

# KERMAN REDEVELOPMENT AGENCY

# AGENDA

February 18, 2009– Regular Meeting  
6:30 PM

Community Teen Center  
15101 Kearney Plaza  
Kerman, CA 93630

**Agency Members:** Chairperson Trinidad Rodriguez, Richard Stockwell, Raj Dhaliwal, Jack Sidhu, Charlie Jones.

Kerman RDA meetings are intended to be accessible to all persons. Please let us know if you require any accommodation to allow you to access and participate in this meeting. For assistance, please call (559) 846-9380 two days prior to the meeting.

Materials related to an item on this agenda that are public documents and are submitted after distribution and posting of the agenda are available for public inspection in the City Clerk's office at 942 South Madera Avenue, Kerman, during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.

**Present:**

**Absent:**

**Also Present:**

**WELCOME** – Chairperson Trinidad M. Rodriguez

**CALL TO ORDER**

**ROLL CALL** – Agency Secretary Renee Holdcroft

**A. AGENDA APPROVAL**

**B. MINUTES – Last Regular Meeting**  
RDA Minutes - 1-21-09

**C. REQUEST TO ADDRESS AGENCY**

This portion of the meeting is reserved for members of the public to address the Redevelopment Agency on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Redevelopment Agency. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Redevelopment Agency on items on the Agenda should notify the Chairperson when that Agenda item is called, and the Chairperson will recognize your discussion at that time. It should be noted that the Redevelopment Agency is prohibited by law from taking any action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

**D. PUBLIC HEARINGS**

**E. ORDER OF BUSINESS**

**1. Agency Treasurer's Report:**  
Nos. 730-735 \$24,019.53

**2. Resolution: Authorizing Kerman Redevelopment Agency to Participate in the Formation of a Joint Powers Authority (JPA) with Fresno County for the Neighborhood Stabilization Program (NSP) Acquisition/Rehabilitation/Disposition [RM]**

*Fresno County's Urban County community development entitlement area has been awarded \$7,037,465 from the U.S. Department of Housing and Urban Development (HUD) through the new Neighborhood Stabilization Program (NSP)(as previously reported to City Council). The funds are for a new program specifically to acquire abandoned foreclosed properties, rehabilitate the homes as necessary, and then resell them to income-eligible homebuyers, providing mortgage assistance for the new buyers. In Fresno County, the funds will be targeted to neighborhoods and communities that meet these requirements of highest need, within the program eligibility area including the unincorporated area and eight partner cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma, through the existing Urban County Joint Powers Agreement.*

*The County as a political subdivision of the State of California must follow state law. Currently, State law restricts the methods in which the County can purchase and resell homes.*

*In order to best serve the needs of the partner cities and County communities, Fresno County has decided to establish a Joint Powers Authority (JPA) with a local Redevelopment Agency (RDA). The JPA will allow the County to expedite the purchase and resale of the homes.*

*The County's Redevelopment Agency is set to expire prior to the completion of this program requiring that the County partner with a RDA from one of the partner cities.*

*The JPA will purchase, rehabilitate and resell the homes. A board appointed by both the Kerman RDA and the County Board of Supervisors will be established.*

*The County is requesting that the Kerman Redevelopment Agency consider partnering with it to establishing the Joint Powers Authority necessary to administer the Neighborhood Stabilization Program. The County of Fresno will be taking all administrative responsibilities for the JPA. The establishment of the JPA, Kerman RDA as the administering body and the appointment of JPA Board members will be formally presented at the March 3rd Board of Supervisors' meeting and is set for approval March 24th.*

*Because time is of the essence we are requesting that the Kerman RDA Board set March 4th (regular City Council meeting date) as a special meeting date for the Kerman RDA to consider an agreement between the County of Fresno and the Kerman RDA to create the JPA.*

*There is no fiscal impact to the Kerman Redevelopment Agency. All costs incurred to establish and administer the JPA will be paid by the Neighborhood Stabilization*

*Program Schedule:*

- \* *March 3rd - BOS on March 3rd for an update and informing Board the JPA and other administrative items*
- \* *March 4th*
- \* *March 24th BOS to approve JPA and Agreement*

**Recommendation:** The Kerman RDA Board approve the following:

1. Resolution authorizing Kerman Redevelopment Agency Partnership with Fresno County to Facilitate the Administration the Fresno County's Neighborhood Stabilization Program
  2. Appoint Luis Patlan as the Kerman RDA representative to the JPA (subject to BOS approval)
  3. Set March 4, 2009 as a special Kerman RDA meeting to consider approval of the JPA Agreement
- 3. Kerman Redevelopment Agency - Draft Five-Year RDA Implementation Plan [LP]**

*Enclosed with your agenda packet is the draft Five-Year RDA Implementation Plan that was prepared pursuant to the requirements contained in Section 33490 of the Health and Safety Code.*

*California Redevelopment Law requires Redevelopment Agencies to adopt a Five-Year Implementation Plan that includes following:*

1. *The major goals and objectives of the Agency for each Project Area;*
2. *The programs, projects and estimated expenditures planned for the next five years (similar to the City CIP);*
3. *An explanation of the programs, projects and expenditures will achieve the goals of the Agency and eliminate blight in the Project Area;*
4. *An explanation of the how the programs, projects and expenditures will implement the affordable housing requirement to increase, improve and preserve the supply of housing affordable to low, very low and moderate income households.*

*The Implementation Plan covers a five-year period and is subject to review and amendment between the 2nd and 3rd year of adoption of the plan. Following comments from the Board, staff will revise the draft and schedule a public hearing for adoption of the Plan at a subsequent meeting.*

**Fiscal Impact**

*It is important to note that the Implementation Plan (similar to the City CIP) is not a budget, but rather a blueprint to guide the Agency's activities over the next five years. Actual expenditures will be reviewed and approved annually during the annual RDA budget process.*

**Recommendation:** That the Board of Directors review and provide direction on the draft Five-Year RDA Implementation Plan.

**F. WRITTEN COMMUNICATIONS**

**G. REQUEST FOR CLOSED SESSION**

**H. ADJOURNMENT**

# KERMAN REDEVELOPMENT AGENCY

# MINUTES

January 21, 2009 – Regular Meeting  
6:30 PM

Community Teen Center  
15101 Kearney Plaza  
Kerman, CA 93630

**Agency Members:** Chairperson Trinidad Rodriguez, Richard Stockwell, Raj Dhaliwal, Jack Sidhu, Charlie Jones.

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**Present:** Chairperson Rodriguez, Agency Members: Dhaliwal, Jones, Sidhu, Stockwell.

**Absent:** None

**Also Present:** City Manager, City Attorney, City Clerk, Finance Director, Planning and Development Director.

**WELCOME** – Chairperson Trinidad M. Rodriguez

**CALL TO ORDER**

9:44 p.m.

**ROLL CALL** – Agency Secretary Renee Holdcroft

All Present.

**A. AGENDA APPROVAL**

Approved: RS/CJ  
(5-0)

**B. MINUTES – Last Regular Meeting**

Approved: CJ/RS  
(5-0)

December 17, 2008

**C. REQUEST TO ADDRESS AGENCY**

None.

**D. PUBLIC HEARINGS**

None.

**E. ORDER OF BUSINESS**

**1. Agency Treasurer's Report:**

Approved: CJ/RS  
(5-0)

Warrant Nos. 716 - 729 \$41,119.00

**F. WRITTEN COMMUNICATIONS**

None.

**G. REQUEST FOR CLOSED SESSION**

None

**H. ADJOURNMENT**

9:46 P.M.

MINUTES CERTIFICATION

I, L. RENEE HOLDCROFT, Agency Secretary for the Kerman Redevelopment Agency, do hereby declare under penalty of perjury that the above is a true depiction of the actions taken at the City of Kerman Redevelopment Agency Meeting held at the time first above written at the Kerman Community/Teen Center, 15101 Kearney Plaza, Kerman CA.

Date: \_\_\_\_\_

L. Renee Holdcroft  
City Clerk

CITIBANK RDA

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	Invoice number
730- 1430	1	1/20/2009	3143 CITY OF KERMAN		
	1		37101 REIMBURSE PAYROLL EXP 1/16/09	6,099.56	P/E 1/16/09
730- 1430	1	1/20/2009	Logged	*** Total ***	6,099.56
731- 1433	1	1/28/2009	18051 ROBERTS DRYWALL, INC		
	1		37125 SHEETROCK FOR RDA HOUSE	4,200.00	51212
731- 1433	1	1/28/2009	Logged	*** Total ***	4,200.00
732- 1433	2	1/28/2009	19063 SLUMBERGER LUMBER		
	2		37149 RDA HOUSE/MISC SUPPLIES/CONSTR	815.84	12/29/08
732- 1433	2	1/28/2009	Logged	*** Total ***	815.84
733- 1438	1	2/04/2009	19063 SLUMBERGER LUMBER		
	1		37232 MISC SUPPLIES/RDA HOUSE	645.45	#018 - 1/26/09
733- 1438	1	2/04/2009	Logged	*** Total ***	645.45
734- 1440	1	2/11/2009	3143 CITY OF KERMAN		
	1		37274 BUILDING PERMITS/KEARNEY PALMS	12,114.68	KEARNEY PALMS 2
734- 1440	1	2/11/2009	Logged	*** Total ***	12,114.68
735- 1440	2	2/11/2009	10028 HENRY, LOGOLUSO, & BLUM		
	2		37273 RDA LEGAL SERVICES JAN 09	144.00	15242
735- 1440	2	2/11/2009	Logged	*** Total ***	144.00

\*\* Total MFP discount \*\* .00  
 \*\* Total MFP amount \*\* .00  
 \*\* Total check discount \*\* .00  
 \*\* Total check amount \*\* 24,019.53  
 \*\* Total void discount \*\* .00  
 \*\* Total void amount \*\* .00

Date: February 18, 2008

## **REDEVELOPMENT AGENCY AGENDA**

### **RDA REPORT: Resolution authorizing Kerman Redevelopment Agency to Participate in the Formation of a Joint Powers Authority (JPA) with Fresno County for the Neighborhood Stabilization Program (NSP) Acquisition/Rehabilitation /Disposition Activities**

From: **Ron Manfredi, Executive Director (Prepared by Fresno County, Community Development)**

#### **HISTORY**

Fresno County's Urban County community development entitlement area has been awarded \$7,037,465 from the U.S. Department of Housing and Urban Development (HUD) through the new Neighborhood Stabilization Program (NSP). The funds are for a new program specifically to acquire abandoned foreclosed properties, rehabilitate the homes as necessary, and then resell them to income-eligible homebuyers, providing mortgage assistance for the new buyers. The purpose of the program is to make an impact in neighborhoods that have a high incidence of foreclosures and risk of foreclosures, to ward off blight and stabilize the neighborhood. In Fresno County, the funds will be targeted to neighborhoods and communities that meet these requirements of highest need, within the program eligibility area including the unincorporated area and eight partner cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma, through the existing Urban County Joint Powers Agreement .

