Agoura Hills Redevelopment Project

Five-Year Implementation Plan
(2004-05 through 2008-09)

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Five-Year Implementation Plan

Agoura Hills Redevelopment Project

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Introduction

This document is the 2004-05 through 2008-09 Five-Year Implementation Plan ("Plan") for the Agoura Hills Redevelopment Project ("Project") of the Agoura Hills Redevelopment Agency ("Agency"). This 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 2004-05 and terminating at the end of fiscal year 2008-09.

Contents of the Implementation Plan

Section 33490 of the California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. ("Law"), requires this Plan to include the following:

- Specific Agency goals and objectives for the Agoura Hills Redevelopment Project Area ("Project Area");
- Specific programs, potential projects, and estimated expenditures proposed by the Agency over the next five years, and;
- An explanation of how Agency goals, objectives, programs, and expenditures will eliminate blight within the Project Area and improve and increase the supply of housing affordable to very low, low, and moderate-income households.

The Law also requires that this Plan address the Agency's affordable housing production and replacement housing needs and achievements.

Background

The Project Area is located in the City of Agoura Hills, Los Angeles County, California, situated at the westernmost edge of Los Angeles County along Highway 101 (the Ventura Freeway). The City of Agoura Hills was incorporated in 1982. The City had a total of 20,537 residents and 6,830 housing units according to the 2000 United States Census. Using 1990 and 2000 Census data, Applied Geographic Solutions estimates the 2004 population at 22,203 residents and 7,345 households and projects the 2009 population will be 24,229 residents and 7,966 households.

The Agoura Hills City Council in July, 1992 approved the Redevelopment Plan for the Agoura Hills Redevelopment Project Area. The Project Area totals approximately 1,027 acres and contains a mix of land uses, including 121 acres designated for retail/service uses, 129 acres devoted to office/industrial uses, one acres composed of residential uses, 60 acres devoted to public/quasi-public uses, 280 acres designated for open space, 188 acres of vacant land, and 246 acres occupied by public rights of way.

The Plan was amended by the adoption of Ordinance 94-248 on November 9, 1994 to comply with the provisions of Assembly Bill 1290 by setting new Plan limits.

Plan Limitations

The Redevelopment Plan current limits are summarized in Table 1 below. These limitations affect the Agency's ability to incur debt, undertake Plan activities and collect tax increment revenues.

Redevelopment Plan Limits — **Table 1**
Agoura Hills Redevelopment Project Area

Time Limits	Expiration	Financial Limits	Amount
Eminent Domain Authority	7/15/2004		
Incur Debt	7/15/2012	Tax Increment Revenue /2	$242,000,000
Plan Effectiveness	7/15/2032	Bond Debt Outstanding /2	$67,000,000
Collect Tax Increment /1	7/15/2042		

1/ Agency may collect tax increment revenue beyond this date to repay certain obligations incurred prior to January 1, 1994, and meet specific affordable housing objectives.

2/ Tax Increment and Bond Debt Limits exclude payments paid to other affected taxing entities pursuant to HSC Section 33401 and low/mod housing funds related thereto.

Source: Redevelopment Plan and Ordinance 94-248

Blighting Conditions

Redevelopment projects are established to remedy conditions of blight as defined by Law. Ordinance No. 92-213, adopted by the City Council in July 1992, identified conditions of blight which existed in the Project Area. These conditions include, but are not limited to:

- Buildings and structures which are unfit or unsafe to occupy because of defective design and character of physical construction, faulty interior arrangement and exterior spacing, inadequate provision for ventilation and light, age, obsolescence, deterioration, dilapidation, mixed character, and shifting of uses.

- Inadequate public improvements and public utilities, such as streets, sidewalks, curbs, gutters, freeway interchanges, storm drains, and water and sewer systems.

- Prevalence of depreciated values, impaired investments, and economic maladjustment, including lots of irregular form and shape and inadequate size for proper usefulness and lots laid out in disregard of the contours and other topography and physical characteristics of the ground and surrounding conditions.

