

NOVEMBER 2009

***REDEVELOPMENT
IMPLEMENTATION PLAN
2010 - 2014***

**CYPRESS REDEVELOPMENT
AGENCY**

Cypress Merged, Amended, and Restated Redevelopment Plan

RESOLUTION NO. CRA-134

A RESOLUTION OF THE CYPRESS REDEVELOPMENT AGENCY,
ADOPTING AN UPDATED REDEVELOPMENT IMPLEMENTATION PLAN
FOR THE CYPRESS MERGED REDEVELOPMENT PROJECT AREA.

A. Recitals.

- (i) California Health and Safety Code Subsection 33490(a)(1) provides in pertinent part as follows:

"On or before December 31, 1994, and each five years thereafter, each agency that has adopted a redevelopment plan prior to December 31, 1993, shall adopt, after a public hearing, an implementation plan that shall contain the specific goals and objectives of the Agency for the project area, the specific projects and expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives, projects and expenditures will eliminate blight within the project area...."

- (ii) California Health and Safety Code Subsection 33490(d) provides as follows:

"Notice of public hearings conducted pursuant to this section shall be published pursuant to section 6063 of the Government Code, mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the project area for a period of three weeks. Publication, mailing, and posting shall be completed not less than ten days prior to the date set for hearing."

- (iii) On November 9, 2009, this Agency conducted and concluded the above referenced duly noticed public hearing.

- (iv) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, the Cypress Redevelopment Agency, City of Cypress, California does hereby find, determine and resolve as follows:

1. This Agency hereby finds that all of the facts stated in the Recitals, Part A, above are true and correct.
2. This Agency hereby finds that aggregating new residential development among designated constituent project areas will not cause or exacerbate racial, ethnic, or economic segregation.
3. Pursuant to California Health and Safety Code Section 33490, this Agency hereby adopts that document entitled "Redevelopment Implementation Plan 2010-2014", a true and correct copy of which is on file in the Office of the City Clerk and by this reference fully incorporated within, as the implementation plan for its Merged Redevelopment Project Area.
4. The Secretary of this Agency shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the governing body of the Cypress Redevelopment Agency, at a regular meeting held on the 9th day of November 2009.


CHAIRPERSON OF THE CYPRESS
REDEVELOPMENT AGENCY

ATTEST:

Denise Basham
SECRETARY OF THE CYPRESS
REDEVELOPMENT AGENCY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I, DENISE BASHAM, Secretary of the Cypress Redevelopment Agency, DO
HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of
the said Agency held on the 9th day of November 2009; by the following roll call vote:

AYES:	4	AGENCY MEMBERS:	Bailey, Luebben, Narain, and Seymore
NOES:	0	AGENCY MEMBERS:	None
ABSENT:	1	AGENCY MEMBERS:	Mills

Denise Basham
SECRETARY OF THE CYPRESS
REDEVELOPMENT AGENCY

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Chapter I

Introduction

Purpose and Intent of the Implementation Plan

Section 1 Purpose

The Cypress Redevelopment Agency, ("Agency") is responsible for the implementation of the Merged, Amended, and Restated Redevelopment Plan adopted by the City Council of the City of Cypress ("City") to eliminate blight conditions and revitalize deteriorating areas in the community. The City Council initially adopted three (3) redevelopment plans serving the Civic Center Project Area, the Los Alamitos Race Track and Golf Course Project Area, and the Lincoln Avenue Project Area. On June 27, 2005, an amendment to merge the three (3) redevelopment project area plans was approved. The amendment also added approximately 17.75 acres to the Lincoln Avenue Project Area. Project implementation for the Merged Project Area encompasses various public works projects, business retention and expansion, commercial revitalization and expansion, and housing activities.