#### **SITUATION**

The County of Fresno as the administrator of the Urban County Joint Powers Agreement in collaboration with its partners has decided to purchase, rehabilitate and resell the homes using County staff as administrators. The County as a political subdivision of the State of California must follow state law. Currently, State law restricts the methods in which the County can purchase and resell homes.

In order to best serve the needs of the partner cities and County communities, Fresno County has decided to establish a Joint Powers Authority (JPA) with a local Redevelopment Agency (RDA). The JPA will allow the County to expedite the purchase and resale of the homes. The County's Redevelopment Agency is set to expire prior to the completion of this program requiring that the County partner with a RDA from one of the partner cities.

The JPA will purchase, rehabilitate and resell the homes. A board appointed by both the Kerman RDA and the County Board of Supervisors will be established. The JPA Board will approve the policy, procedures, and documents necessary to purchasing, rehabilitate and resell the homes. The JPA Board must be flexible and might be required to meet on short notice in order to expedite the purchase and sale of the homes. The County of Fresno Community Development Division will administer the program and provide all staffing for the JPA.

#### **SUMMARY**

The County is requesting that the Kerman Redevelopment Agency consider partnering with it to establishing the Joint Powers Authority necessary to administer the Neighborhood

Stabilization Program. The County of Fresno will be taking all administrative responsibilities for the JPA. The establishment of the JPA, Kerman RDA as the administering body and the appointment of JPA Board members will be formally presented at the March 3<sup>rd</sup> Board of Supervisors meeting.

Because time is of the essence we are requesting that the Kerman RDA Board set March 4<sup>th</sup> (regular City Council meeting date) as a special meeting date for the Kerman RDA to consider an agreement between the County of Fresno and the Kerman RDA to create the JPA.

### **FISCAL IMPACT**

There is no fiscal impact to the Kerman Redevelopment Agency. All costs incurred to establish and administer the JPA will be paid by the Neighborhood Stabilization Program. However, this will require some additional staff time. Fresno County and the City Manager concur that City of Kerman Planning & Development Services Director, Luis Patlan would be an excellent choice to sit on the JPA Board.

### **RECOMMENDATION**

**That the Kerman RDA Board approve the following:**

- 1. Approval of Resolution authorizing Kerman Redevelopment Agency Partnership with Fresno County to Facilitate the Administration the Fresno County's Neighborhood Stabilization Program**
- 2. Appoint Luis Patlan as the Kerman RDA representative to the JPA (subject to BOS approval)**
- 3. Set March 4, 2009 as a special Kerman RDA meeting to consider approval of the JPA Agreement**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE KERMAN REDEVELOPMENT AGENCY AUTHORIZING  
AGENCY STAFF TO NEGOTIATE A JOINT POWERS AGREEMENT WITH THE  
COUNTY OF FRESNO TO ACCOMPLISH CERTAIN ACTIVITIES CONTEMPLATED BY  
THE FEDERAL NEIGHBORHOOD STABLIZATION PROGRAM

**RECITALS**

WHEREAS, the Kerman Redevelopment Agency (the "Agency") desires to participate in the County of Fresno's (the "County") efforts to combat the foreclosure crisis by helping to facilitate the County's implementation of the Federal Neighborhood Stabilization Program ("NSP") which was part of the Federal Housing and Economic Recovery Act of 2008.

WHEREAS, in order to facilitate the County's implementation of NSP, the Agency and County desire to form a Joint Powers Authority ("JPA") which will operate within the jurisdiction of the County;

WHEREAS, the JPA's activities would include operating an acquisition, rehabilitation and disposition program pursuant to which the JPA would acquire foreclosed residential properties with NSP funds, rehabilitate those properties, and then sell them for the cost of the JPA's acquisition to low and moderate income households;

WHEREAS, the JPA would acquire only those properties in the areas of the County with the greatest need, as determined by the NSP procedures;

WHEREAS, Kerman is one of 15 Cities and Communities in the County with the greatest need, as determined by NSP procedures;

WHEREAS, the JPA would exercise its powers in accordance with the NSP program and by following the rules and procedures govern the Agency's acquisition, rehabilitation and disposition activities; and

WHEREAS, in order to form the JPA, the Agency and the County would need to enter into a Joint Powers Agreement which would establish the governing and operational structure of the JPA in greater detail.

NOW, THEREFORE, be it resolved that the Agency Board of Directors hereby authorizes the Agency Executive Director to negotiate a Joint Powers Agreement with the County that will form the JPA in a manner acceptable to both the County and the Agency and which Agreement will govern the administration and operation of the JPA in order to best implement the NSP acquisition, rehabilitation and disposition program.

BE IT FURTHER RESOLVED, that the Agency Executive Director shall obtain Agency Board approval of the final version of the Joint Powers Agreement.

FURTHER RESOLVED, that this Resolution shall take immediate effect upon its adoption.

**PASSED AND ADOPTED** by the Kerman Redevelopment Agency at a regular meeting held on the 18<sup>th</sup> day of February, 2009 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**Trinidad M. Rodriguez**  
**Mayor**

**ATTEST:**

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**L. Renee Holdcroft**  
**City Clerk**



Kerman Redevelopment Agency

Five-Year Implementation Plan  
2009-2013



Draft: February 18, 2009

## Kerman Redevelopment Agency board

**Trinidad M. Rodriguez – Chairperson**  
**Richard Stockwell – Vice Chairperson**  
**Charlie Jones – Board Member**  
**Raj Dhaliwal – Board Member**  
**Jack Sidhu – Board Member**

## Redevelopment agency staff

**Ron Manfredi – City Manager and Executive Director**  
**Tim Przybyla – Treasurer**  
**Luis Patlan – Planning & Development Services Director**  
**Mark Blum – City Attorney**  
**Domingo Zapata – Code Enforcement**



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## Introduction

### California Redevelopment Law

Redevelopment is a process authorized under California law that enables local government entities to identify deteriorated and blighted areas in their jurisdictions in need of revitalization. Redevelopment agencies develop a plan and provide the initial funding to launch revitalization of those areas. In doing so, redevelopment encourages and attracts private sector investment that otherwise would not occur. Redevelopment activities create jobs and expand business opportunities, provide housing for families most in need, help reduce crime, improve infrastructure and public works and lead the cleanup of environmentally-threatened and rundown areas.

Examples of what redevelopment can do:

- ◆ Ability to assemble, improve and dispose of land for private or public development
- ◆ Ability to collect tax increment and issue bonds to fund redevelopment programs or projects
- ◆ Ability to invest in infrastructure to "attract" or "lure" private development
- ◆ Ability to create affordable housing opportunities using Low & Moderate Income Housing Fund

Redevelopment agencies breathe new life into specific project areas in need of revitalization, economic development and new investment by:

- ◆ Attracting new businesses and jobs to the community;
- ◆ Building affordable housing, helping low- and moderate-income individuals become new homeowners, and/or funding rehabilitation of existing housing;
- ◆ Beautifying the community through landscaping, improvement of neighborhood streets and creation of public spaces;
- ◆ Issuing low-cost loans or grants to small businesses to make physical improvements to their properties;
- ◆ Assembly/acquisition of properties and making those sites ready for private development
- ◆ Acquiring, demolishing and/or rehabilitating substandard buildings;
- ◆ Stimulating private investment to increase the assessed value in the Project Area;
- ◆ Improving public safety and reducing crime by building police and fire stations;
- ◆ Helping small businesses by revitalizing downtowns and injecting new life and economic activity into older shopping districts;
- ◆ Building or upgrading roads, water systems, sewer and other public facilities;
- ◆ Building and rehabilitation community centers, parks, libraries, and other community facilities;
- ◆ Preparing, adopting and/or implementing specific plans; and
- ◆ Initiating and funding comprehensive planning efforts.



### Adoption of Implementation Plan

California Redevelopment Law requires that the Redevelopment Agency adopts a Five-Year Implementation Plan pursuant to Health & Safety Code, Section 33490. The purpose of this requirement is to provide a monitoring device to ensure that redevelopment activities are linked to the elimination of blight.

This Implementation Plan will guide the Agency as it implements specific redevelopment projects in the Project Area over the next five years (fiscal years 2009-10 to 2013-14). Between the 2nd and 3rd years after adoption of the Implementation Plan, there will be a mid-term review of this Implementation Plan at which time the redevelopment projects and activities will be evaluated and community input will be solicited.

