2004. If application for tax credit allocation is successful, construction would begin in Spring or Summer 2005.

New Construction (In Pipeline):

The following projects were initiated in FY 2002-03 and are in the early planning stages. The Agency is working with the Developers in conducting due diligence for the sites.

- **Lincoln Street Apartments (Irvington Project Area):** Proposed 11-unit development for developmentally disabled residents (11 very low income). The Agency is working with the Developer, Housing Consortium of the East Bay (HCEB), to secure acquisition and construction financing through the Agency, and funds from other local agencies. Negotiations to purchase site are underway. HCEB plans to submit an application for HUD 811 funds in May 2003. If application is successful, construction would begin in Fall 2004.
- **Central Avenue Townhomes (Centerville):** A 20-unit approved development, with 2 units reserved for moderate-income first-time homebuyer. To facilitate

development of the townhomes, the Agency acquired Haller's Pharmacy and relocated the tenants to a neighboring site. Site planning and refining of financing plan will resume in Spring 2003.

- **Centerville Unified Site:** Development plans will include a housing component. The number of affordable units and Agency contribution to project is yet to be determined. The Agency anticipates selection of a developer in late Summer 2003 and commencement of development in late 2004.
- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program*:** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program*:** Provide housing rehabilitation loans to at least 13 very low, low and moderate income households.

Apartment Acquisition and/or Rehabilitation (Agency funds committed prior to July 1, 2003):

- **Glen Haven Apartments (Centerville Project Area):** Agency provided $3 million for rehabilitation of 81 rental units (9 very low, 48 low, and 24 moderate income). Interior and exterior improvements are underway, and are expected to be completed by Fall 2003.

Preservation: Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. The strategy includes: (1) early and proper notification to affected residents and government agencies; (2) early discussions with apartment managers and owners to discuss potential options and incentives for renewal of affordability restrictions; (3) work with owners and affordable housing developers who might be interested in acquiring the project; and (4) serve as a resource and catalyst to seek out resources, including local, state and federal financial assistance programs. In the event that protection of the units is infeasible, the Agency will work with property owner to ensure impacted tenants receive proper notification and are provided with resources for assistance.

Projects:
Good Shepard: 32 very low income units for developmentally disabled. Affordability restrictions expire, December 2004. Agency will continue to work with apartment owners to identify incentives and options for keeping units affordable.
Rancho Luna: 26 very low income units for seniors. Affordability restrictions expire, March 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.
Rancho Sol: 12 very low income units for seniors. Affordability restrictions expire, March 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.

Crossroads: 60 low income units for families and seniors. Affordability restrictions expire, May 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.

FY 2004/05

New Construction:

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program*:** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program*:** Provide housing rehabilitation loans to at least 13 very low, low and moderate-income households.

Apartment Acquisition and/or Rehabilitation:

- **New Project:** The Agency will pursue and invest in at least one apartment acquisition/rehabilitation project. According to the Agency's expenditure plan, the Agency has the ability to assist the acquisition and/or rehabilitation of 36 apartment units (at $55,000 investment per unit) over the next five-year period. The actual number of units to be assisted will depend on size of project and is yet to be determined.

Preservation: Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

Projects: Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. Below is a list of developments with affordability restrictions expiring in FY 04/05:

Good Shepard: 32 very low income units for developmentally disabled. Affordability restrictions expire, December 2004.
Rancho Luna: 26 very low income units for seniors. Affordability restrictions expire, March 2005.
Rancho Sol: 12 very low income units for seniors. Affordability restrictions expire, March 2005.
Crossroads: 60 low income units for families and seniors. Affordability restrictions expire, May 2005.

Initiate discussions with apartment owners and managers for the following projects with affordability restrictions expiring in FY 2006/07 (Agency's goal is to initiate discussions two years prior to expiration date):

Parkside Place: 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.
Pasatiempo: 59 very low-income units for seniors. Affordability restrictions expire, September 2006.
Heritage Village: 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.

FY 2005/06

New Construction:

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program*:** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program*:** Provide housing rehabilitation loans to at least 13 very low, low and moderate-income households.