Goals of the Redevelopment Plan

Section 100 of the Redevelopment Plan provides focus and direction for the Agency's efforts for revitalizing the Project Area. The following goals formulate the overall strategy for this Implementation Plan and will serve as a guide for the Agency's activities over the next five years.

1) The elimination and prevention of the spread of blight and deterioration and the conservation, rehabilitation and redevelopment of the Project Area in accord with the General Plan, specific plans, the Redevelopment Plan and local codes and ordinances, all as may be amended from time to time.

2) The promotion of new continuing private sector investment within the Project Area to prevent the loss of, and to facilitate, commercial sales activity.

3) The achievement of an environment reflecting a high level of concern for architectural, landscape, urban design, and land use principles appropriate for attainment of the objectives of the Redevelopment Plan.

4) The retention and expansion of as many existing businesses as possible by means of redevelopment and rehabilitation activities, and by encouraging and assisting the cooperation and participation of owners, businesses and public agencies in the revitalization of the Project Area.

5) The enhancement of sales, property, and other fees, taxes and revenues to the City of Agoura Hills

6) The creation and development of local job opportunities and the preservation of the area's existing employment base

7) The re-planning, redesign and development of areas which are stagnant or improperly utilized.

8) The increasing, improvement to and preservation of the city's supply of housing (inside or outside the Project Area), including opportunities for very low-, low- and moderate-income households.

9) The provision of adequate infrastructure and other public improvements.

Five-Year Budget

Tables 2 and 3 present a preliminary five-year budget for the Non-housing and Housing Fund, respectively. Actual revenues and expenditures may differ from these forecasts and are therefore subject to change.

Rosenow Spevacek Group, Inc. projected the revenues and expenditures based on the assumptions delineated below:

- Revenue and expenditures for fiscal year 2004-05 were based on the Agency's current budget
- Future tax increment revenues were projected based on a potential new development assumptions
- Interest earnings were estimated based on net revenues and beginning fund balances.
- Taxing agency payments from the non-housing fund have been calculated pursuant to existing agreements.
- Personnel and Operations expenditures were based on the City budget and forecasts from the City Finance Department.

Agoura Hills Redevelopment Project Area **TABLE 2**

Redevelopment (Non-housing) Fund Cash Flow Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year
	2004-05	2005-06	2006-07	2007-08	2008-09	Total
Available Cash Balance	**$ 475,920**	**$166,917**	**-$131,760**	**-$126,765**	**-$34,589**	
Revenue						
Tax Increment Revenue/1	1,896,589	2,109,950	2,957,229	3,568,800	3,780,306	14,312,874
Bond Proceeds						-
Interest Earnings/2	11,898	4,173	-	-	-	16,071
Total	1,908,487	2,114,122	2,957,229	3,568,800	3,780,306	14,328,945
Expenditures						
Housing Fund Transfer	345,020	384,534	552,336	672,335	711,247	2,665,473
Taxing Agency Payments	1,327,910	1,472,089	1,989,109	2,381,176	2,518,387	9,688,671
Debt Service	-	-	-	-	-	-
Personnel, Maintenance & Operations	387,208	398,824	410,789	423,113	435,806	2,055,740
ERAF Payment	157,352	157,352	-	-	-	314,704
Capital Projects	-	-	-	-	-	-
Total	2,217,490	2,412,800	2,952,235	3,476,623	3,665,440	14,724,587
Net Cash Flow	**(309,003)**	**(298,677)**	**4,995**	**92,177**	**114,866**	**(510,509)**
Ending Available Balance	**$166,917**	**($131,760)**	**($126,765)**	**($34,589)**	**$80,278**	

1/ Tax Increment Revenue is net of County Administrative Charge.
2/ Interest earnings based on an estimated 2.5% rate.

