

**FIVE YEAR IMPLEMENTATION PLAN
(2010-2014)**

**FOR THE ROCKAWAY BEACH
REDEVELOPMENT PROJECT**

Pacifica Redevelopment Agency

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**FIVE-YEAR IMPLEMENTATION PLAN (2010-2014)
FOR THE ROCKAWAY BEACH REDEVELOPMENT PROJECT**

I. INTRODUCTION

In accordance with Section 33490 of the Community Redevelopment Law ("CRL"), beginning in 1995 redevelopment agencies have been required to adopt an implementation plan for each redevelopment project every five years. The Pacifica Redevelopment Agency ("Agency") adopted prior implementation plans for fiscal years 1995-1999, 2000-2004, and 2005-2009 and must adopt its fourth Five-Year Implementation Plan for the Rockaway Beach Project for fiscal years 2010-2014 (the "Implementation Plan").

In summary, the Implementation Plan is required to include the following:

- A description of the Agency's specific goals and objectives, specific programs (including any potential projects), and estimated expenditures for the project area for the next five years. See Sections III, IV and V.
- An explanation of how these goals, objectives, programs and expenditures will eliminate blight within the project area or implement the housing requirements of the CRL. See Section VI.
- A housing component addressing the Agency's low and moderate income housing fund (including the income category and age proportional spending requirements, and a report on certain actual affordable housing data for the 2005-2009 Implementation Plan); inclusionary housing production obligations; and replacement housing obligations. See Section VII.
- A component identifying the expiration of certain redevelopment plan time limits. See Section II.B.

A public hearing must be held on this Implementation Plan prior to its adoption by the Agency. In addition, between two and three years after its adoption, a public hearing is required to review the Rockaway Beach Redevelopment Plan and this Implementation Plan in order to evaluate the progress of the Rockaway Beach Redevelopment Project.

This Implementation Plan is a multi-year program planning document rather than a specific project document. Its purposes are to plan the redevelopment program activities the Agency intends to undertake during the five-year period that will meet the Agency's goals and objectives of eliminating blight, stimulating private investment and economic development, and increasing, preserving and improving low and moderate income housing, which will comply with the Agency's housing requirements under the CRL.

II. BACKGROUND AND TIME LIMITS OF THE PROJECT AREA

A. Background

The Rockaway Beach Redevelopment Plan (“Redevelopment Plan”) was adopted on July 14, 1986, and consists of 147.5 acres (“Project Area”). There are three distinct areas of the Project Area generally described as follows: the Headlands, West Rockaway Beach and the Quarry. A map of the Rockaway Project Area is attached as Exhibit A.

The general goals and objectives of the Redevelopment Plan are: to eliminate blight conditions; to revitalize the West Rockaway Beach and Quarry areas so that they become efficient and attractive centers for visitor-serving commercial, office and retail activity; to improve the access for vehicles and pedestrians to the Project Area in order to stimulate economic development and provide adequate access and public improvements to open spaces, such as the Headlands; and to increase, improve or preserve the supply of low and moderate income housing in the community.

To date, the Agency’s redevelopment activities have resulted in the completion of visitor-serving commercial and office uses; three hotels; a new off-street parking lot, improvements to existing parking areas; new streets, curbs and gutters in the West Rockaway Beach area; redevelopment of the “Clock Tower” project; improvements to the “Surfer’s Parking Lot” including renovation of the old changing room; a new ADA accessible pedestrian walkway from West Rockaway Beach over the Headlands connecting with Pacifica State Beach; a new wastewater treatment plant; and the restoration of wetlands and Calera Creek. In addition, the Agency assisted in preserving the Oceanview Apartments, an affordable senior housing project outside the Project Area that was going to be converted to market housing, through acquisition and transfer to a non-profit organization.

Remaining blight conditions within the Project Area include: deteriorated and dilapidated structures, inadequate recreation/open space, depreciated values and impaired investments, inadequate circulation and accessibility, and deteriorated or inadequate utilities and public improvements.

Due to the Agency’s existing indebtedness incurred to undertake the completed projects and redevelopment activities described above, at this time and during this Implementation Plan period, the Agency is very limited on the amount of tax increment funds available to undertake additional projects. Therefore, it is anticipated that the majority of the proposed projects and programs described in this Implementation Plan will be subject to the Agency’s ability to obtain financing.