### Contents of the Implementation Plan

This document is the Five-Year Implementation Plan (“Implementation Plan”) for Project Area No. 1 and Project Area No. 2 (“Project Areas”) of the Kerman Redevelopment Agency (“Agency”). This Implementation Plan presents the Agency’s goals and objectives, anticipated projects and programs, and estimated expenditures for the five year planning period beginning in fiscal year 2009-10 and terminating at the end of fiscal year 2013-14.

The goals, projects and activities in this Implementation Plan strives to eliminate blight in the Project Areas by assisting with removal of deteriorated buildings and inadequate utilities, and clean up of properties to allow for new construction of commercial and residential areas and upgrading of public infrastructure, facilities, open space and parks.

Pursuant to Section 33490 of California Community Redevelopment Law, this Implementation Plan contains the following:

- ◆ Specific goals and objectives for the next five years;
- ◆ Specific programs, potential projects, and estimated expenditures planned for the next five years;
- ◆ An explanation of how Agency goals, objectives, programs, and expenditures will eliminate blight;
- ◆ An explanation of how the goals, objectives, project and expenditures will implement the low and moderate income housing set-aside fund (“LMI Fund”) and housing production and replacement requirements;

### CEQA Compliance

Pursuant to California Community Redevelopment Law Section 33490(a)(1)(B) the adoption of this Implementation Plan does not constitute a project within the meaning of the California Environmental Quality Act (“CEQA”).

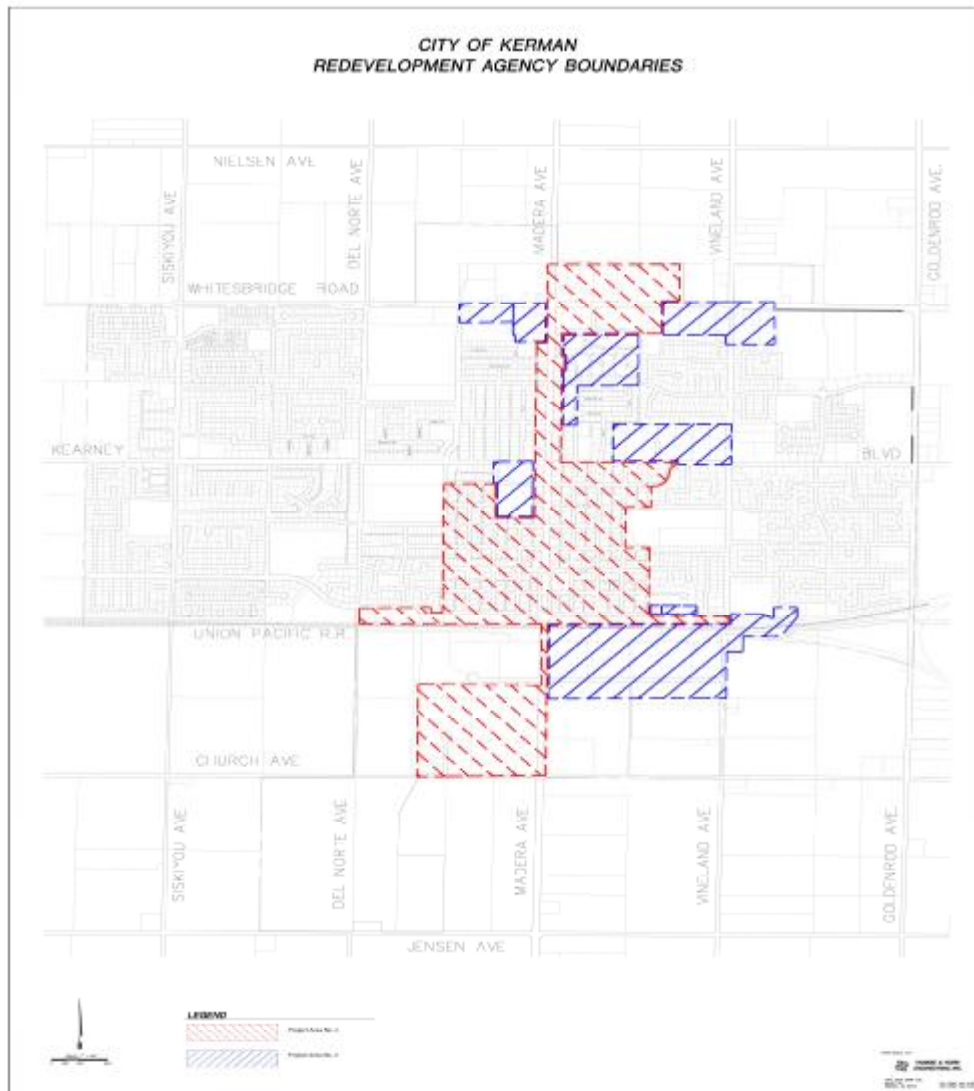


Redevelopment Project Areas

The City of Kerman adopted two separate redevelopment plans (see Figure 1). Project Areas No. 1 and No. 2 were adopted on May 2, 1988. Project Area No. 1 covers approximately 320 acres and includes most of the downtown core, several residential areas, and a portion of the city's industrial park. The Project Area boundary contains land on both sides of the Madera Avenue (State Route 145) from the Southern Pacific Railroad to Whitesbridge Road (State Route 180). Project Area No. 2 was adopted on June 7, 2000. Project Area No. 2 covers approximately 155.6 acres and includes seven sub-areas. These areas include commercial, governmental, industrial and residential land uses.

Figure 1

Kerman Redevelopment Agency  
Project Area No. 1 and No. 2



## Goals, objectives and activities

### Projects

In the past few years, several successful projects have developed in the Project Areas that have resulted in increased property values, sale tax revenues, employment and blight elimination. Several of these projects received RDA financial assistance (as shown with asterisk \*).

#### Private Projects:

**Vineyard Medical Clinic** – Constructed new health clinic at the SEC of Madera Avenue and “A” Street.

**Central Valley Community Bank\*** – Constructed a new bank building on Madera Avenue near the Downtown.

**Sebastian Corporation** – Constructed new two-story buildings on the SEC of ‘C’ Street and Madera Avenue in the Downtown.

**Crossroads Retail Center** – Constructed a small retail center at the NEC of Madera Avenue and Whitesbridge Road that is anchored by Perko’s, Quiznos, Curves and the Movie Gallery.

**Kerman Ag Resources Expansion** – Installed a new fertilizer tank farm in the Kerman Industrial Park.

**Helena Chemical Expansion** – Constructed a new 50,000 sq. ft. warehouse space and fertilizer tank farm in the Kerman Industrial Park.

**Boyd Industrial Building** – Constructed a new industrial building to accommodate up to 10 tenants in the Kerman Industrial Park.

**Plaza Shopping Center\*** – Redesign of parking lot and landscape improvements.

#### Public & Non-Profit Projects:

**City Hall** – Expansion and remodel of existing City Hall in the Downtown.

**Kerchoff Park Improvements** – Upgrades to the band stand and installation of new play equipment.

**Community/Teen Center** – Constructed a new community/teen center in the Downtown area.

**Kerman Library** – Constructed a new library in the Downtown area.

**Kearney Palms (Phase I)\*** – Constructed 80 new affordable senior apartments on Kearney Boulevard.

**I-5 Social Services\*** – Constructed a new 6,000 sq. ft. Child Care Center building on California Avenue.

**United Health Centers of the San Joaquin Valley, Inc.** – Constructed a new two-story medical building on the SEC of Madera Avenue and Kearney Boulevard near the Downtown.

**Valley Health Team** – Remodeled an existing building on Madera Avenue near the Downtown.

**Plaza/Veterans Park Renovation** – Major upgrade to park including landscape, gazebo, walkways, fencing and lighting.

**Madera Avenue Landscape Median** – Installation of landscaped median in Madera Avenue from Whitesbridge Rd. to ‘C’ Street.

#### Programs:

**Downtown PRIDE Program** – low interest loans and grants for façade and parking lot improvements.

**Infill Housing & Construction Trades Program (RDA House)** – Joint venture between the Kerman RDA and the Construction Trades Program – Partnership with Kerman Unified School District to train high school students in the various building trades through the construction of two single-family homes.

#### Future Projects

**Rite Aide Pharmacy** – approved plans for a new pharmacy on a vacant in-fill lot at the NEC of Madera Avenue and Kearney Boulevard near the Downtown.

**Kerman Neighborhood Shopping Center** – approved plans for up 75,000 sq. ft. retail shopping center at the SEC of Madera Avenue and Whitesbridge Rd.

**La Quinta Hotel** – approved plans for a 55 room hotel at the NEC of Madera Ave. and Whitesbridge Rd.

**Kearney Palms (Phase II)** – approved plans for the construction of 20 new affordable senior apartments.



### Goals, Objectives and Activities

The Kerman Redevelopment Agency is comprised of two project areas. Project Area 1 was created in 1988 and Project Area 2 was created in 1999. The project areas are effective for 40 years, expiring in 2028 and 2039 respectively. The Agency uses tax increment financing as well as other local, state, and federal funds as they become available to pay for projects that assist in the meeting the overall goals of the Agency. Tax increment remains the primary viable means of financing redevelopment program and projects.