The California Community Redevelopment Law ("CRL") provides the Agency with certain fundamental tools which are essential to the operation of the Agency. These tools are:

- The authority to buy real property, including, if necessary, in specified areas through the power of eminent domain, subject to legal restrictions and requirements;
- The authority to develop the property (but not to construct buildings except in limited circumstances);
- The authority to sell or lease real property without bidding;
- The authority and obligation to relocate persons who have interests in property acquired by the Agency;
- The authority to finance its operations by borrowing funds from various sources and selling bonds; and
- The authority to impose land use and development controls pursuant to a comprehensive plan of redevelopment.

The Agency is also responsible for increasing and improving the community's supply of low- and moderate-income housing. This is accomplished by the Agency through three different but interrelated requirements imposed by CRL. The three requirements provide for the production, improvement, and preservation of housing for low- and moderate-income persons. These requirements are:

- Twenty (20) percent of the Agency's tax increment revenue must be expended to increase, improve and preserve the supply of low- and moderate-income housing in the community ("The Housing Fund Requirement");
- The Agency must replace low- and moderate-income housing which is removed as a result of a redevelopment project ("The Replacement Housing Requirement"); and
- A fixed percentage of all housing constructed in a redevelopment project area must be affordable to low- and moderate-income persons and families ("The Project Area Housing Production Requirement").

This five year implementation plan has been prepared and approved by the Cypress Redevelopment Agency to provide a strategy to accomplish its redevelopment goals and objectives and as a means to measure its performance.

Section 2 **Intent of the Implementation Plan**

A revision to the CRL, entitled The Community Redevelopment Law Reform Act of 1993 (AB 1290), includes the requirement that the Agency adopt an "implementation plan" every five years. The AB 1290 requirement is codified in the CRL as Health and Safety Code Section 33490.

The Agency adopted its first implementation plan in 1994 pursuant to AB 1290 and subsequently adopted two updated plans in November, 1999 and November, 2004 respectively. This implementation plan succeeds the first three plans and covers the five year period of calendar years 2010 through 2014.

A. Implementation Plan Requirements

An implementation plan is required to include the following information:

- 1) the specific goals and objectives of the Agency for the project area;
- 2) the specific programs including potential projects and estimated expenditures proposed to be made by the Agency during the next five years;
- 3) an explanation of how the goals & objectives, programs, and expenditures will eliminate blight within the project area;
- 4) an explanation of how the goals, objectives, specific programs including potential projects, and estimated expenditures will implement the Agency's housing obligations pursuant to Community Redevelopment Law.
- 5) A portion of the implementation plan must address the Agency housing responsibilities and must contain a section addressing:
 - the Agency's obligation to use twenty (20%) percent of tax increment to increase, improve and preserve the community's supply of low- and moderate-income housing (§33334.2);
 - the requirement that assistance be targeted in at least the same proportion as the total number of housing units needed for very low- and low-income groups and that funds be expended for housing to age groups under 65 in at least the same proportion as the actual ratio of the community's population under 65 years (§33334.4);
 - the requirement that low and moderate income housing requirements are applicable to plans and amendments adopted prior to January 1, 1976 (§33334.6); and

- if applicable, a section addressing Agency-developed and project area housing and/or replacement housing requirements (§33413) (not applicable to Cypress).
- 6) The section addressing the Low and Moderate Income Housing Fund must contain:
- The amount available in the Low and Moderate Income Housing Fund and the estimated amounts which will be deposited in the Low and Moderate Income Housing Fund during each of the next five years;
 - A housing program with estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years; and
 - A description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund over a 10-year period for various groups as required by the CRL.

B. Mid-Term Implementation Plan Review Process

At least once within the five year term of this Implementation Plan, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and this Implementation Plan. This hearing must take place no earlier than two years and no later than three years after the adoption of this Implementation Plan.

C. Adoption of Implementation Plan Not a “Project” Under CEQA

Adoption of this Implementation Plan does not constitute an approval of any specific program, project, or expenditure and therefore is not subject to the requirements set forth in the California Environmental Quality Act.

Section 3 Affordable Housing Requirements

This Implementation Plan contains a series of affordable housing planning components, including a year-by-year program for the expenditure of the Agency's Housing Funds and a determination of the Agency's achievement for targeting its Housing Fund assistance to specific income levels (referred to as "Targeting Objective"). The purpose of this section is to make clear what requirements the Agency, and the housing strategy portion of this plan, seek to address.