Apartment Acquisition and/or Rehabilitation:

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

Preservation: Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

Projects: Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2006/07:

Parkside Place: 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.
Pasatiempo: 59 very low-income units for seniors. Affordability restrictions expire, September 2006.
Heritage Village: 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.

Initiate discussions with apartment owners and managers for the following projects with affordability restrictions expiring in FY 2007/08 (Agency's goal is to initiate discussions two years prior to expiration date):

Woodcreek: 60 low income units for families and seniors. Affordability restrictions expire, August 2007.
Mission Wells: 45 low income units for families and seniors. Affordability restrictions expire, September 2007.
Regency Square: 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

FY 2006/07

New Construction:

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program*:** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program*:** Provide housing rehabilitation loans to at least 14 very low, low and moderate-income households.

Apartment Acquisition and/or Rehabilitation:

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

Preservation: Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

Projects: Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2006/07 and FY 2007/08:

Parkside Place: 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.
Pasatiempo: 59 very low-income units for seniors. Affordability restrictions expire, September 2006.
Heritage Village: 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.
Woodcreek: 60 low-income units for families and seniors. Affordability restrictions expire, August 2007.

Mission Wells: 45 low-income units for families and seniors. Affordability restrictions expire, September 2007.
Regency Square: 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

FY 2007/08

New Construction:

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program*:** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program*:** Provide housing rehabilitation loans to at least 14 very low, low and moderate-income households.

Apartment Acquisition and/or Rehabilitation:

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

Preservation: Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

Projects: Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2007/08:

Woodcreek: 60 low-income units for families and seniors. Affordability restrictions expire, August 2007.
Mission Wells: 45 low-income units for families and seniors. Affordability restrictions expire, September 2007.
Regency Square: 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

3. Inclusionary and Housing Production Obligations

Each agency, as part of its five-year implementation plan adoption, must demonstrate how the agency will comply with inclusionary and housing production requirements and ensure they will be met every ten (10) years. The inclusionary and housing production obligations require that:

a. For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with developers to produce affordable units);
b. For housing produced by public (other than the Agency) or private entities (developers), 6% must be affordable to very low-income households, and 9% must be affordable to households with low or moderate-income households (see *Exhibit VI-1A* for most recent income limits). This requirement is not required to be imposed on each individual project, but rather, must be met in the aggregate;
c. For any affordable units developed outside of the project area(s), an agency may get only 50% credit for each unit developed; that is, for every two (2) units of affordable housing developed outside of the project area(s), the agency can count one (1) unit towards meeting its production obligation;
d. Substantially rehabilitated units may count towards meeting the housing production requirement. The law defines substantially rehabilitated as rehabilitation, the value of which constitutes 25% of the after-rehabilitation value of the dwelling unit, including the value of the land; and
e. Agencies may satisfy the inclusionary requirement by acquiring long-term affordability covenants on multi-family units that restrict the cost of renting or purchasing the units. This method cannot be used to satisfy more than 50% of the units required to be affordable and not less than 50% must be affordable to very low-income households.

The law also requires that an agency discuss how it intends to meets its Housing Production Requirement (the "Housing Production Plan") for the following time periods:

1. historical production (since the formation of the Redevelopment Project Areas);
2. production over a ten year period (currently the Agency is at the mid-point, or at year 5, of the 10-year production period); that is, the Agency's current housing production compliance period runs from July 1, 1998 to June 30, 2008; and
3. production over the life of the Plan.

3.1 Historical Production

Since the beginning of redevelopment efforts in July 1977, a total of 1,075 new and substantially rehabilitated housing units were developed in the Project Areas. Prior to January 2, 2002, "substantially rehabilitated dwelling units" meant substantially rehabilitated multifamily rented dwelling units with three or more units, regardless of whether there was agency assistance, and single-family dwelling units with one or two units. On or after January 1, 2002, "substantially rehabilitated dwelling units" means all units substantially rehabilitated with Agency assistance. Of those units, the Agency's housing production obligation was 163 units (66 very low income, and 97 low and moderate-income) Table 3-1A below summarizes

historical production in each Project Area, and shows the Agency's housing production obligation. As of FY 1997/98, the Agency has exceeded its housing production obligation for very low, low and moderate-income units by 186 units. Table 3-1B lists the affordable housing developments with price-restricted units that were counted towards meeting the Agency's housing production obligations for the period prior to FY 1998/99.