Agoura Hills Redevelopment Project Area **TABLE 3**

Housing Fund Cash Flow Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year
	2004-05	2005-06	2006-07	2007-08	2008-09	Total
Available Cash Balance	**$ 1,385,737**	**$ 955,400**	**$ 1,363,819**	**$ 1,950,251**	**$ 2,671,342**	
Revenue						
Tax Increment Revenue	345,020	384,534	552,336	672,335	711,247	2,665,473
Bond Proceeds						
Interest Earnings/1	34,643	23,885	34,095	48,756	66,784	141,380
Total	379,664	408,419	586,432	721,091	778,031	2,095,606
Expenditures						
Housing Rehab	250,000	-	-	-	-	250,000
First Time Homebuyers	560,000	-	-	-	-	560,000
Future Housing Projects	-	-	-	-	-	-
Total	810,000	-	-	-	-	810,000
Net Cash Flow	**(430,336)**	**408,419**	**586,432**	**721,091**	**778,031**	**1,285,606**
Ending Available Balance	**$ 955,400**	**$ 1,363,819**	**$ 1,950,251**	**$ 2,671,342**	**$ 3,449,373**	

1/ Interest earnings based on an estimated 2.5% rate.

NOTE: Only actual budgeted expenses shown; available balance will likely be used to fund programs.

Anticipated Planning Period Projects and Programs

As shown on Table 2, the Agency will likely have no or very little non-housing revenue to spend on projects during the next five years. This is primarily owing to the level of payments the Agency must make to other affected taxing entities, and the required payments to the Educational Revenue Augmentation Fund for the next two years. Any non-housing revenue that is available will be used towards funding of the Kanan Interchange improvements, and the Reyes Adobe Bridge Widening project. These projects will help to attain the goal of providing adequate infrastructure to serve the Project Area. These projects will address the blighting condition of inadequate public improvements and public utilities, such as streets, sidewalks, curbs, gutters, freeway interchanges, storm drains, and water and sewer systems.

Proposed affordable housing projects and programs for the next five years are discussed in the Housing Compliance portion of this Plan.

Housing Compliance Plan

This Section is the Ten-Year Affordable Housing Compliance Plan (“Compliance Plan”) for the Agoura Hills Redevelopment Project (“Project”). This Compliance Plan incorporates a summary of the Agency’s affordable housing production activities since adoption of the Project and presents an affordable housing production plan for the second ten-year planning period (2004-05 through 2013-14).

Legal Requirements for Compliance Plans

Pursuant to the requirements of Sections 33413(b)(4) and 33490(a)(2) and (3) of the California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. ("Law"), this Compliance Plan sets forth the Agency's program for ensuring that the appropriate number of very low, low, and moderate-income housing units will be produced as a result of new construction or substantial rehabilitation in the Project Area.

Compliance with AB 637 and SB 701

This Compliance Plan is consistent with recent changes enacted into the Law pursuant to Assembly Bill 637 (Lowenthal) and Senate Bill 701 (Torlakson). Among these significant amendments are:

- 55/45 Year Minimum Affordability Periods: Effective January 1, 2002, all new or substantially rehabilitated dwelling units assisted by the Housing Fund, replacement housing, and inclusionary housing must be affordable for 55 years (rental units) or 45 years (owner-occupied units). Units assisted, rehabilitated or constructed prior to January 1, 2002 may have shorter time limits.

- Substantial Rehabilitation: After January 1, 2002, substantially rehabilitated dwelling units means all units substantially rehabilitated with agency assistance. Prior to January 1, 2002, substantially rehabilitated dwelling units means substantially rehabilitated multi-family rental dwelling units with three or more units regardless of whether there is agency assistance, or single family units substantially rehabilitated with agency assistance.

- Replacement Housing: Effective January 1, 2002, 100% of all replacement housing units must be affordable to the same income categories as those displaced. Previously, only 75% of the units had to match the displaced income categories.

- Targeting Housing Fund Expenditures: The Law now requires that Housing Fund assistance during the 10-year Compliance Plan mirror the community's needs, both in terms of the income categories needed, and the number of family (versus senior) housing needed. (The Law provides an additional five years to meet this requirement if an agency deposited less than $2 million over the first five years of the Compliance Plan.)