B. Expiration of Redevelopment Plan Time Limits

Effectiveness Limit	Debt Incurrence Limit	Debt Repayment	Eminent Domain Limit
7/14/2021*	N/A-Expired	7/14/2031*	5/24/2011

*SB1045 and SB1096 Ordinances are planned to be adopted that will extend these time limits 3 years as permitted under the CRL due to three years of mandatory ERAF payments.

III. FIVE-YEAR GOALS AND OBJECTIVES

The goals and objectives for redevelopment of the Project Area over the five years covered by this Implementation Plan are: (1) to continue to eliminate blight conditions; (2) to continue those improvements necessary to revitalize the West Rockaway Beach and Quarry areas; (3) to continue to improve the access for vehicles and pedestrians to the Project Area and provide adequate access and public improvements to open spaces; and (4) to continue to increase, improve or preserve the supply of low and moderate income housing in the community.

IV. PROPOSED FIVE-YEAR PROGRAMS

A. Public Improvement Program

The purpose of this program is to provide those infrastructure and other public improvements necessary to provide safe vehicular and pedestrian access and circulation, adequate utilities, safe and adequate recreational facilities, and adequate public open space and parking. Agency activities under this program may include: street improvements, such as road reconstruction, sidewalks, curbs and gutters; traffic signals; lighting; landscaping and pedestrian amenities; and parking improvements.

It should be noted, however, that the Agency does not currently have any available non-housing tax increment funds for this program. Therefore, the ability of the Agency to undertake any projects under this program will be subject to the Agency obtaining financing.

B. Housing Programs

The purpose of this program is to assist in providing decent, safe and sanitary housing within the community and, in particular, to assist in increasing, improving and preserving affordable housing for low and moderate income persons throughout the community. This program may include the provision of incentives, when necessary, to property owners, developers or investors to develop new low and moderate income housing within the community and, if needed, to provide incentives to property owners of existing housing to participate in this program by agreeing to restrict their rents to an "affordable rent," as well as to improve and preserve existing affordable housing. Examples of the types of activities the Agency may undertake under this program include: acquisition of property to assemble adequate sized parcels for development of housing sites; site clearance and preparation costs; the provision of certain public improvements; the provision of grants, loans or subsidies as may be required and as permitted under the CRL; the purchase of affordability covenants to restrict the price or rental of

dwelling units; and the purchase of existing housing for conversion to affordable rental or sale units.

V. REVENUE SOURCES AND ESTIMATED PROPOSED PROGRAM EXPENDITURES

The primary source of revenue available to the Agency for its programs and projects has been and will continue to be property tax increment. Tax increment is created by the increases in assessed value of properties in a project area after adoption of a redevelopment plan due to change of ownership, rehabilitation or new construction. Other potential revenue sources for the Agency’s programs that may be available to the Agency include Community Development Block Grant Funds and state and federal programs (e.g., HOME Program, CFHA Program, etc.).

The Agency’s estimated expenditures for the five-year period of this Implementation Plan are set forth below. It should be noted, however, that the expenditures do not reflect the Supplemental Education Revenue Augmentation Fund (SERAF) payments that may be required in accordance with AB 26 4x. The legality of the SERAF payments imposed by AB 26 4x is being challenged.

Program	Estimated Expenditures (2010-2014)
Public Improvement Program	\$0*
Housing Programs	0*
Debt Service: Non-Housing	1,631,955
Debt Service: Housing	85,000
Intergovernmental Expenses (Payments to Affected Taxing Entities, County fees/charges for tax collection)	129,500
Agency Administration	110,500
Total Estimated Expenditures	\$1,956,955

*No expenditures are projected for these programs because there are currently no available funds and the Agency does not anticipate having sufficient tax increment funds during this Implementation Plan period for these programs, especially in light of the Agency’s potential obligation to make the Supplemental Education Revenue Augmentation Fund (SERAF) payments that may be required in accordance with AB 26 4x. However, these programs are still listed in the event the Agency is able to obtain other financing for any of these program activities.