TABLE 3-1A
Historical Housing Production Obligation
For Fremont Redevelopment Project Areas
(Prior to FY 98/99)

	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
1. Total Historical Housing Production						
New Units	74	930	0	71	N/A	1075
Substantially Rehabilitated Units	0	0	0	0	N/A	0
Subtotal	74	930	0	71	N/A	1075
2. CRL Affordable Housing Production Requirement						
Very-Low Income (6% of Total)	5	56	0	5	N/A	66
Very-Low, Low, or Moderate Income (9% of Total)	7	84	0	6	N/A	97
Subtotal	12	140	0	11	N/A	163
3. Units Produced that Meet CRL Affordable Housing Production Requirements						
Very-Low Income	0	144	0	0	58	202
Very-Low, Low, or Moderate Income	2	86	0	0	59	147
Subtotal[1 to 4]	2	230	0	0	117	349
4. Total Surplus (Units Produced in Excess of CRL Requirement)						
Very-Low Income						136
Very-Low, Low, or Moderate Income						50
Subtotal						186

Source: 1998 Implementation Plan and City of Fremont Redevelopment Agency. (Updated: April 2003)

Notes:

1. Baywood Apartments, Redwood Lodge and Sequoia Manor in the Irvington Redevelopment Project Area include price-restricted units that were inadvertently not included towards the Agency's housing production obligation in the 1998 Implementation Plan. The three projects provide a total of 170 below market rate units: Baywood (66), Redwood Lodge (24), and Sequoia Manor (80).

2. Essanay Place Townhomes: While the Agency assisted 80 owner units, only 2 owner units have remaining recorded affordability restrictions.

3. Woodcreek Village: 60 rental units have recorded affordability covenants.

4. The Agency provided assistance for 234 rental units with rent restrictions to ensure long term affordability: Century Village (100), Pickering (42), Pacific Grove (9), Tree Tops (23), Park Vista (60). Because these units were located outside of the redevelopment project areas, only half of the units, or 117 rent-restricted units, count towards the Agency's housing production obligation. Of these, 63 units were very low income, and 54 units were either very-low, low, or moderate income.

Table 3-1B
Affordable Housing Developments
Pre-1998

Project	**Total Units Built or Acquired/ Rehabilitated**	**Very Low**	**Low**	**Moderate**	**Total Units that Meet Housing Production Requirement**
Inside Project Areas					
Baywood	82	40	26	0	66
Essanay Place Townhomes	80	0	0	2	2
Redwood Lodge	24	24	0	0	24
Sequoia Manor	80	80	0	0	80
Woodcreek	96	0	60	0	60
Outside Project Areas[1]					
Century Village	100	38	37	0	38
Pacific Grove	20	9	11	0	10
Park Vista	60	40	20	0	30
Pickering	42	2	19	21	21
Treetops	176	35	0	0	18
Total	760	268	173	23	349

Source: City of Fremont Redevelopment Agency, April 2003.

Note(s):

1. For units developed outside of redevelopment project areas, the Agency may count only 50% of the rent or price-restricted units towards its housing production obligation.

3.2 Ten Year Production Plan (FY 1998-2008)

Redevelopment agencies are required to develop and adopt an affordable housing production plan every ten years (AB 315 Plan). The housing production plan must explain how the Agency will meet its housing production requirement for the following time periods: (a) production over the first five years of the ten-year compliance period; (b) production over the ten-year compliance period; and (c) production through the life of the redevelopment plan.