Contents of the Compliance Plan

This Compliance Plan has been developed to accomplish the following goals:

- To account for the number of affordable dwelling units, either constructed or substantially rehabilitated in the Project Area, since its adoption;

- To forecast the estimated number of dwelling units to be privately developed or substantially rehabilitated between fiscal years 2004-05 through 2013-2014 and over the duration of the Redevelopment Plan;

- To forecast the estimated number of dwelling units to be developed or substantially rehabilitated by the Agency between fiscal years 2004-05 through 2013-2014;

- To project the availability of Agency revenue for funding affordable housing production;
- To identify implementation policies/programs and potential sites for affordable housing development;
- To establish a timeline for implementing this Compliance Plan to ensure that the requirements of Section 33413 are met during the ten-year period between fiscal years 2004-05 and 2013-2014; and
- To review the consistency of Agency affordable housing goals, objectives, and programs pursuant to the City's Housing Element.

Purpose

Since 1976, redevelopment agencies have been required to assure that at least 30% of all new or substantially rehabilitated units developed by an agency are available at affordable costs to households of very low, low, or moderate-income. Of this 30%, not less than 50% are required to be available at affordable costs to very low-income households. Further, for all units developed in the project area by entities other than an agency, the Law requires that at least 15% of all new or substantially rehabilitated dwelling units within the project area be made available at affordable costs to low- or moderate-income households. Of these, not less than 40% of the dwelling units are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated, unless so required by an agency.

In 1994, the Law was amended to require redevelopment agencies to prepare a plan that demonstrated how the agency would achieve the aforementioned affordable housing mandates. Known, as housing compliance plans, the Law also requires agencies to update said plans every five years.

Methodology and Data Compilation

This Compliance Plan takes into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Plan, in order to determine affordable housing production needs; it accounts for existing residential construction and substantial rehabilitation, and includes projections of new dwelling units that may be constructed or substantially rehabilitated during the ten-year planning period.

Historical construction and substantial rehabilitation statistics were provided by the Agency. It should be noted that neither the existing housing stock nor projections for future dwelling units include any units to be developed by the Agency. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers, in order to meet affordable housing production needs.

Affordable Housing Production Needs

This section describes the Agency's production needs for the planning period (2004-05 through 2013-14) and over the greater duration of the Redevelopment Plan.

Table 4
Agoura Hills Redevelopment Agency
Inclusionary Housing Needs

		Project Area	Developed /Agency or Private /1	Number of Units Produced	Total Number of Very Low, Low & Moderate Units Required	VL Income Units	L & M Income Units
Prior to 94/95		Built from date of adoption (1992) through 6/30/94	Private	0	0	0	0
		Substantially Rehabilitated through 6/30/94	Private	0	0	0	0
1st 10-Yrs	94/95-03/04	Built from 7/1/1994 through 6/30/04	Private	0	0	0	0
		Substantially Rehabilitated 7/1/94 - 6/30/04	Private	0	0	0	0
		SUBTOTAL through 6/30/04		**0**	**0**	**0**	**0**
2nd 10-Yrs 2004/05 -2013/14	1st 5 Yr. Period 04/05 -08/09	New Units Anticipated to be Built/2	Private	571	86	34	52
		Anticipated-Substantially Rehabilitated Units	Private	0	0	0	0
		Subtotal 5 Year Period		**571**	**86**	**34**	**52**
	2nd 5 Yr. Period 09/10 - 13/14	New Units Anticipated to be Built	Private	90	14	6	8
		Anticipated-Substantially Rehabilitated Units	Private	0	0	0	0
		Subtotal 5 Year Period		**90**	**14**	**6**	**8**
Units Expected to be Built Over Remaining Project Term				**0**	**0**	**0**	**0**
		TOTAL UNITS OVER TERM OF PLAN		**661**	**100**	**40**	**60**

1/ All units have been or are anticipated to be produced by private parties

2/ The units anticipated to be built during the first 5-year period are a 336 unit apartment complex and 235 units in the Agoura Village mixed use project.