The overall goal of the Redevelopment Agency is to eliminate blight and expand the supply of safe, decent and affordable housing. The Agency has identified five specific goals and supporting objectives that are included in this Implementation Plan:

#### Goal No. 1 – Eliminate blight

##### Objectives:

- a. The assembly/acquisition of land into parcels suitable for modern, integrated commercial/ industrial/residential development with improved design, parking, open space, pedestrian and vehicular circulation.
- b. The re-planning, redesign, and redevelopment of developed and un-developed areas that is stagnant or improperly utilized.
- c. Ensure that buildings and structures are adequately maintained and encourage the physical upgrading of deteriorated and dilapidated buildings and structures.
- d. Improve the existing infrastructure by upgrading streets, sewage, storm drain, utilities, curb, gutter and sidewalks.
- e. Explore feasibility of a tax allocation bond or loan financing using tax increment revenues to fund redevelopment projects that will upgrade and improve the community and spur private investment resulting in the elimination of blight and increased property values.
- f. Conduct an active code enforcement effort to ensure that buildings and properties are properly maintained.

#### Goal No. 2 – Encourage economic development

##### Objectives:

- a. Maximize the Agency return on investment by expending Agency's funds on projects that will result in increases in assessed valuation through private enterprise investment and construction
- b. Joint venture with the private sector on land assembly/acquisition and/or infrastructure improvements to stimulate new business development that results in increased sales tax revenues, private sector jobs, and eliminates blight.
- c. Fast-track the review and entitlements for commercial and industrial development.



- d. The strengthening of the economic base by the upgrading/installing of needed site improvements to stimulate new commercial/industrial expansion, employment, and economic growth.
- e. Maintain active membership in the Fresno Economic Development Corporation by providing the EDC with an inventory of available land and buildings available for commercial/industrial development, demographic information, and other development opportunities that might be available.
- f. Market the Enterprise Zone tax credit program to expanding and new businesses that plan on hiring new employees.
- g. Provide information on available small business loans and other state and federal financing programs to assist existing and new business expand and grow.

**Goal No. 3 – Maintain a viable and attractive downtown**

**Objectives:**

- a. Prepare and adopt a Downtown Streetscape Plan that provides guidance for the redevelopment of the downtown area including the rehabilitation and construction of new buildings, streetscape improvements, public spaces, parking, design guidelines, etc.
- b. Establish a phased streetscape improvement program for the downtown based on the recommendation contained in the Downtown Streetscape Plan (i.e., sidewalk repairs, decorative street lights, street furniture, landscaping, way-finding signage, etc.).
- c. Fund the downtown PRIDE program to provide loans and grants to promote exterior façade renovations and signage to existing buildings/businesses in the downtown area.
- d. Upgrade the existing landscape median in Madera Avenue to include palm trees, shrubs and ground cover to add color and vibrancy.

**Goal No. 4 – Upgrade infrastructure and community facilities**

**Objectives:**

- a. Upgrade and expand public safety facilities to ensure adequate levels of police and fire services.
- b. Provide for the development of a regional park to serve the Project Areas and the community.
- c. Upgrade existing and/or develop new public parks and recreational facilities to provide passive and active recreation opportunities to the community.
- d. Fund the new construction of a teen center to provide a safe and positive place for teens to meet and learn.
- e. Upgrade and/or construct a new animal kennel to provide for a humane and effective animal care and control program.



**Goal No. 5 – Expand affordable housing for all income levels**

**Objectives:**

- a. Establish and fund a down payment assistance program to assist first-time homebuyers achieve homeownership.
- b. Establish and fund a home improvement loan/grant program to preserve and rehabilitate existing homes.
- c. Establish an infill housing program to acquire vacant lots and/or substandard homes for rehabilitation/demolition/construction and sale to low and moderate income persons or families.
- d. Establish an emergency home repair program to provide grants to qualified seniors and disabled homeowners to make emergency home repairs (e.g., ramps, handicap accessible restrooms, water heaters, heating and cooling, weatherization, etc.).
- e. Establish a do-it-yourself exterior home paint program to provide grants to qualified low and very-low income homeowners to paint the exterior of their homes.
- f. Establish a senior house painting program using community volunteers to paint the exterior of homes owned and occupied by seniors.
- g. Coordinate the marketing of the USDA home rehabilitation loan program and the County of Fresno Housing Assistance Programs.
- h. Joint venture with private sector and/or non-profit developer to construct new, single-family homes targeted to low and moderate income first-time homebuyers.
- i. Work with the County of Fresno on the use of Federal and State Neighborhood Stabilization Funds to acquire foreclosed properties for re-sale to qualified low and moderate income persons or families.
- j. Joint venture with Fresno-based Better Opportunity Builders, Inc. to acquire the 1- acre parcel located on California Avenue for the construction of multi-family housing for low to moderate income renters as part of the rehabilitation/re-construction of the Helsem Terrance Apartments.
- k. Explore acquisition of developed lots in newer subdivisions and joint venture with local builders to construct new single-family homes affordable to low and moderate income households.



Five-year expenditure plan

Tax Increment Revenue

The Kerman Redevelopment Agency receives revenues when property values rise as a result of new investment within the Project Areas. Redevelopment agencies do not levy a property tax and do not have the ability to raise property taxes. Rather, when public or private investment occurs within the Project Areas property values in the areas rise, thus, increasing property tax revenues. The increased property tax revenues resulting from redevelopment activity are referred to as “tax increment”. State law allows redevelopment agencies to receive 1% of the net property taxes from the increased property values in the project area based upon the difference between the “frozen base year” (the year the agency was formed) and the current value. The tax increment that the Agency receives can be used to repay bonds and other types of debt incurred to initiate projects. By issuing bonds to fund projects, redevelopment agencies fund themselves when they make improvements that stimulate investment which increases property values that otherwise would not have occurred.

Projected Tax Increment Revenues

The Kerman Redevelopment Agency prepared an estimate of annual tax increment revenues over the five-year plan period. Table 1 presents the annual projected gross tax increment receipts, statutory payments to affected taxing entities, low and moderate income housing set-aside funds, and the remaining net revenues available to fund redevelopment projects. Over the five year plan period, the Agency is anticipated to collect over \$1,413,666 in non-housing tax increment revenue and \$751,697 in Low and Moderate Income Housing tax increment revenue. It should be noted that these are revenue projections and actual funds available could either increase or decrease depending on the level of actual growth in the assessed valuation of the Project Areas. The projected revenues do not include any carry over cash balances available within each fund.

Also, the Agency could opt to issue bonds or borrow funds sometime during the plan period which would generate additional front-end funds to be used for redevelopment activities.

**Table 1**  
Annual Projected Tax Increment Revenue  
FY 2009-10 through FY 2013-14

Fiscal Year	Gross Tax Increment	Taxing Agency Payments	KUSD Pass-Through	Non-Housing Tax Increment		LMI Housing Tax Increment	
				Annual Tax Increment	Cumulative Tax Increment	Annual Tax Increment	Cumulative Tax Increment
2009-10	\$707,928	(\$96,888)	(\$202,419)	\$267,035	\$267,035	\$141,586	\$141,586
2010-11	\$729,166	(\$99,796)	(\$208,491)	\$275,046	\$542,081	\$145,833	\$287,419
2011-12	\$751,041	(\$102,791)	(\$214,745)	\$283,297	\$825,378	\$150,208	\$437,627
2012-13	\$773,572	(\$107,874)	(\$221,187)	\$289,797	\$1,115,175	\$154,714	\$592,341
2013-14	\$796,779	(\$111,110)	(\$227,822)	\$298,491	\$1,413,666	\$159,356	\$751,677
<b>Five-Year Totals:</b>				<b>\$1,413,666</b>		<b>\$751,697</b>	

Note: The projected annual tax increment revenues include a 3% annual growth rate based on anticipated increases in property values from redevelopment activities.



### Five-Year Expenditure Plan

The Five-Year Expenditure Plan is shown on Table 2 on the preceding page. The program and projects are intended to achieve the Agency goals and objectives contained in this plan in accordance with Section 33490 of the Health & Safety Code. It is important to note that the Five-Year Expenditure Plan is not a budget, but rather a planning document that reflects the types of projects, programs and activities that the Agency has identified as priorities to address the goals and objectives in the plan. The RDA annual budgets will include some of the projects based on funding availability and Agency direction.

The Expenditure Plan is divided by revenues, liabilities, operations and project expenses. These are listed in column one. The second column shows the current 2008-09 FY in order to reflect tax increment available to fund projects or pay for debt (\$72,520). This column also includes the ending cash balance from FY 07-08 (\$408,189). The remaining columns show expenditures over the next five years (2009 through 2013). The Agency will determine actual funding through the annual budget process.

The programs, projects and activities are listed by category (i.e., RDA Programs, Downtown Projects, Street Projects, Land Acquisition, Infrastructure & Utilities and Community Facilities & Equipment). This list is not inclusive and may be expanded to include other projects. The projects listed were identified by staff. Many have been planned for some time and others are new projects to be considered over the five-year plan period.

### RDA Debt/Loan

Under Health & Safety Code Section 33607(b), tax increment revenue can only be used to pay principal and interest on loans and other forms of indebtedness to finance or refinance redevelopment projects. Typically, Agencies issues bonds (known as tax allocation bonds) or borrow funds from banks or from the City to conduct redevelopment activities. The Agency then repays the debt/loans from projected tax increment revenues generated by redevelopment activities.

The RDA has the authority to issue bonds or incur debt to finance redevelopment projects, programs and activities. The ability to borrow is based on the amount of tax increment revenue available to pay debt. Furthermore, the Agency is required to file on an annual basis a statement of indebtedness with the County Auditor-Controller. Indebtedness means any obligation incurred by the Agency that is to be paid in whole or in part out of tax increment revenues collected by the Agency. The County Auditor-Controller may withhold tax increment allocation payments if the Agency does not show actual indebtedness.