A. Low & Moderate Income Housing Fund Requirement

The CRL requires that twenty percent (20%) of all tax increment allocated to the Agency shall be used by the Agency for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost. The Agency has complied with this requirement with regard to its Merged Redevelopment Project Area.

B. Replacement Housing Requirement

The CRL requires that whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the market as part of a redevelopment project subject to a written agreement with the Agency, the Agency must replace those units with new or newly rehabilitated low- and moderate-income units within four (4) years of the removal. The CRL imposes the replacement rule on any redevelopment plan adopted on or after January 1, 1976.

Prior to the destruction or removal of low- and moderate-income units, the Agency must adopt a Replacement Housing Plan. During the previous Implementation Plan cycle, the Agency was not subject to the replacement housing requirement since no dwelling units housing persons or families of low- or moderate-income were destroyed or removed as a result of a redevelopment project. During the first Implementation Plan cycle (1995-1999), the replacement housing requirement was triggered because dwelling units were destroyed or removed from the market within the Civic Center Project Area during the Agency's assemblage of the Wicker Drive properties.

C. Project Area Housing Production Requirement

Project areas created by redevelopment plans adopted on or after January 1, 1976, and territory added to project areas by amendment adopted on or after January 1, 1976, are subject to housing production requirements which ensure that a specified percentage of new or

rehabilitated housing is available at affordable housing costs to low- and moderate-income households.

The basic Project Area Housing Production Requirement has two components; (1) housing produced directly by a redevelopment agency and (2) all other housing produced in a project area.

Agency-Produced Housing

At least thirty percent (30%) of all dwelling units actually developed by a redevelopment agency must be available at affordable housing cost to persons and families of low- or moderate-income, and not less than fifty percent (50%) of those units shall be available at affordable housing cost to very low-income households. The Agency has not undertaken housing development directly and does not contemplate doing so, and therefore is not subject to this requirement.

All Other Project Area Production

At least fifteen percent (15%) of all dwelling units developed within a project area by public or private entities or persons other than the Agency, including those developed pursuant to a written agreement with the Agency, must be available at affordable housing cost to persons and families of low-or moderate-income, and not less than forty percent (40%) of the affordable units (i.e., six percent (6%) of the total dwelling units) shall be available at affordable housing cost to very low-income households. This requirement is applicable to the Agency. This requirement may also be met through production of affordable housing outside the redevelopment project area, but only on a "2 for 1 basis," i.e., it takes two affordable units outside the project area to equal one inside the project area.

Housing Production Plan

Legislation enacted in 1991 (AB 315) and subsequently amended by AB 1290, SB 732, and AB 637, requires the Agency, as part of the implementation plan, to adopt a plan for the project area showing how the Agency intends to meet its housing production requirement. This plan must be consistent with the community's housing element, must be reviewed and, if necessary, amended at least every five years in conjunction with either the housing element cycle or the implementation plan cycle. The plan must ensure that the housing production requirements are met every ten years.

The Agency's housing production plan must contain:

- 1) estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within the project area, both over the life of the plan and during the next ten years;
- 2) estimates of the number of units for very low-, low- and moderate-income households required to be developed within the project area in order to meet the housing

production requirements of dwelling units developed by public or private entities or persons other than the redevelopment agency, both over the life of the plan and during the next ten years;

- 3) the number of units for very low-, low and moderate-income households which have been developed by public or private entities or persons other than the redevelopment agency within the project area which meet the affordability provisions for housing production;
- 4) estimates of the number of Agency developed residential units which will be developed during the next five years, if any, within the project area; and
- 5) estimates of the number of agency developed units for very low-, low- and moderate-income households which will be developed by the Agency during the next five years that meet the affordability provisions for housing production.

The Housing Production Plan for the Cypress Redevelopment Agency is contained in Chapter V, Section 3.