Housing Production in the Past Five Years (FY 1998-2003)

In 1998, the Agency adopted its ten-year affordable housing production plan and is currently in the mid-point of the ten-year compliance period that began July 1, 1998 and will end June 30, 2008. This report provides an update of the Agency's housing production obligations. Table 3-2A shows the Agency's housing production requirements and housing production obligation for the previous five years**. For the period beginning July 1, 1998 through June 30, 2003, the Agency exceeded its housing production obligation by 54 units. That is, the Agency has caused production of more units than is required by California Redevelopment Law.**

Table 3-2B lists the developments that were counted towards meeting the Agency's housing production obligation. Only the units that were completed were counted towards meeting the Agency's housing production obligation, although the Agency may have made investments in other housing development projects. The developments that have received Agency assistance but have not yet been completed will be counted towards meeting the Agency's housing production obligations for the next five-year period beginning July 1, 2003 to June 30, 2008.

TABLE 3-2A
Housing Production Obligation
From July 1, 1998 to June 30,2003

	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
1. Housing Production (FY 1998/99 to FY 2002/03)						
New Units	0	121	0	74	N/A	195
Substantially Rehabilitated Units	0	8	0	0	N/A	8
Subtotal	0	129	0	74	N/A	203
2. CRL Affordable Housing Production Requirement						
Very-Low Income (6% of Total)					N/A	12
Very-Low, Low, or Moderate Income (9% of Total)					N/A	18
Subtotal					N/A	30
3. Units Built that Meet CRL Affordable Housing Production Requirements[1]						
Very-Low Income	0	5	0	0	35	40
Very-Low, Low, or Moderate Income	0	23	0	6	15	44
Subtotal	0	28	0	6	50	84

4. Total Surplus (Units Produced in Excess of CRL Requirement)						
Very-Low Income						28
Very-Low, Low, or Moderate Income						26
Subtotal						54

Source: City of Fremont Community Preservation Department, Permits and Plans, Planning, and Redevelopment (including FY 2002-2003 Redevelopment Project Appropriations Plan, FY 98/99 to FY 01/02 Housing and Community Development Annual Report, and January 2003 Projects List from Development Organization).

Notes (to Table 3-2A):

1. The Agency provided assistance for 101 units with rent or price restrictions to ensure long term affordability: Oroysom Village (60) and Avelina (41). Because these units were located outside of redevelopment project areas, only half the units, or 50 rent or price restricted units count towards the Agency's housing production obligations.

Table 3-2B
Affordable Housing Developments
From July 1, 1998 to June 30, 2003

Project	**Total Units Built, Acquired and/or Rehabilitated**	**Very Low**	**Low**	**Moderate**	**Total Units that Meet Housing Production Requirement**
Inside Project Areas					
Adams Avenue Homes	17	7	10	0	17
Bridgeway Transitional Housing	8	5	3	0	8
Greenwich/Trafalgar Townhomes	30	0	0	3	3
Sequoia Commons	6	0	0	6	6
Outside Project Areas					
Oroysom Village/Avelina	101	60	40	0	50
Total	162				84

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:

1. The Agency provided assistance for 101 units with rent or price restrictions to ensure long term affordability: Oroysom Village (60) and Avelina (41). Because these units were located outside of redevelopment project areas, only half the units, or 50 rent or price restricted units count towards the Agency's housing production obligations.

Housing Production Projection for the Next Five Years, FY 2003-08

The Agency has developed estimates of the number of units likely to be built or substantially rehabilitated in the next five year period based on two factors: (a) historical production in the redevelopment project areas in the previous five years; and (b) number of new construction and substantially rehabilitated units anticipated to be developed through Agency-assisted projects. Based on real estate market activity to date, the Agency does not anticipate a substantial increase or reduction in the residential growth rate and assumes that residential development in Fremont will remain "flat" in the next five years. Table 3-2C summarizes the future housing production in the Project Area over the next five-year implementation period beginning July 1, 2003 to June 30, 2008. Table 3-2D lists the housing developments that have been initiated but are not yet completed. The units resulting from these developments will be counted towards meeting the Agency's housing production obligation in the next five years. Current estimates show that the Agency will meet its housing production obligation and will have a surplus of 215 units (163 very low, 52 low and moderate-income units).