The Expenditure Plan includes a possible RDA loan to finance projects. The proposed loan is based on the estimated funds available to cover annual debt payments. As shown on column two in Table 2, the Agency has about \$75,520 in surplus tax increment revenues that can be applied to cover debt/loan payments. Based on a ten year term at 5% interest, the Agency can borrow up to \$550,000. The plan identifies a loan in FY 2009-10.



**Table 2**  
**RDA General Fund**  
**Five-Year Expenditure Plan**

Projected Revenues	Five-Year Plan					
	Current FY	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Cash Balance Carry Over		\$480,709	\$603,076	\$213,315	\$83,313	\$20,135
RDA Tax Increment	\$549,907	\$566,342	\$583,333	\$600,833	\$618,858	\$637,858
Interest Earning	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
RDA Loan Proceeds (10 year loan @ 5%)		\$550,000				
<b>Total Projected Revenues:</b>	<b>\$561,907</b>	<b>\$1,609,051</b>	<b>\$1,198,409</b>	<b>\$825,148</b>	<b>\$714,171</b>	<b>\$669,993</b>
<b>RDA Financing/Liabilities</b>						
REDIP Loan Payment – Trade & Commerce	\$12,632	\$12,632	\$12,632	\$12,632	\$12,632	\$12,632
Debt Principal/City of Kerman	\$8,000	-	-	-	-	-
2007 Revenue Bond Debt Service – Planning/RDA Building	\$27,969	\$27,969	\$27,969	\$27,969	\$27,969	\$27,969
RDA Loan - Interest Payments		\$14,701	\$14,701	\$14,701	\$14,701	\$14,701
RDA Loan - Principal Payments		\$55,303	\$55,303	\$55,303	\$55,303	\$55,303
<b>Total Debt Payments:</b>	<b>\$48,601</b>	<b>\$110,605</b>	<b>\$110,605</b>	<b>\$110,605</b>	<b>\$110,605</b>	<b>\$110,605</b>
<b>Operating Expenses</b>						
Personnel	\$117,567	\$121,094	\$124,727	\$128,469	\$132,323	\$136,292
M&O	\$29,069	\$34,069	\$37,475	\$38,225	\$42,047	\$46,251
Pass-Through	\$290,650	\$299,307	\$308,287	\$317,536	\$329,061	\$338,932
<b>Total Operating Expenses:</b>	<b>\$437,286</b>	<b>\$454,470</b>	<b>\$470,489</b>	<b>\$484,230</b>	<b>\$503,431</b>	<b>\$521,475</b>
<b>RDA Programs</b>						
Downtown PRIDE Program	\$3,500	\$25,000	\$25,000	\$25,000	\$25,000	-
Sign Replacement Grant	-	\$5,000	\$5,000	\$5,000	\$5,000	-
Downtown Streetscape Plan	-	-	\$25,000	-	-	-
<b>Total RDA Program:</b>	<b>\$3,500</b>	<b>\$30,000</b>	<b>\$55,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>-</b>
<b>Downtown Projects</b>						
New Street Lights ('C' St. to Kearney)	-	-	-	-	\$40,000	-
Madera Avenue Median Landscape Upgrade	-	-	-	\$30,000	-	-
Street Furniture (benches/planters/banners)	-	-	-	-	-	\$25,000
Way-finding Signage	-	\$10,000	-	-	-	-
Replace Sidewalks/Street Trees along Madera Avenue	-	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Downtown Projects:</b>	<b>-</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$40,000</b>	<b>\$50,000</b>	<b>\$35,000</b>
<b>Street Projects</b>						
Kline Street Upgrades – Kerman Neighborhood Center	-	\$150,000	-	-	-	-
Madera/Kearney - Curb Radius Upgrade	-	\$50,000	-	-	-	-
Alley/Fence Improvements – Kearney to Sunset	-	\$25,000	-	-	-	-
Parallel Parking – 'C' Street from Madera to 6 <sup>th</sup> Street	-	-	-	-	-	-
<b>Total Streets:</b>	<b>-</b>	<b>\$225,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Acquisition of Land?</b>						
Project 1 - TBD	-	-	\$150,000	-	-	-
Project 2 - TBD	-	-	-	-	-	-
<b>Total Land Acquisition:</b>	<b>-</b>	<b>-</b>	<b>\$150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure &amp; Utilities</b>						
Sewer/Water - (SWC Vineland & Whitesbridge)	-	-	-	-	-	-
Residential Water Meters (Purchase)	-	-	-	-	-	-
<b>Total Infrastructure &amp; Utilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Community Facilities &amp; Equipment</b>						
Planning Building – Exterior Stucco/Sign/Landscape	-	-	\$50,000	-	-	-
New/remodel Animal Kennel	-	-	\$40,000	-	-	-
Animal Control Truck – Slide in cage for truck3	-	\$10,000	-	-	-	-
City Hall Parking Lot – Repave	-	\$75,000	-	-	-	-
Civic Center Complex Parking – Close 'B' Street for parking	-	-	\$100,000	-	-	-
Community Teen Center – Parking Lot	-	-	-	\$52,000	-	-
Teen Center – Matching Funds	-	\$80,000	-	-	-	-
Gateway Monument Signs – Madera & Whitesbridge	-	-	-	\$25,000	-	-
<b>Total Facilities &amp; Equipment:</b>	<b>-</b>	<b>\$165,000</b>	<b>\$190,000</b>	<b>\$77,000</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures:</b>	<b>\$489,387</b>	<b>\$1,005,075</b>	<b>\$986,094</b>	<b>\$741,835</b>	<b>\$694,036</b>	<b>\$667,080</b>
<b>Surplus/(Deficit) Revenues:</b>	<b>\$72,5204</b>	<b>\$603,976</b>	<b>\$212,315</b>	<b>\$83,313</b>	<b>\$20,135</b>	<b>\$2,913</b>
<b>Ending Cash Balance from FY 07-08:</b>	<b>\$408,1895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Carryover Revenues:</b>	<b>\$480,709</b>	<b>\$603,076</b>	<b>\$212,315</b>	<b>\$83,313</b>	<b>\$20,135</b>	<b>\$2,913</b>

Notes:

- Proposed RDA Loan to fund redevelopment projects and activities.
- The Agency is exploring acquisition of vacant and/or underutilized land in the Downtown for future private development. Private developers have expressed an interest, but no formal project is being proposed at this time.
- Purchase of slide-in cage system for existing full-size Silverado pickup truck (in-lieu of new truck) for transport of animals to kennel and SPCA.
- Tax increment revenue available to pay debt/loan payments.
- Ending cash balance from FY 07-08.



## Blight analysis

### Blight Defined

Blight consists of the physical and economic conditions within an area that cause a reduction of, or lack of, proper utilization of that area. Redevelopment can only be used in areas that suffer from adverse physical and economic conditions, defined in the law as “blight.”

The following types of adverse physical and economic conditions have been observed in redevelopment areas to be examples of blight.

### Adverse Physical Conditions

- ◆ Unsafe building conditions;
- ◆ Aging, deteriorating, and poorly-maintained buildings, sometimes interspersed with well-maintained buildings;
- ◆ Incompatible adjacent or nearby uses of land parcels that hinder economic activity;
- ◆ Adverse physical factors, such as susceptibility to flooding and earthquakes, that demand significant improvements to buildings in order that they be safe for occupancy;
- ◆ Small and irregularly shaped lots under multiple ownership that are vacant or underutilized;
- ◆ Outdated and inefficient building configuration and design that does not meet current development standards and business needs;
- ◆ Unsafe access into buildings or parking lots; and
- ◆ Inadequate and obsolete infrastructure, (i.e. utilities, storm drainage, sewers, water, street lighting, and confusing and inefficient street systems).









### Adverse Economic Conditions

- ◆ High business vacancies, low commercial leases and high turnover rates;
- ◆ Vacant and underutilized land or buildings;
- ◆ Depreciated or stagnant property values and other evidence of disinvestment;
- ◆ Hazardous waste and other negative environmental conditions;
- ◆ High incidences of criminal activity, sometimes equated with an over-concentration of bars, liquor stores or adult stores;
- ◆ Residential overcrowding; and
- ◆ Lack of neighborhood businesses to serve residents, such as banks, pharmacies or grocery stores.



Strategies to Alleviate Blight

The Agency is required to determine how proposed programs, projects and activities will assist in the elimination of blight. The successful implementation of the programs, projects and activities identified in this implementation plan will specifically address and alleviate the physical and economic manifestation of blight in the Project Area. Below is a list of the identified programs and project and an explanation of how they will work to eliminate blight within the project areas.

Programs, Projects & Activities		Elimination of Blight
Continue providing loans/grants through the Downtown PRIDE Program		Rehabilitate façade of existing buildings and improve image and marketability of downtown
Assist property owner(s) and realtors to market available commercial and industrial sites through redevelopment and economic development networks		Increase the potential for the sale of land to retail or industrial users, which will create jobs, increase property valuation and sales tax
Upgrade existing and/or install new infrastructure improvements and utilities to stimulate private development		Eliminates the existence of inadequate, deteriorated and unsafe infrastructure and utilities
Demolish and replace or rehabilitate substandard buildings for redevelopment by private or public projects		Eliminates blighted, vacant and underutilized buildings and encourage private investment and/or development of public facilities.
Provide public improvements as needed to accommodate pedestrian and vehicular circulation in connection with new or expanding businesses or residential projects		Eliminates the existence of inadequate public infrastructure and improves connectivity between existing and new developments
Encourage in-fill development on underutilized lots by using tools to assist developer(s) and/or property owner(s)		Increase the potential to develop underutilized lots due to irregular shape of lot, inadequate size, or conflicting land uses.
Expand and/or improve public facilities to ensure service levels consistent with a high quality of life		Reduce crime by providing adequate facilities for public safety, open space, and community services
Market development opportunities in the area to businesses and industries		Increase the marketability of available property, resulting in new investment, jobs, increase in property valuation and sales tax



## Low and moderate income housing

Under California Community Redevelopment Law, Redevelopment Agencies are required to deposit twenty percent of the property tax increment revenues generated from redevelopment activities into a special fund called the “Low and Moderate Income Housing Fund” (“LMI Fund”). The purpose of the LMI Fund is to increase, improve, and preserve the community’s supply of affordable housing for low and moderate-income households.