According to data supplied by the Planning and Community Development Department, there were no housing units built in the Project Area between 1992 and 2003; therefore no inclusionary housing need has been generated to date. The first residential development in the Project Area consisting of 336 units, is anticipated to be completed by January 2005 resulting in the first inclusionary housing requirement during the five-year cycle of 2004/05 - 2008/09.

Planning Period Production Needs

Section 33413(b) of the Law requires that not less than 15% must be affordable to low- and moderate-income households. The Law also requires that 40% of the required affordable units be affordable to very low-income households. These affordable housing production requirements must be met during the planning period, which ends after fiscal year 2013-2014. As detailed in Table 4, during the next five years the Agency's housing need is 86 affordable units, 34 of which must be restricted for very low-income and the remaining 52 restricted for low to moderate-income households. During the next ten years, it is expected that the Agency must produce or restrict a total of 100 affordable housing units of which 40 must be restricted for very low-income and 60 for low- to moderate-income.

To satisfy the Agency's production needs, units that are either developed or substantially rehabilitated must feature 45 or 55-year covenants (depending on whether the unit is owner-occupied or rental). Units may be constructed inside or outside the Project Area, but units provided outside a project area count on a 2-for-1 basis. The Agency may also purchase 55-year affordability covenants on multifamily units.

Production Needs over Duration of Redevelopment Plan

If development occurs on vacant and under-developed properties as projected, most new residential development in the Project Area will occur during the next five years. For this reason, no additional residential development is projected to occur during the period of 2014 through 2032 (when the Redevelopment Plan expires); therefore no additional inclusionary housing production is anticipated.

Affordable Units Produced or Reserved

To date, no deed-restricted inclusionary units have been secured by the Agency.

During this 10-year period, the Agency will need to address the need for 40 very low-income units, and 60 low- to moderate-income units.

Replacement Housing Production Needs

The Law requires that whenever dwelling units housing low and moderate-income households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and 100% of the replacement units must be affordable to the same income categories (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Area.

According to Agency staff, no units have been destroyed by Agency activity. Additionally, no units are expected to be destroyed or removed as a part of an Agency project during the planning period or over the life of the Redevelopment Plan.

Estimated Housing Program Resources

One of the Agency's primary sources of revenues for housing program implementation is the annual 20% housing set-aside deposits. The Law requires that not less than 20% of all tax increment revenue allocated to the Agency must be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low-, and moderate-incomes.

Agoura Hills Redevelopment Project Area **TABLE 5**

Housing Fund Cash Flow Projections — Ten Year Housing Compliance Plan

	1	2	3	4	5
	2004-05	2005-06	2006-07	2007-08	2008-09
Available Cash Balance	**$ 1,385,737**	**$ 955,400**	**$ 1,363,819**	**$ 1,950,250**	**$ 2,671,341**
Revenue					
Tax Inc. Rev.	345,020	384,534	552,335	672,335	711,247
Bond Proceeds					
Interest Earnings	34,643	23,885	34,095	48,756	66,784
Total	379,663	408,419	586,430	721,091	778,031
Expenditures					
Housing Rehab	250,000	-	-	-	-
First Time Homebuyers	560,000	-	-	-	-
Future Housing Projects	-	-	-	-	-
Total	810,000	-	-	-	-
Net Cash Flow	**(430,337)**	**408,419**	**586,430**	**721,091**	**778,031**
Ending Available Balance 2/	**$ 955,400**	**$ 1,363,819**	**$ 1,950,250**	**$ 2,671,341**	**$ 3,449,372**