TABLE 3-2C
Projected Housing Production Obligation
From July 1, 2003 to June 30, 2008

	Niles	Irvington	Industrial	Centerville	Other[4]	Outside Project Area	Total
1. Housing Production Obligation[1]							
New Units	140	29	0	154	100	N/A	423
Substantially Rehabilitated Units	0	0	0	0	0	N/A	0
Subtotal	140	29	0	154	100	N/A	423
2. CRL Affordable Housing Production Requirement							
Very-Low Income (6% of Total)						N/A	25
Very-Low, Low, or Moderate Income (9% of Total)						N/A	38
Subtotal						N/A	63
3. Units Anticipated to Meet CRL Affordable Housing Production Requirements[2 & 3]							
Very-Low Income	15	29	0	96	6	42	188
Very-Low, Low, or Moderate Income	0	0	0	38	9	43	52
Subtotal	15	29	0	134	15	85	278

4. Total Surplus (Units Produced in Excess of CRL Requirement)							
Very-Low Income							163
Very-Low, Low, or Moderate Income							52
Subtotal							215

Source: Redevelopment Agency FY 2002-2003 Project Appropriations Plan and City of Fremont Housing Element, January 2003 Draft.

Notes (to Table 3-2C):

1. Housing Production estimates for FY 2003-08 are based on (a) historical production in project areas in the last five years (FY 1998-2003); and (b) the number of new construction and substantially rehabilitated units anticipated to be developed through Agency-assisted projects in pipeline. Based on real estate market activity to date, the Agency does not anticipate a substantial increase or reduction in residential growth rate and assumes that residential development in Fremont will remain "flat" in the next five years.

2. Niles: A total of 140 units are estimated to be developed through private developments. A) Henckels Site - Proposed 120-unit development (108 townhomes and 11 live-work space) currently in due diligence process; a total of 12 units, or 10% of total units, will have affordability restrictions. B) Union Pacific site - An estimated 21, second floor units above commercial storefronts are proposed in Union Pacific Property Master Plan. At least 3 of these units, or 15% of the total units, will have affordability restrictions.

3. Irvington and Centerville: An estimated 183 units are proposed to be constructed through Agency-assisted projects currently in pipeline (as of April 2003). Table 3-2D shows a list of projects counted towards meeting the Housing Production Obligation. Additional units may be created through development of key sites in the Project Areas (I.e., Centerville Unified Site). The number of price-restricted units is yet to be determined.

4. "Other" Category, New Construction Units: An estimated 100 units could potentially be developed by the private sector and other public agencies (other than the Redevelopment Agency). As required by the City's Inclusionary Housing Ordinance, at least 15% of total units, or 15 units, must be price-restricted units.

Table 3-2D
Agency-Assisted Affordable Housing Developments
New Construction and Substantial Rehabilitation Projects In Pipeline
From July 1, 2003 to June 30, 2008

Project	**Total Units Built, Acquired and/or Rehabilitated**	**Very Low**	**Low**	**Moderate**	**Total Units that Meet Housing Production Requirement**
New Construction					
Affirmed Housing - Multifamily Rental	132	96	36	0	132
Brideway Expansion	18	18	0	0	18
Central Avenue Townhomes[2]	22	0	0	2	2
Lincoln Street Apartments	11	11	0	0	11
Sub-total	183				163
Outside Project Area[1]					
Fremont Assisted Living[3]	100	4	16	0	10
Fremont Oak Gardens[3]	50	30	20	0	25
Mercy Housing – Multifamily Rental[4]	100	50	50	0	50
Sub-total	250				85
Total	514				329

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:

1) For projects built outside of redevelopment project areas, only half of the price-restricted units can be counted towards meeting the Agency's housing production obligation.

2) Central Avenue Townhomes: The Agency will continue to work with Developer on development plans for the site. Initial plans anticipate 22 units likely to be built, with at least 10%, or 2, price-restricted units.