D. Targeting of Housing Fund Assistance to Specific Income Levels

The general requirement that Housing Fund monies be used to increase, improve, and preserve the supply of housing available at affordable housing cost for low- and moderate-income households was supplemented in 1989 with a requirement that agencies target utilization of their Housing Fund in proportion to unmet need.

The section addressing the proportionality of Housing Fund expenditure must contain:

- 1) the number of housing units needed for very low-, low-, and moderate-income persons as each of those needs have been identified in the most recent Regional Housing Needs Assessment determination, and the proposed amount of expenditure from the Housing Fund for each income group during each year of the Implementation Plan period;
- 2) the total population of the community and the population under 65 years of age as reported in the most recent census of the United States Census Bureau;
- 3) a housing program that provides a detailed schedule of actions the Agency is undertaking or intends to undertake to ensure expenditure of the Housing Fund in the proportions required by the CRL; and
- 4) for the previous implementation plan period, the amounts of Low and Moderate Income Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low income households, very low income households, and low income households; the number, location, and level of affordability of units newly constructed with other than locally controlled government assistance and without Agency assistance and that are required

to be affordable to, and occupied by, persons of low, very low, or extremely low income for at least 55 years for rental housing or 45 years for home ownership housing; and the amount of Low and Moderate Income Housing Fund moneys utilized to assist housing units available to families with children, and the number, location, and level of affordability of those units.

Chapter II

Background Information and Blight Conditions

Section 1 **History of Development in the City of Cypress**

The City of Cypress was incorporated as a small dairy community in 1956 and is a relatively young suburban community located in northwestern Orange County. Soon after incorporation, Cypress began a period of rapid residential growth, with numerous single-family housing tracts built in the 1960's and 1970's. With only limited vacant land available for additional development, the majority of recent residential growth in the City has occurred through the recycling of underutilized properties, particularly in two County areas which were annexed to the City in the 1980's and through residential infill on Lincoln Avenue and in the Civic Center area. Some significant recent housing development opportunities undertaken within Cypress have included the recycling of a 144 -acre oil storage tank farm site which has been developed with 671 single-family housing units, the redevelopment of the Wicker Drive property with 40 single family residences, and construction of the 63 unit "Lincoln Square" townhome project on Lincoln Avenue at Sumner Place.

In addition to the above noted residential development, the southern portion of the City is home to a premiere business park that features extensive commercial development including offices, corporate headquarters, warehouse space, manufacturing, research and development uses, retail, restaurants, hotels, and other miscellaneous commercial and industrial uses.

The population of the City of Cypress as derived from the 2009 California State Department of Finance estimate is 49,647 persons. During the 1980's and 1990's, Cypress experienced an average annual population growth rate of approximately six percent (6%) and eight percent (8%) respectively. During the period from 2000 through 2008, the City's population growth rate has been seven percent (7%). This rate is slightly less than the County's average growth rate of ten percent (10%) for the same period.¹ The City's population growth rate is most likely attributable to the population growth that has been characteristic of the region in general, as well as to recycling of residential properties in the north end neighborhoods, as outlined in the narrative above.

¹City of Cypress, Housing Element Technical Report, October 2008

Section 2 **Cypress Redevelopment Agency**

On April 9, 1979, the Cypress City Council adopted Ordinance No. 639, declaring the need for a redevelopment agency and designating itself as the governing body of the Agency. Following activation of its redevelopment agency, the City adopted three (3) redevelopment plans: the Civic Center Redevelopment Project, the Los Alamitos Race Track and Golf Course Redevelopment Project, and the Lincoln Avenue Redevelopment Project. A plan amendment to add territory to the Civic Center Redevelopment Project Area was adopted in 1989. A subsequent amendment to merge the three (3) redevelopment project areas was approved in 2005. Among the specific actions that resulted from the merger amendment process included: 1) the addition of approximately 17.74 acres to the Lincoln Avenue Project Area (the "Added Area"); 2) the merging of the Civic Center, Lincoln Avenue (as amended to include the Added Area), and the Los Alamitos Race Track and Golf Course (LART) Redevelopment Plans; 3) the update and expansion of the capital improvement projects list for each of the constituent Project Areas comprising the Merged Project Area; 4) the update of the land use map and exhibits for the Amended Civic Center Project Area; and 5) adoption of a single, consolidated Merged, Amended, and Restated Redevelopment Plan (the "Merged Plan") to cover the merged and amended Project Area (consisting of the constituent project areas).