	6	7	8	9	10	
	2009-10	2010-11	2011-12	2012-13	2012-14	Total
Available Cash Balance	**$ 3,449,372**	**$ 4,369,316**	**$ 5,366,743**	**$ 6,429,703**	**$ 7,580,903**	
Revenue						
Tax Inc. Rev.	833,710	888,194	928,792	990,457	1,034,157	7,340,781
Bond Proceeds						-
Interest Earnings	86,234	109,233	134,169	160,743	189,523	888,065
Total	919,944	997,427	1,062,961	1,151,200	1,223,680	8,228,846
Expenditures						
Personnel, Maintenance & Operations	-	-	-	-	-	250,000
Debt Service	-	-	-	-	-	560,000
Future Housing Projects	-	-	-	-	-	-
Total	-	-	-	-	-	810,000
Net Cash Flow	**919,944**	**997,427**	**1,062,961**	**1,151,200**	**1,223,680**	**7,418,846**
Ending Available Balance 2/	**$ 4,369,316**	**$ 5,366,743**	**$ 6,429,703**	**$ 7,580,903**	**$ 8,804,583**	

1/ Interest earnings based on an estimated 2.5% rate

2/ Only budgeted expenditures are shown; available balance will be used to fund additional projects.

Table 5 presents projected housing fund revenues that may be available for housing production activities over the planning period. Based on these projections, in addition to the existing budgeted programs, the Agency may have approximately $8.8 million of housing fund revenue and fund balance during this planning period. In total, it is estimated that the Agency may expend approximately $10 million to fund housing programs over the balance of the ten-year period.

Targeting of Housing Fund Expenditures

As set forth by Section 33334.4 of the Law, each agency shall expend, over the duration of the planning period (the Compliance Plan period), the moneys in the Housing Fund in proportion to the community need, both in terms of the income categories and the number of senior households assisted.

Income Categories Assisted

Pursuant to Section 33334.4(a) of the Law, Housing Fund expenditures must be expended in proportion to the City's fair share of the Regional Housing Need Assessment (RHNA). The current RHNA figures for the City cover the time period of 2000 through 2005, and indicate a need for 14 moderate-income units, 8 low-income units, and 12 very low-income units. Based on these figures, the Agency's must commit a minimum percentage of Housing Fund expenditures in the following categories: Low-Income 24%, and Very Low- Income 35%.

Since the imposition of this requirement, the Agency has not expended any Housing Fund revenue. The $4,343,461 during the next five years, and the nearly $9 million over the next ten years of available Housing Fund revenue would need to be allocated based on these RHNA-based ratios, as summarized in Table 6 below:

City of Agoura Hills — **Table 6**
Regional Housing Needs

Income Group	**Housing Units**	**Percent**	**5-Yr Minimum Expenditures**	**10-Yr Minimum Expenditures**
Very Low (0-50% of MFI)	12	35%	$1,532,986	$3,176,471
Low (51 - 80% of MFI)	8	24%	$1,021,991	$2,117,647
Moderate (81-120% of MFI)	14	41%	no minimum threshold	
TOTAL	34	100%	$4,343,461	$9,000,000

Source: Southern California Association of Governments
Regional Housing Needs Assessment, 1999

Family and Senior Housing

Section 33334.4(b) requires that Housing Fund expenditures for senior housing also be in proportion to the community's population of that age, according to the most recent Census. Accordingly, since 6.8% of the City's Census 2000 population was over the age of 65, not more than 6.8% of the Agency's available housing fund revenues (approximately $612,000 of the $9,000,000 projected for the planning period) may be expended on senior housing projects. Currently, no Agency housing funds are anticipated to be used for senior housing during the five-year period, however, the Agency may consider such a program over the next ten years.

Proposed Implementation Initiatives

Future Planning Period Housing Projects

The Agency may, to the extent permitted by law and land use designation, inside or outside the Project Area, acquire land, sell or lease land, donate land, improve sites, acquire affordability covenants, construct or rehabilitate structures, or use any other method authorized by Law, in order to provide housing for persons and families of low- or moderate-income. The Agency may also provide subsidies to, or for the benefit of, such persons and families or households to assist them in obtaining affordable housing within the City. All of the following programs are designed to assure that the Agency is the beneficiary of long-term income restricted covenants.