### Affordable Housing Requirements

The Kerman Redevelopment Agency has three primary responsibilities relative to affordable housing. These are as follows:

1. To deposit and expend a percentage of tax increment revenue for the provision of affordable housing (housing fund requirement).
2. To replace affordable housing units removed from the housing stock as a result of redevelopment activities (replacement housing requirement).
3. To cause specified percentages of new or rehabilitated housing units in a project area to be available at affordable housing cost (Inclusionary housing requirement).

The housing portion of the Five-Year Implementation Plan must address the redevelopment agency’s performance relative to each of these three requirements for each of the five years to measure performance. Thus, this Implementation Plan includes the following:

1. Plans for using annual deposits into the Housing Fund.
2. Identification of planned projects that will result in the destruction of existing affordable housing and identification of proposed locations for housing to replace units removed for project activities (replacement housing requirement).
3. Estimates of new housing units to be constructed within the project area and both a five-year and a ten-year plan to produce affordable housing in response to new housing production (inclusionary housing requirement).
4. An explanation of how the goals, objectives, projects and expenditures will implement the low-and moderate-income housing set-aside.



**Redevelopment Project Areas**

The Redevelopment Agency of the City of Kerman currently has two redevelopment project areas. Project Area 2 contains a small amount of land zoned for residential use (see Map 1 in Appendix). Project Area 1 encompasses most of downtown commercial uses, a smaller number of industrial uses and some existing residential uses. The Agency has chosen to prepare one Five-Year Implementation Plan for both project areas.

Each of these project areas has a stated goal of expanding and improving the community’s supply of housing, particularly housing available to low- and moderate income persons and families. Set-aside funds from all project areas are pooled together for use citywide. The money is then used to help finance the production of affordable housing to meet the requirements of the California Community Redevelopment Law and to add to the affordable housing stock throughout the city.

**Low and Moderate Income Housing Set-Aside Fund**

Although LMI Fund set-aside money is generally not spent directly by the Agency on affordable housing projects, it is the major source of revenue for and is used exclusively to assist in the production of affordable housing within the City of Kerman. The LMI Fund is often used to leverage other funds to maximize the Agency’s ability to produce affordable housing.

**Projected LMI Housing Fund Deposits**

Table 3 lists the annual projected tax increment deposits into the Agency’s Low and Moderate Income Housing Fund for the next five fiscal years. The projections do not include any available cash balances. Cash balance carry over funds are included in the LMI Fund Five-Year Expenditure Plan found on Table 4.

**Table 3**  
**Estimated Deposits into LMI Housing Fund**  
**FY 2009-10 through FY 2013-14**

<b>Fiscal Year</b>	<b>Annual LMI Fund Deposits</b>	<b>Cumulative Deposits</b>
2009-10	\$141,586	\$141,586
2010-11	\$145,833	\$287,419
2011-12	\$150,208	\$437,627
2012-13	\$154,714	\$592,341
2013-14	\$159,356	\$751,697
<b>Total:</b>	<b>\$751,697</b>	



### Goals, Objectives and Projects to meet Affordable Housing Requirements

Over the next five years, the Agency will increase, improve, and preserve the community's supply of affordable housing for low and moderate income households by undertaking the following projects and programs:

- ◆ Down Payment Assistance Program – Utilize County of Fresno HOME, CDGB and LMI Housing Funds to expand homeownership opportunities to first-time home buyers through down payment assistance programs. Use LMI Housing Funds to leverage existing County administered programs.
- ◆ Home Rehabilitation Loan Program – Utilize USDA, HOME, CDBG and LMI Housing Funds to preserve and maintain the condition of the existing house stock for low and moderate-income households through rehabilitation assistance programs. Use LMI Housing Funds to leverage existing County and USDA administered programs.
- ◆ Emergency Home Repair Grant Program – Utilize LMI Housing Funds to assistance elderly and disabled homeowners make needed repairs to their homes through emergency grants.
- ◆ Senior House Painting Program – Utilize LMI Housing Funds to assist elderly homeowners improve and preserve the appearance of their homes through an exterior paint program.
- ◆ New Housing Development – Joint venture with the private developers and/or non-profit organizations to expand homeownership opportunities through the construction of new multi- and single-family housing projects.
- ◆ Acquisition of Foreclosed Properties – Work with County of Fresno on use of Federal and State Neighborhood Stabilization Funds to acquire foreclosed properties for re-sale to qualified low and moderate-income families.
- ◆ Acquisition of Infill Lots – Utilize LMI Housing Funds to acquire vacant lots and/or substandard houses for new construction/rehabilitation and re-sale to qualified low and moderate-income persons and families.

### Alleviate/Eliminate Blight

The activities will have a positive effect on the elimination of blight by:

1. Improving the physical appearance and structural condition of the existing housing stock;
2. Revitalizing and stimulating new investment in existing neighborhoods;
3. Removing or rehabilitating substandard housing units; and
4. Stabilizing and enhancing property values in existing neighborhoods.



Five Year LMI Housing Fund Expenditure Plan

The Redevelopment Agency primary goal is to develop more affordable housing and improve the quality of the community’s existing housing stock. The Agency anticipates achieving its goals over the five-year period through targeted programs, projects and activities as reflected in the LMI Fund Five-Year Expenditure Plan contained in Table 4 below.

**Table 4**  
**LMI Housing Fund**  
**Five-Year Expenditure Plan**

	Five-Year Plan					
Revenues	Current FY	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Carry Over Cash Balance		\$640,935	\$1,039,002	\$539,033	\$341,213	\$76,651
20% Set-Aside Increment	\$137,402	\$141,586	\$145,883	\$150,208	\$154,714	\$159,356
Sale of Property (RDA House)		\$100,000		\$150,000		
Interest Earning	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
LMI Loan (10 year term @ 5% interest)		\$700,000 <sup>1</sup>				
<b>Total Revenues Available:</b>	<b>\$144,402</b>	<b>\$1,589,521</b>	<b>\$1,191,885</b>	<b>\$846,241</b>	<b>\$502,927</b>	<b>\$243,007</b>
<b>LMI Financing/Liabilities</b>						
LMI Loan - Interest Payments		\$24,065	\$24,065	\$24,065	\$24,065	\$24,065
LMI Loan - Principal Payments		\$65,039	\$65,039	\$65,039	\$65,039	\$65,039
Loan Re-Payment (CHFA Loan) <sup>2</sup>		\$116,000	\$116,000	\$116,000		
<b>Total LMI Debt Payments:</b>		<b>\$205,095</b>	<b>\$205,095</b>	<b>\$205,095</b>	<b>\$89,095</b>	<b>\$89,095</b>
<b>Operating Expenses</b>						
Personnel	\$50,859	\$52,385	\$53,956	\$55,575	\$57,242	\$58,959
M&O	\$13,039	\$18,039	\$18,801	\$19,358	\$19,939	\$20,537
<b>Total Operating Expenses:</b>	<b>\$63,898</b>	<b>\$70,424</b>	<b>\$72,757</b>	<b>\$74,933</b>	<b>\$77,181</b>	<b>\$79,496</b>
<b>Program Expenses</b>						
Down Payment Assistance Program <sup>3</sup>		\$50,000	\$50,000	\$50,000	\$50,000	
Home Rehabilitation Loan Program <sup>3</sup>		\$50,000	\$50,000	\$50,000	\$25,000	\$25,000
Emergency Home Repair Program <sup>3</sup>		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Exterior Home Paint Program		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Infill Lot Acquisition		\$150,000				
Multi-Family Project – Acquisition/Assistance <sup>4</sup>				\$100,000		
SF Project – Land Write Down			\$250,000			
Basin to Lots – Storm Drain Line						
Basin to Lots – Acquisition (4 lots @ \$40k)					\$160,000	
<b>Total Program Expenses:</b>		<b>\$275,000</b>	<b>\$375,000</b>	<b>\$225,000</b>	<b>\$260,000</b>	<b>\$50,000</b>
<b>Total Expenditures:</b>	<b>\$63,898</b>	<b>\$550,519</b>	<b>\$652,852</b>	<b>\$505,028</b>	<b>\$426,276</b>	<b>\$218,591</b>
<b>Surplus/(Deficit) Revenues:</b>	<b>\$80,504<sup>5</sup></b>	<b>\$1,039,002</b>	<b>\$539,033</b>	<b>\$341,213</b>	<b>\$76,602</b>	<b>\$24,416</b>
<b>Ending Cash Balance from FY 07-08:</b>	<b>\$560,431<sup>6</sup></b>					
<b>Total Carryover Revenues:</b>	<b>\$640,935</b>	<b>\$1,039,002</b>	<b>\$539,033</b>	<b>\$341,213</b>	<b>\$76,651</b>	<b>\$29,489</b>

**Notes:**

- Proposed loan to fund LMI housing activities based on 10 year term at 5% interest.
- RDA borrowed \$300,000 from State of California Housing Finance Agency (CHFA) for Phase I of Kearney Palms seniors’ village. The developer repaid \$150,000 to the Agency and the Agency will pay the balance only if the developer constructs Phase II of the project.
- These programs will be funded by the LMI Housing Fund to leverage or augment County and Federal programs.
- The Housing Authority’s development arm, Better Opportunities Builders, is considering major rehabilitation and/or demolition and reconstruction of the Helsem Terrace apartment units in the near future. The Agency may consider participating in this project.
- LMI tax increment available to pay debt/loan payments.
- Ending cash balance from FY 07-08 that will be carried over.