A. Redevelopment Project Areas

The constituent project areas associated with the Merged Plan are listed below and a detailed description of each follows.

- Amended Civic Center Redevelopment Project Area;
- Los Alamitos Race Track and Golf Course Project Area; and
- Lincoln Avenue Redevelopment Project Area, including the "Added Area."

Amended Civic Center Redevelopment Project Area

The original Civic Center Redevelopment Project Area Plan was approved by the Agency Board on July 19, 1982, at which time four (4) project sub-areas were delineated. On April 10, 1989, the Agency Board adopted an Amended Redevelopment Plan adding approximately 158 gross acres to the existing Plan. The increased land area consisted of an abandoned petroleum products tank farm and ancillary heating facilities.

Sub-Area "A"

This area contains approximately seventeen (17) acres of land which consists of the Cypress Civic Center complex and the parcels east of the Civic Center (previously referred to as the "Wicker Drive" area). The overall redevelopment goal of this area

included lot consolidation among the various Wicker Drive properties to create a developable parcel, replacing numerous land-locked parcels.

In response to Agency Board direction, the comprehensive redevelopment of the vacant Wicker Drive property was pursued through initiation of the planning, design, and construction of Civic Center improvements on the western 2.15 acres of the site and the disposition of the remaining 5.3 acres for residential development. A Parcel Map was processed and recorded for the property, which consolidated the 25 previously existing lots into two developable parcels, coinciding in acreage and location to the lots referenced above.

Specific improvements provided on the 2.15 acre Parcel 1 included the construction of new tennis courts, and the provision of additional parking. In addition, a new police evidence and storage building, and the construction of new restrooms to serve the Civic Center complex, were provided.

The remaining 5.3 acre lot (Parcel 2) was sold to Fieldstone Communities, Inc. in September, 2002 to facilitate the development of forty (40) single family units. Following the land purchase, Fieldstone obtained building permits for the construction of all forty (40) units. All units have since been sold and are occupied. The project, known as Sycamore Lane, has added a new, first class residential community to the Civic Center Project Area. The proceeds of the land sale were used to assist in the financing of Community Center improvements, which were completed during the 2007-08 fiscal year.

Sub-Area "B"

Sub-Area "B" is dominated by the twenty-two (22) acre Anaheim Union High School District property at the southwest corner of Orange Avenue and Grindlay Street. Previously this site was used as Oxford Junior High School, then Brethren private Jr. and High School. In September, 1998, it re-opened as Oxford Academy, a college preparatory secondary school of the Anaheim Union High School District. A major expansion and renovation of the campus was completed during the previous Implementation Plan period (Fiscal Year 2005-2009). The balance of Sub-Area "B", at the southeast corner of Orange Avenue and Grindlay Street, has been developed with a 31,700-square-foot office condominium structure completed in February, 1983.

Sub-Area "C"

Sub-Area "C" is primarily utilized for the Cypress School District offices and the surrounding underdeveloped District maintenance equipment yard. The total site area is 6.46 acres. The district has declared a portion of the site as surplus property and is exploring potential redevelopment opportunities.

Sub-Area "D"

Sub-Area "D" is 6.3 acres in size and has been identified as the former Cypress Elementary School site. Current uses on the site include the Cypress Senior Citizen Center, the Cypress Sunrise Apartments (a 75 unit HUD senior housing rental project), and the

Cypress Park Senior Community, a 124 unit residential complex for elderly persons with 31 of those units reserved for rent at affordable housing costs.