Housing Rehabilitation Loan Program: This program has been designed to utilize both CDBG funds and 20% set-aside funds. The program allows for a wide variety of residential repairs and improvements ranging from new paint to new roofing. The program requires that the property be owner-occupied, in need of repair, and that applicants conform with the 80% of area median income limitation. Assistance provided under the program is in the form of a grant of up to $5,000 and a loan of up to $20,000. The 20% housing set-aside funded portion of the program does not provide for the grant but the same $20,000 deferred loan amount per property is provided. However, the income eligibility criterion is based on 120% of median income which allows access to a greater number of households than through the CDBG funded program. The Agency has allocated $250,000 to this program for fiscal year 2004-05. Future funding levels will depend upon the continued success of this program. Units assisted by this program may be inside or outside the Project Area.

First-Time Homebuyer Program: The Agency has adopted a First Time Homebuyer Assistance Program to assist qualified households in the purchase of a home by providing down payment assistance funds. The City's contribution is generally in the form of a deferred second mortgage loan, which does not require monthly payment, and is principal and interest deferred. These funds are combined with the buyer's funds to provide a residential purchase which is rendered affordable via reduced monthly housing expenditures. The program is available to all applicants who do not exceed the moderate income levels (<120% of Median income) for the County of Los Angeles. The Agency has allocated $560,000 to this program for fiscal year 2004-05. Future funding levels will depend upon the success of this new program. Units assisted by this program may be inside or outside the Project Area.

Construction of New Affordable Housing Units: The Agency is also seeking to assist housing developers with the construction of new affordable housing that achieve long-term income restricted covenants. In particular the Los Virgenes Unified School District has expressed interest in working with the Agency to explore the potential of developing new housing for school district and other public employees on District-owned property. Another opportunity for new construction is the Agoura Village Specific Plan area which is primarily located with the Project Area. The Agoura Village Specific Plan calls for a mix of commercial and residential uses and it is anticipated that 235 units may be produced within this area.

Achieving the Agency's Inclusionary Housing Requirements: Table 4 indicates the need to produce a total of 100 deed restricted units over the next ten years of which 40 must be restricted to households of very low income. The Agency will have nearly $10 million over the next ten years to assist with achieving this need. This equates to an average of approximately $100,000 of available funding per unit. The Agency will use the unit rehabilitation and first time homebuyer programs largely to meet the low and moderate income unit requirement. To achieve the very low income unit requirement, the Agency will seek to work with and assist developers in the Agoura Village Specific Plan area, and other areas, in return for deed restrictions. At this time, the actual units achieved on an annual basis cannot be projected. However, new construction units would likely be achieved 25-50 at a time. Deed restrictions achieved through the unit rehabilitation and first time homebuyer programs would be at annual rates of 5-10 units. Expenditure of funds would coincide with the years of production.

Housing Element Consistency

Because this Compliance Plan focuses on providing housing for low to moderate-income households, who are generally the most difficult segment of the community to provide housing for, it is clearly consistent with the Housing Element's goal to provide housing for all economic groups within the Project Areas. Both this Compliance Plan and the Housing Element state that there is a definite need to ensure an adequate supply of housing for the lower income segments of the community.

A major focal point of the goals, policies, and objectives of the Housing Element is to provide housing for all economic segments of the Project Area, especially lower income families. Because the major goal of this Compliance Plan is also to provide housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the Project Area presented in this

Compliance Plan are similar to plans and policies of the Housing Element, there is clearly consistency between the Compliance Plan and the Housing Element.

Affordable Housing Costs Limitations

The following charts provide information on the limits on income for households to qualify as low to moderate income households, as well as limitation on what constitutes affordable rent as well as an affordable housing cost for ownership housing units.