VI. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROGRAMS AND EXPENDITURES WILL ELIMINATE BLIGHT WITHIN THE PROJECT AREA OR IMPLEMENT THE HOUSING REQUIREMENTS

Each of the programs described in this Section VI and the expenditures described in Section V will either assist in the elimination of blight conditions in the Project Area or will address the Agency’s housing requirements under the CRL. The chart below indicates the linkage between the Rockaway Beach Redevelopment Project goals and objectives, the five-year programs/expenditures, and either the blight conditions that will be alleviated or eliminated, or the CRL housing requirement that will be implemented as a result of the programs.

Five-Year Goals and Objectives and Five-Year Programs/Expenditures Link to Elimination of Blight Conditions or Implementation of CRL Housing Requirements

Five-Year Goals and Objectives	Five-Year Programs/Expenditures	Blight Conditions to be Alleviated or Eliminated in Project Area or Implementation of CRL Housing Requirements
Continue to eliminate blight conditions	Public Improvement Program Housing Program	Deteriorated and dilapidated structures Depreciated values & impaired investments Deteriorated/Inadequate utilities Inadequate public Improvements Inadequate parking and open spaces
Continue those improvements necessary to revitalize the West Rockaway Beach and Quarry areas	Public Improvement Program	Deteriorated/inadequate utilities Inadequate public improvements Inadequate parking Depreciated values & impaired investments
Continue to improve the access for vehicles and pedestrians to the Project Area and provide adequate access and public improvements to open spaces	Public Improvement Program	Inadequate recreation/open spaces Deteriorated/inadequate utilities Inadequate public improvements Inadequate parking
Continue to increase, improve and preserve affordable low- and moderate- income housing in the community	Housing Program	Deteriorated & dilapidated structures Depreciated values & impaired investments Implements CRL housing requirements

VII. HOUSING REQUIREMENTS

This portion of the Implementation Plan addresses the Agency's housing requirements under the CRL and sets forth the Agency's plan for meeting its housing obligations. The Agency is required to: (1) deposit at least 20% of its tax increment monies in a Low and Moderate-Income Housing Fund (the "Housing Fund") for the purpose of increasing, improving or preserving the community's supply of affordable low and moderate-income housing, and spend the Housing Fund monies for very low and low-income housing units in proportion to the need as determined by the regional housing needs assessment and for those age groups under 65 in proportion to the community's population as determined by the most recent census; (2) provide that 15% of all new or substantially rehabilitated housing units developed within the Project Area by entities other than the Agency and 30% of all new or substantially rehabilitated housing units developed by the Agency be available at an affordable housing cost to persons of low and moderate-income for the longest feasible time ("Inclusionary Housing"); and (3) provide that whenever a low or moderate-income housing dwelling unit is destroyed or removed as part of a redevelopment project, such unit will be replaced within four years of its destruction or removal ("Replacement Housing"). Each of these three Agency housing requirement components is addressed below.

A. Low and Moderate Income Housing Fund Requirements

This component of the Implementation Plan is required to include the following:

- The estimated amount of monies in the Housing Fund as of 07/01/2009 and the estimated amount of monies to be deposited in the Housing Fund in each fiscal year of this Implementation Plan's five-year period (2010-2014).

The information is shown in Table 1 below.

- An estimate of the number of new units to be assisted with Housing Fund monies and the estimated annual expenditure of Housing Fund monies for these units for the five-year period (2010-2014).

There are no new units estimated to be assisted with Housing Fund monies during this Implementation Plan's five-year period.

- An estimate of the number of rehabilitated units to be assisted with Housing Fund monies and the estimated annual expenditure of Housing Fund monies for this assistance for the five-year period (2010-2014).

There are no units estimated to be rehabilitated using Housing Fund monies during this Implementation Plan's five-year period.

- The estimated number of price-restricted units to be assisted with Housing Fund monies and the estimated annual expenditure of Housing Fund monies for this assistance for the five-year period (2010-2014).

There are no additional units projected to be price-restricted during this Implementation Plan's five-year period, however, there are estimated Housing Fund expenditures during this Implementation Plan's five-year period to pay existing debt for price-restricted units that were provided in previous years. See Table 2.