3) Fremont Assisted Living and Fremont Oak Gardens: The Agency appropriated funds for these projects prior to June 2003. However, the projects are scheduled for completion during the Implementation Period and thus, the units are counted towards meeting the Agency's housing production obligations during this Implementation Period.

4) Mercy Family Housing: The Agency/Developer is currently involved in the due diligence process. Initial plans anticipate 100 units but the development is likely to produce more units. Since the site is located outside of the redevelopment project areas, only half of the price-restricted units can count towards the housing production obligation. Thus, in this early stage, only 50 units is anticipated to count towards the Agency's housing production obligation.

Summary of Housing Production During Current Ten-Year Compliance Period

For the remaining five years of the 10-year compliance period, the Agency's goal is to aggressively pursue new construction developments inside and outside the Redevelopment Project Areas. **Table 3-2E shows the Agency will exceed its housing production obligation by 302 units for the period beginning July 1, 1998 through June 30, 2008.** The successful issuance of a housing tax increment bond in May 2003 will provide the source of funds the Agency will need to support these projects. In keeping with the Affordable Housing Investment Strategy (adopted by the Redevelopment Agency on June 25, 2002), the Agency will focus the majority of its resources on new construction projects that will provide rental units for very low and low-income households, especially large families, people with special needs, and seniors. However, the Affordable Housing Funds will also be available to assist moderate-income households, particularly through programs such as the First-Time Homebuyers Program and the Home Improvement Program (single-family, rehabilitation loan program). The Agency will also depend on the private market to develop new housing units for people with higher incomes.

The Redevelopment Agency intends to meet its housing production obligations by continuing to invest Affordable Housing Funds in the Five-Point Housing Program. In addition, the recently adopted Inclusionary Housing Ordinance (which became law in 2002) will assist in meeting the Agency's inclusionary obligation. The Inclusionary Housing Ordinance requires all new residential developments throughout the City to set aside at least 15% of the total units for very low, low and moderate-income households.

TABLE 3-2E
Summary of Housing Production Obligation
For Last Five Years (July 1, 1998 to June 30, 2003) and
Projections for the Next Five Years (July 1, 2003 to June 30, 2008)

	Niles	Irvington	Industrial	Centerville	Other	Outside Project Area	Total
1. Housing Production							
New Units	140	150	0	228	100	N/A	618
Substantially Rehabilitated Units	0	8	0	0	0	N/A	8
Subtotal	140	158	0	228	100	N/A	626
2. CRL Affordable Housing Production Requirement							
Very-Low Income (6% of Total)						N/A	38
Very-Low, Low, or Moderate Income (9% of Total)						N/A	56
Subtotal						N/A	94
3. Units Built /Anticipated to Be Built that Meet CRL Affordable Housing Production Requirements							
Very-Low Income	15	34	0	96	6	110	261
Very-Low, Low, or Moderate Income	0	23	0	44	9	59	135
Subtotal	15	57	0	140	15	169	396
4. Total Surplus (Units Produced in Excess of CRL Requirement)							
Very-Low Income							223
Very-Low, Low, or Moderate Income							79
Subtotal							302

Source: Draft Implementation Plan (FY 2003-2008), Tables 3-2A and Table 3-2C.

3.3 Production Over Life of Redevelopment Plans

As part of its Housing Production Plan, the Agency must also report on how it intends to meet its Housing Production Requirement through the life of the redevelopment plans. The following are general assumptions on what the Agency expects will be built or substantially rehabilitated in the Project Areas through the life of the plan:

Niles (2009 to End of Project Life Production – FY 2008/09 to FY 2042/43)
The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

Irvington (2009 to End of Project Life Production – FY 2008/09 to FY 2042/43)
The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

Centerville (2009 to End of Project Life Production – FY 2008/09 to FY 2041/42)
In the 1998 Implementation Plan, the Agency projected that an additional 340 units could potentially be built in the Project Area through the end of the Project, again none by the Agency itself. Based on the potential production of 340 units in Centerville, the Agency's housing production obligation will be 51 units. That is, at a minimum, the Agency will ensure that 51 units are affordable to very low, low and moderate-income households. The City's Inclusionary Housing Ordinance, which requires all new residential developments throughout the City to set aside at least 15% of the total units for very low, low and moderate-income households, will assist the Agency in meetings its future housing production obligations.