LOS ANGELES COUNTY
2004 Affordable Rent Limits
(Income figures based on Department of Housing and Community Development Income Limits dated February 24, 2004)

1 Person Household			2 Person Household			3 Person Household			4 Person Household		
Median Income:		$38,550	Median Income:		$44,100	Median Income:		$49,600	Median Income:		$55,100
Income Category	Annual Income (1)	Monthly Affordable Rent (2)	Income Category	Annual Income	Monthly Affordable Rent	Income Category	Annual Income	Monthly Affordable Rent	Income Category	Annual Income	Monthly Affordable Rent
Very Low	$20,850	$482	Very Low	$23,800	$551	Very Low	$26,800	$620	Very Low	$29,750	$689
Low	$33,300	$578	Low	$38,100	$662	Low	$42,850	$744	Low	$47,600	$827
Moderate	$46,250	$1,060	Moderate	$52,900	$1,213	Moderate	$59,500	$1,364	Moderate	$66,100	$1,515

5 Person Household			6 Person Household			7 Person Household			8 Person Household		
Median Income:		$59,500	Median Income:		$63,900	Median Income:		$68,300	Median Income:		$72,750
Income Category	Annual Income	Monthly Affordable Rent	Income Category	Annual Income	Monthly Affordable Rent	Income Category	Annual Income	Monthly Affordable Rent	Income Category	Annual Income	Monthly Affordable Rent
Very Low	$32,150	$744	Very Low	$34,500	$799	Very Low	$36,900	$854	Very Low	$39,250	$909
Low	$51,400	$893	Low	$55,200	$959	Low	$59,000	$1,025	Low	$62,850	$1,091
Moderate	$71,400	$1,636	Moderate	$76,700	$1,757	Moderate	$81,950	$1,878	Moderate	$87,250	$2,001

DEFINITIONS

1. Annual Income: Gross income from all sources for all members of the household.
2. Affordable Rent: Monthly rent amount including a reasonable utility allowance.

For housing developed and receiving assistance on or after January 1, 1991, affordable rents include a reasonable utility allowance and shall not exceed:

a. For very low income, the product of 30% times 50% of the area median income adjusted for family size
b. For lower income households, the product of 30% times 60% of the area median income adjusted for family size.
c. For moderate income households, the product of 30% of 110% of the area median income adjusted for family size.

LOS ANGELES COUNTY

2004 Affordable Housing Costs for Home Purchase Programs

(Income figures based on Department of Housing and Community Development Income Limits dated February 24, 2004)

1 Person Household			2 Person Household			3 Person Household			4 Person Household		
Median Income:		$38,550	Median Income:		$44,100	Median Income:		$49,600	Median Income:		$55,100
Income Category	Annual Income [1]	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing
Very Low	$20,850	$482	Very Low	$23,800	$551	Very Low	$26,800	$620	Very Low	$29,750	$689
Low [3]	$33,300	$675	Low	$38,100	$772	Low	$42,850	$868	Low	$47,600	$964
Moderate [4]	$46,250	$1,237	Moderate	$52,900	$1,415	Moderate	$59,500	$1,591	Moderate	$66,100	$1,768

5 Person Household			6 Person Household			7 Person Household			8 Person Household		
Median Income:		$59,500	Median Income:		$63,900	Median Income:		$68,300	Median Income:		$72,750
Income Category	Annual Income	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing	Income Category	Annual Income	Monthly Affordable Housing
Very Low	$32,150	$744	Very Low	$34,500	$799	Very Low	$36,900	$854	Very Low	$39,250	$909
Low	$51,400	$1,041	Low	$55,200	$1,118	Low	$59,000	$1,195	Low	$62,850	$1,273
Moderate	$71,400	$1,909	Moderate	$76,700	$2,050	Moderate	$81,950	$2,191	Moderate	$87,250	$2,334

DEFINITIONS

1. Annual Income: Gross income from all sources for all members of the household.
2. Monthly Housing Costs: Amount of mortgage payment principal and interest, mortgage insurance, property taxes, and property insurance.
3. Low Income Affordable Housing Costs: Assumes affordable housing costs computed at 30%of 70%of median income.
4. Moderate Income Affordable Housing Costs: Assumes affordable housing costs computed at 35%of 110%of median income; may not be less than 28%of household's gross income.