- A report of the actual affordable housing proportional expenditures for the previous Implementation Plan (fiscal years 2005-2009).

This information is contained in subparagraph 2 below.

- A description of how the proposed Housing Fund expenditures will be in compliance with the proportional spending requirements over the 2005-2019 fifteen-year compliance period ("Compliance Period"). (Pursuant to CRL Section 33334.4(c), the Compliance Period is 15 years instead of 10 years because the Agency's aggregate Housing Fund deposits during the first five years of the Compliance period were less than \$2,000,000.).

This information is contained in subparagraph 3 below.

1. Housing Fund Deposits, Units and Expenditures

Table 1: Estimated Annual Deposits to Affordable Housing Fund for 2010-2014 Plan Period and Current Balance

Year	Amount
2009/10	\$62,000
2010/11	62,000
2011/12	62,000
2012/13	62,000
2013/14	62,000
Total Deposits	\$310,000
Current Balance as of 7/1/09	32,392
Total	\$342,392

**Table 2: Estimated Price-Restricted Units and Annual Expenditures
for 2010-2014 Plan Period**

Year	Estimated Price-Restricted Units	Estimated Expenditures*
2009/10	0	\$ 17,000
2010/11	0	17,000
2011/12	0	17,000
2012/13	0	17,000
2013/14	0	17,000
Total	0	\$85,000

*These expenditures are for repayment of a City loan incurred in 2000 to assist in preserving the affordability of the low and very low income senior Oceanview Apartments Project.

**2. Actual Proportional Income and Age Affordable Housing Report for
Previous Implementation Plan (2005-2009)**

The purpose of this component of the Implementation Plan is to report on the actual Housing Fund income and age proportional expenditures for the previous Implementation Plan period (2005-2009). This component is required to include the following:

- The amount of Housing Fund moneys used to assist extremely low, very low and low-income households.

The only Housing Fund expenditures in the previous Implementation Plan were for repayment of debt incurred for the Oceanview Senior Housing Project approved in 2000 (prior to the effective date of the proportional spending requirements); therefore, these expenditures are not subject to the proportional spending requirements. For informational purposes, Table 3 below sets forth how these expenditures have been allocated by income category, however, they are not applicable for purposes of determining compliance with the proportional spending requirements.

- The number, location and level of affordability of units newly constructed with locally controlled government assistance, and without Agency assistance, that are required to be affordable to and occupied by persons of extremely low, very low and low-income persons for at least 55 years for rental housing or 45 years for homeownership housing.

There were none.

- The amount of Housing Fund moneys used to assist housing units available to households under age 65, and the number, location, and level of affordability of those units.

As noted above, the only Housing Fund expenditures in the previous Implementation Plan were for repayment of debt incurred for the Oceanview Senior Housing Project approved in 2000 (prior to the effective date of the proportional spending requirements); therefore, these expenditures are not subject to the proportional spending requirements. For informational purposes, Table 4 below sets forth how these expenditures have been allocated by age category, however, they are not applicable for purposes of determining compliance with the proportional spending requirements.

Table 3: Actual Amount of Housing Fund Expenditures in Prior Implementation Plan Period (2005-2009)

Income Level	Actual Expenditures
Extremely/Very Low Income	\$16,481
Low Income	68,326
Moderate Income	0
Total	\$82,407

Table 4: Amount of Housing Fund Expenditures for Housing Units Available to Persons and Families under Age 65 in Prior Implementation Period (2005-2009)

Age Category	Actual Expenditures
Under 65	\$0
Over 65	82,407
Total	\$82,407

3. Description of How the Proposed Housing Fund Expenditures Will Be in Compliance with the Proportional Spending Requirements over the 2005-2019 Fifteen-Year Compliance Period

Commencing January 1, 2002, Housing Fund monies are required to: (1) assist housing for persons in the very low and low-income categories in amounts at least equal to the City's regional share of the proportional need for those income categories over the Compliance Period; and (2) assist housing available to persons and families under 65 years of age in amounts at least equal to the proportion of low-income households under 65 years of age bears to the total number of low-income households of the community as reported in the latest U.S. census.