## Housing compliance plan

This Compliance Plan incorporates a summary of the Agency's affordable housing production activities and presents an affordable housing plan for the ten year planning period of 2009-2019.

The Housing Element of the City of Kerman outlines the City's strategy to preserve and enhance the community's residential character, expand housing opportunities for all economic segments and provide guidance and direction for local government decision making in all matters relating to housing. The City's Housing Element has identified the Agency's Low and Moderate Income Housing Fund as one of the primary funding vehicles for addressing the City's affordable housing goals. This Housing Compliance Plan is consistent with the Housing Element's goal of providing housing for all City residents.

### Inclusionary Housing Requirements

Inclusionary housing refers to a redevelopment agency's obligation to cause a specified percentage of new or rehabilitated housing produced in a project area to be available at affordable housing cost. Inclusionary housing units must be tracked by project area. It does not matter whether the housing is market rate or cost restricted, nor does it matter if the housing is privately or publicly produced. This is also known as the Project Area Housing Production Requirement.

The percentage of housing units that must be available at an affordable housing cost varies by whether the housing constructed or rehabilitated was developed by a redevelopment agency or by another party. The Redevelopment Agency of the City of Kerman has not produced housing as defined by state law (i.e., a written agreement with the Agency requiring affordable housing covenants does not meet the definition of Agency-produced housing.)

For housing constructed or substantially rehabilitated by persons or entities other than a redevelopment agency, at least 15 percent developed within the project area must be available to households of low- or moderate-income. Of this number, not less than 40 percent must be available to very-low-income households. For example, for every 100 units produced, 15 must be affordable. Of these 15, at least 6 must be available to households with very-low income and the remaining 9 can be available to households of low- or moderate-income.

The law requires that inclusionary housing requirements be met every 10 years. If the requirements are not met within the 10-year period, the Agency is required to meet the requirements on an annual basis. If at the end of the 10-year period the Agency has exceeded the requirements, the Agency may carry over the surplus units and count them toward the requirements of the following ten-year period.



Table 5 below summarizes the production requirements based on housing produced prior to this Implementation Plan as required by Redevelopment Law. The Agency has not assisted in the construction of or substantial rehabilitation of any housing units. Therefore, the units show only applies to non-Agency assisted units.

### Inclusionary Housing Requirements for the Project Areas

Below is the data related to newly-constructed and substantially-rehabilitated housing units produced in the Project Areas from the time of their initial adoption in 1988 (Project Area 1) and 1999 (Project Area 2), respectively.

The table shows that a total of 96 residential units have been constructed in the Project Areas since their adoption. This triggers the need for a total of 15 units (15%) affordable to low- and moderate-income households of which 6 units (40%) must be affordable to very low-income households.

**Table 5**  
**Housing Units Constructed/Rehabilitated**  
**& Housing Production Requirements**

	<b>Project Area 1 1988 - 2008</b>	<b>Project Area 2 2000 - 2008</b>	<b>Total Units</b>
<b>Actual Housing Units Constructed or Substantially Rehabilitated in Project Area</b>	16	80	96
<b>Required Affordable Units (15%)<sub>1</sub></b>	3	12	15
<b>Required Very-Low Income Units (40%)<sub>2</sub></b>	1	5	6
<b>Notes:</b>			
1. Based on 15% of actual units developed by entities other than the Agency.			
2. Based on 40% of actual units developed by entities other than the Agency.			
(Unit counts based on construction information provided by City of Kerman Building Division. No units have been developed by the Agency).			

### Replacement Housing

Agencies must replace affordable housing units removed from the housing stock as a result of redevelopment activities. A unit is defined as affordable if it is occupied, or if vacant would be expected to be occupied, by a household with income of 120 percent of median average income or less. Replacement dwelling units are to be available at an affordable housing cost to persons in the same or a lower income category as the persons displaced from those destroyed or removed housing units. In addition a replacement unit must have the same or a greater number of bedrooms than the unit being demolished.

To date there has been no displacement of housing units in the Project Areas, and none is currently planned over the remaining term of the Plan. Furthermore, the Agency has no present plans, and is not aware of any private plans for redevelopment, which would cause the displacement of those homes. Thus, the Agency has no replacement housing production obligations.



The following Table 6 shows the affordable housing units produced to satisfy the requirements.

**Table 6**  
**Affordable Housing Units Constructed to Date**  
**(Project Area No. 1 and No. 2)**

Project Name	Total Units	Very Low	Low	Moderate	Total	Exp. Date
<b>Inside the Project Areas</b>						
Kearney Palms I	80	39	40	1	80	2061
<i>Sub-Total</i>	8	39	40	1	80	
<b>Outside the Project Areas</b>						
None	0	0	0	0	0	
<i>Sub-Total</i>	0	0	0	0	0	
2-for-1 Credit <sub>1</sub>	-	-	-	-	-	
<b>Total Units Built</b>	<b>80</b>	<b>39</b>	<b>40</b>	<b>1</b>	<b>80</b>	
<b>Affordability Requirements</b>						
Unit Requirement	15	6	9	-	15	
Surplus/(Deficit)	0	33	31	-	64 <sub>2</sub>	
Notes:						
1. Two affordable units produced outside the Project Areas count as one unit toward the Agency's affordable housing requirement						
2. Surplus/(Deficit) based on the difference between the number of affordable units required (15) and the number of units developed (80).						

**Housing Projections through 2019**

Table 7 below lists projections of future new construction in the project area from 2009 through 2013 and through 2019. Based on these figures, the Agency anticipates a need for 21 affordable housing units, with 10 very low-income units and 13 low- and moderate-income housing units to fulfill its inclusionary housing production goals for the ten year period from 2009 to 2019. The Agency does not anticipate directly assisting the construction or substantial rehabilitation of housing units during this period.

**Table 7**  
**Housing Production Needs in Project Areas by Time Period**  
**(2009-2013 through 2014-2019)**

	<b>Ten Year Forecast</b>		
	2009 to 2013	2014 to 2019	Total
Future Housing Units to be Constructed or Substantially Rehabilitated in Project Areas (Table 8)	20	119	139
Required Affordable Units (15%)	3	18	21
Required Very Low Income Units (40%)	2	8	10



The Agency has identified several housing projects that are approved and planned for development during the plan period. As shown on Table 8 below, a total of 139 new housing units are planned for development in the Project Areas. The Agency anticipates that 20 units will be developed as affordable over this time frame (Kearney Palms II Seniors Housing).

**Table 8**  
Planned Housing Production during the Plan Period  
2009 through 2019

Project Name	Type	Tenancy	Affordability	Plan Period	Unit Count
Sapraj Estates	Single-Family	Sale	Market	2014-2019	25
Sapraj Apartment	Multi-Family	Rent	Market	2014-2019	34
Kearney Palms II <sub>1</sub>	Multi-Family	Rent	Affordable	2009-2014	20
I-5 Apartments <sub>2</sub>	Multi-Family	Rent	Market	2014-2019	16
Helsem Terrace <sub>3</sub>	Multi-Family	Rent	Affordable		44
<b>TOTAL</b>					<b>139</b>

Note:  
 1. Project consists of 20 new seniors housing units that will have affordability restriction for 55 years.  
 2. Site plan approved for apartments on a vacant in-fill lot located generally at the NEC of California Avenue and 9<sup>th</sup> Street.  
 3. The Housing Authority is proposing to substantially rehabilitate and/or reconstruct existing Helsem Terrace apartment units located on 9<sup>th</sup> Street.

As shown in Table 9 below, the Agency has fulfilled its inclusionary housing production need for the 10 year planning period. A total of 21 affordable housing units are required, including 10 very low income units. The Agency reported a surplus of 64 affordable units (with 33 very low income units and 41 low and moderate-income units) during the previous planning period (1988 through 2009) and anticipates that an additional 20 affordable units would be built over the 10 year time frame. Thus, the surplus units plus the projected new units satisfies the Agency’s housing production goals.

**Table 9**  
Fulfillment of Housing Production Needs by Time Period

Time Period	Balance Required is Requirement (minus) Surplus (minus) Projected Development							
	Requirement (Table 7)		Surplus/(Deficit) (Table 6)		Projected Development		Balance Required	
	Total	VLI	Total	VLI	Total	VLI	Total	VLI
10 Year Forecast (2009-2019)	21	10	64	33	20	2	0	0
Duration of the Redevelopment Plan (1988-2040)								



Household Types

At a minimum, the Agency’s low and moderate income housing set aside revenue is to be expended in proportion to the community’s need for very low and low income housing, as well as the proportion of the population under the age of 65. The Agency’s low and moderate income housing fund had a balance of \$560,431 available on June 30, 2008. Over the five year period ending on Jun 30, 2014, staff conservatively estimates that the Project Areas will generate another \$751,697 in LMI Housing set aside revenue.