Industrial
Since no land is designated for residential development, no units have been produced in the Industrial Project Area since the establishment of the Redevelopment Project. Likewise, no new homes are projected to be built or substantially rehabilitated in the Project Area through the life of the Redevelopment Plan.

3.4 Monitoring and Reporting Housing Production Activity

In previous years, the Agency has monitored its housing production obligation primarily through annual reports to the Department of Housing and Community Development (HCD). At the end of the calendar year, the Redevelopment Agency submits to HCD an Annual Report of Housing Activity, which summarizes development activity in the Project Areas and expenditures of the Affordable Housing Fund.

4. Replacement Housing Requirement

When low and moderate income housing units occupied by households whose incomes do not exceed 120% of median income) is removed or destroyed due to agency action, an agency must replace those units with new or newly rehabilitated affordable housing units. At least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low and moderate income housing units, an agency must adopt, by resolution, a replacement housing plan that generally describes the location, timing and method by which replacement housing will be provided.

Replacement units may be located anywhere within the city limits. An agency may either construct the required replacement housing, or cause such housing to be constructed through agreements with housing developers. Replacement units must be available at affordable housing cost to households of low and moderate income. In addition, 100%of the replacement units must be available at affordable housing cost to the same income level of households as were displaced from the units removed or destroyed, and the same or greater number of bedrooms must also be replaced. Replacement housing must remain affordable for a minimum of 55 years for rental units or 45 years for owner-occupied units. The affordability controls must be made enforceable by recorded covenants or restrictions.

At the current time, the Agency knows of two (2) units that may be removed or destroyed to facilitate the development of two (2) affordable housing communities; however, these new projects are in the very early planning stage. Should these projects proceed to development, removed units will be replaced on site by units in the new affordable projects. If any additional affordable housing units are removed or destroyed due to Agency action, the Agency will be required to meet the Replacement Housing obligations in effect at the time.

5. Conformance to the City of Fremont Housing Element (FY 2001-2006)

The General Plan Housing Element promotes four (4) primary goals:

Goal 1- Conservation and enhancement of existing residential neighborhoods.
Goal 2- High quality and well-designed new housing of all types throughout the City.
Goal 3- Housing affordable and appropriate for a variety of households at all economic levels throughout the City consistent with the Hill Area Initiative of 2002.
Goal 4- A continuing leadership role in regional efforts to maintain and expand the range of housing alternatives in the San Francisco Bay Area.

The Agency is committed to assisting the City to achieve these goals through the policies and programs presented in the City's Housing Element. Many of the programs described in the City's Housing Element are also programs included in the Agency's Five Year Implementation Plan, such as the continuation of a first-time homeowner program, rehabilitation of existing rental housing, and preservation of existing affordable housing,

as well as investment in and facilitation of the development of new affordable housing (and the removal of barriers to the development of affordable housing). The Affordable Housing Five Year Implementation Plan for FY 2003-08 will be revised as needed to maintain consistency with the City's adopted Housing Element.

Exhibit VI-1A
Income Limits Adopted by State of California in 2003
City of Fremont

Household Size	1	2	3	4	5	6	7	8
Very Low	$28,050	$32,050	$36,050	$40,050	$43,250	$ 46,450	$ 49,650	$ 52,850
Lower	$44,850	$51,250	$57,650	$64,100	$69,200	$ 74,350	$ 79,450	$ 84,600
Median	$53,600	$61,300	$68,950	$76,600	$82,750	$ 88,850	$ 95,000	$101,100
Moderate	$64,350	$73,500	$82,700	$91,900	$99,250	$106,600	$113,950	$121,300

Source: State of California, Department of Housing and Community Development, April 2003.