As stated in subparagraph 2 above, the only Housing Fund expenditures in the first five years of the Compliance Period were for repayment of debt incurred for the Oceanview Senior Housing Project, which was approved in 2000 (prior to the effective date of the proportional spending requirements); therefore, those expenditures are not subject to the proportional spending requirements. Similarly, the only Housing Fund expenditures estimated for this Implementation Plan period are also for repayment of debt for the Oceanview Senior Housing Project, therefore, these expenditures are also not subject to the proportional spending requirements. However, for informational purposes only, Table 5 below sets forth the City's

regional share proportional housing need by income and Table 6 shows how this Implementation Plan's expenditures have been allocated by income category. In addition, Table 7 below sets forth the City's proportional need of lower income households by age category. Since the Housing Fund expenditures were all for the Oceanview Senior Housing Project, all the units were for persons 65 and over.

Table 5: Regional Housing Need Requirement by Income

Income Level	Units Needed*	Percentage
Very Low Income	63	At least 39%
Low Income	45	At least 28%
Moderate Income	53	No more than 33%
Total	161	100%

*Source: City Housing Element (Proposed 2009 Update)

Table 6: Estimated Housing Fund Expenditure for Each Income Group for 2010-2014 Plan Period

Year	Very Low	Low	Moderate	Total
2009/2010	\$3,400	\$13,600	\$ 0	\$17,000
2010/2011	3,400	13,600	0	17,000
2011/2012	3,400	13,600	0	17,000
2013/2014	3,400	13,600	0	17,000
2014/2015	3,400	13,600	0	17,000
Total	\$17,000	\$68,000	\$ 0	\$85,000
Percentage	20%	80%	0%	100%

Note: The expenditures are for the Oceanview Apartments Senior Housing Project, not specific units within the Housing Project. The Housing Project is required to have 80% of the units available for low income seniors and 20% of the units available to very low income seniors; therefore, the Agency's allocation by income level uses those same percentages.

Table 7: Proportional Age Housing Fund Requirements

Age Category	Number of Households	Percentage of Households
Lower-income households under 65	77,753	70%
Lower-Income households 65 and over	33,427	30%
Total Lower-income Households	111,180	100%

*Sources: U.S. Census American Community Survey from 2006-2008 for Age of Householder by Household Income for San Mateo County (Table B19037) ; City Housing Element for determining average household size of community; Section 6932 of title 25 of Cal.Code Regs. for determining lower income amounts for the average household size for San Mateo County.

The Agency has begun to accumulate Housing Funds in excess of the amount needed to pay for the existing debt on the Oceanview Senior Housing Project, but does not anticipate having sufficient funds to assist in providing other low and moderate income housing units during this Implementation Plan period. During the last five years of the Compliance Period (2015-2019), the Agency will require that any housing projects assisted with the Housing Fund meet the income and age proportional spending requirements as set forth in Tables 5 and 7 above.

B. Inclusionary Housing Requirements

The Agency does not presently have and currently does not anticipate having any Inclusionary Housing requirements because to date there have been no new or substantially rehabilitated units in the Project Area, the Agency cannot reasonably estimate the number of potential new or substantially rehabilitated units to be constructed in the Project Area, and the Agency does not plan on constructing any new units or substantially rehabilitating any units itself outside the Project Area. This is due to the following facts: (1) there is only one vacant area within the Quarry Area portion of the Project Area that could accommodate new residential units, however, it is zoned C-3-x which only allows residential uses with a public vote; (2) in 2006 a proposal for residential development was put to a public vote and was rejected, to date there have been no new applications for residential development in the Quarry Area, and if any applications for a residential development project are received, the project shall be subject to approval by public vote; and (3) although the Agency plans on using Housing Fund monies to assist in increasing, improving, and preserving low- and moderate-income housing outside the Project Area, it does not anticipate developing new units or substantially rehabilitating any units itself inside or outside the Project Area.

In the event any application for a residential development project within the Quarry Area is received that is approved by public vote, the Agency will require such project to meet the Agency's inclusionary housing requirements as set forth in the CRL.

C. Replacement Housing Requirements

The Agency does not presently have and does not anticipate having any replacement housing requirements because it has not removed and has no intention to remove any low or moderate income dwelling units.

EXHIBIT A

[Insert Map of Project Area]