The minimum thresholds for expenditures of future LMI Housing Fund deposits is based on the number of housing units needed for very low income, low-income, and moderate-income persons and the age distribution of the population as described on Table 10 below. Housing needs for all income levels in the City of Kerman is determined by the Regional Housing Needs Allocation Plan prepared by the Fresno County Council of Governments and included in the City’s Housing Element. The total population of the community and the population under 65 years of age are obtained from the 2000 Census.

**Table 10**  
**Minimum Housing Program Expenditure**  
**Thresholds – by Income and Age**

Household Type & Age	Regional Housing Need for Kerman	Percentage	Minimum Percentage of LMI Housing Fund Expenditures by Income & Age
Very Low Income Households <sup>1</sup> <i>(Based on community’s need for housing for households earning less than 50% of County median income)</i>	702	29%	\$217,893
Low Income Households <sup>1</sup> <i>(Based on community’s need for housing for households earning less than 80% of County median income)</i>	425	17%	\$127,783
Moderate & Above Moderate Income Households <i>(Moderate is based households earning less than 120% of the County median and above moderate income is based on household earnings above 120%)</i>	1,298	54%	\$405,783
<b>Totals</b>	<b>2,425</b>	<b>100%</b>	<b>\$751,667</b>
Households Under Age 65 <sup>2</sup> <i>(Based on 2000 Census)</i>		93%	\$699,050
<b>Notes:</b> 1. Percentage of very low and low income household expenditures based upon City of Kerman’s Regional Housing Needs Assessment (2007) in which 702 of the 2,425 units (29%) in the City’s housing needs are applicable for very low income households, 425 of the 2,425 units (17%) are applicable for low income households, 489 of the 2,425 units (20%) are applicable to moderate income households, and 809 of the 2,425 (34%) for above moderate income families. 2. Percentage of expenditures for housing to households under the age of 65 based on the 2000 Census data for the City, wherein 7,856 residents (92.9%) of the total population of 8,551 are under the age of 65.			

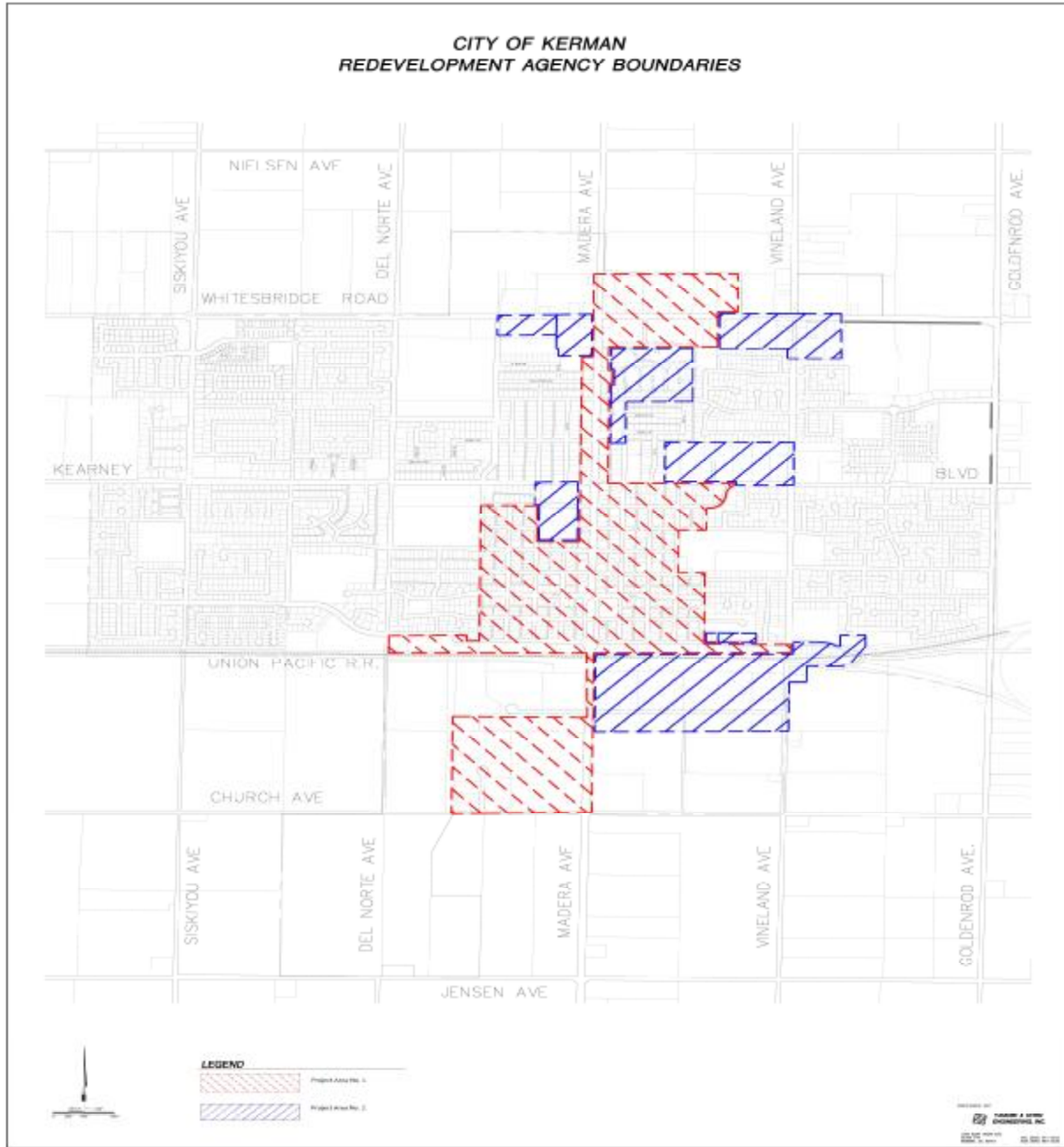


## Appendix



Appendix 'A'

RDA Project Area No. 1 and 2



## Appendix 'b'

### Method of financing

The most unique power of a redevelopment agency is the ability to finance the public costs of redevelopment through a wide variety of financing techniques. A redevelopment agency can issue bonds and borrow money from private or public sources to finance its activities if it can satisfactorily demonstrate an ability to repay such obligations. The indebtedness of a redevelopment agency is not an obligation of the City, and the incurrence of such indebtedness by a redevelopment agency does not require a public vote. The following is a summary of financing methods available to redevelopment agencies.

#### I. Tax Increment Financing

Tax increment financing is a constitutional amendment approved by the voters in the early 1950's. It is the principal method of financing the public costs of redevelopment. Ad valorem property taxes generated from the increases in assessed valuation created by new development that takes place in the redevelopment project area is the source of tax increment revenue. The assessed valuation at the time the redevelopment plan is adopted becomes the base year value and is frozen at the level for the purpose of distribution of taxes to the various affected taxing entities. Each fiscal year following adoption of a redevelopment plan, the taxes generated by the assessed valuation that exceeds the base year level, known as tax increment, is paid to the redevelopment agency for repayment of the debt incurred by the agency in connection with redeveloping the project area.

#### II. Community Development Block Grants

This program replaced a number of specific aid programs, such as the former Urban Renewal programs, to allow local communities broader discretion in the administration of community development funds. Eligible activities include acquisition of property, clearance and demolition, relocation, public facilities and historical preservation. The funds must be targeted to specific areas to benefit low and moderate income persons or eliminate slums and blight.

#### III. Economic Development Administration

EDA provides program funding in economically distressed communities for public works projects ranging from drainage to parking facilities. The EDA has also had a number of specialized programs for business development assistance and special economic impact areas.

#### IV. Special Assessment Districts

Special Assessment Districts have been used to fund public improvements that benefit private development. Such assessments placed upon the benefited property the costs which are not borne by the redevelopment agency. California courts have determined that special assessment districts remain a legal means, not limited by Propositions 13 and 4 or 218, to fund such improvements. Additionally, maintenance districts may be formed to assume maintenance costs for public facilities.



## Appendix 'C'

### DEFINITIONS

**Very-Low-Income Household** - Household whose gross income is 50 percent or less of the area median income.

**Low-Income Household** - Household whose gross income is greater than 50 percent but not greater than 80 percent of the area median income.

**Moderate-Income Household** - Household whose gross income is greater than 80 percent but not greater than 120 percent of the area median income.

**Affordable Owner-Occupied Housing Cost** - For any owner-occupied housing, affordable housing costs shall not exceed the following:

For very-low-income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. For lower-income households whose gross incomes exceed the maximum income for very-low-income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size. In addition, for any lower-income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.

For moderate-income households whose gross incomes exceed the maximum income for lower-income households and do not exceed 110 percent of the area median income adjusted for family size, the product of 35 percent times 110 percent of the area median income adjusted for family size. In addition, for any moderate-income household that has a gross income that equals or exceeds 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

**Affordable Renter-Occupied Housing Cost** - For any rental housing development, affordable rent, including a reasonable utility allowance, shall not exceed:

For very-low-income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. For lower-income households whose gross incomes exceed the maximum income for very-low-income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower-income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not exceed 30 percent of gross income of the household. For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit.



Developed by the Agency - “Developed by the Agency” means the Agency has contracted directly with a building contractor for the construction or rehabilitation of dwelling units.

Substantial Rehabilitation - “Substantial rehabilitation” means rehabilitation, the value of which constitutes at least 25 percent of the after rehabilitation value of the dwelling inclusive of the land value.

Substantially Rehabilitated Dwelling Units - Prior to January 1, 2002, “substantially rehabilitated dwelling units” means all units substantially rehabilitated multi-family dwelling units with three or more units regardless of agency assistance, or substantially rehabilitated single-family dwellings with one or two units with agency assistance.

Since January 1, 2002, “substantially rehabilitated dwelling units” means all units substantially rehabilitated with agency assistance.