In June, 1987, the Agency purchased 1.8 acres within this Sub-Area for the purpose of reselling it to a non-profit corporation who received HUD 202/8 monies for the construction of the aforementioned Cypress Sunrise senior rental project. This housing project was completed in September, 1988, and is fully occupied. This resulted in a net increase to the Agency of 74 affordable senior rental housing units (the final unit being reserved for management). In promoting the development of the senior housing project the Agency utilized housing set-aside funds to provide the balconies and a tile roof for the project. In June, 1988, the remainder of the Cypress Elementary School site was acquired by the Agency through a purchase and trade agreement with the Cypress School District. The above noted 124 unit Cypress Park senior complex is located on this parcel.

Civic Center Amendment No. 1 Sub-Area

This site was added to the Civic Center Redevelopment Project Area through an amendment to the Redevelopment Plan adopted in 1989. The property was previously utilized as a petroleum tank farm and ancillary petroleum heating facility. The entire tank farm facility was demolished and the contaminated soil underwent clean up in compliance with applicable requirements. The ancillary product heating facilities located at the southeast corner of Moody Street and Orange Avenue were demolished in the mid-2000's and the soil on that site has also been remediated.

The 148-acre former tank farm site was master planned and ultimately developed with 671 single-family residences and the 6.5 acre Veterans Park. The Agency assisted the project through an Owner Participation Agreement (OPA) between the Agency and the developer, Cypress Homes, Inc. Under the OPA, the City acted as a conduit for the formation of a Mello-Roos District and for the issuance of bonds to construct public improvements benefiting the project which will be repaid from assessments on the project. In addition, the Agency issued a note, which has since been paid off, to Cypress Homes, Inc., in the amount of \$4.5 million which was utilized for the construction of storm drain facilities which benefit the Cypress Homes project and surrounding areas.

Los Alamitos Race Track and Golf Course Redevelopment Project Area

The Los Alamitos Race Track and Golf Course Redevelopment Plan was adopted on June 18, 1990. The Project Area consists of approximately 318 gross acres of land bound by Cerritos Avenue and Katella Avenue to the north and south, respectively, and Walker Street and Lexington Drive/Denni Street to the east and west, respectively. The site currently consists of the Los Alamitos Race Track and associated uses, a golf course that is now closed, two existing office buildings totaling approximately 180,000 square feet, industrial office and warehouse space totaling 208,000 square feet and accommodated in four (4) buildings, two

churches (Seacoast Grace Church and Cottonwood Church), a hotel (Residence Inn), a 24,600 square foot medical office building, a 74,100 square foot retail complex that includes a health club, office supply store, dining facilities, and specialty retail establishments, and a 185,000 square foot commercial complex occupied by a Costco Wholesale Store, a sit-down restaurant (Red Robin), and assorted in-line retail uses. The Project Area's land uses also include vacant land and public streets.

In an effort to assess the long term viability of the Project Area, a comprehensive study was undertaken in 2002 to examine the various land use, economic, planning, environmental, and ownership issues that could affect the land use character of the Area. Based on the studies and analysis, a conceptual master plan was prepared which incorporated recommendations for long-term land uses in an effort to maximize the land use and economic potential of the Project Area. The conceptual master plan was reviewed by the Agency Board in late 2002. Subsequent revisions to the conceptual master plan have also been presented to the Agency Board for review and consideration.

Lincoln Avenue Redevelopment Project Area including the Added Area

The Lincoln Avenue Redevelopment Plan was adopted on June 25, 1990. The original Project Area included approximately 180 gross acres of land. With the Project Area Merger and Amendment process that was approved on June 27, 2005, five (5) additional properties totaling approximately 17.75 acres in area (the "Added Area") were added to the Lincoln Avenue Project Area. Included among the "Added Area" properties are a ten (10) acre former school site (Mackay School) and a 170 unit apartment complex (Tara Village). The properties comprising the Project Area consist of land generally fronting on Lincoln Avenue through most of the City. Predominant land uses in the area are heavy commercial, with an additional mix of uses, including general commercial, multiple-family residential, single-family residential, church, and public/semi-public uses. There are approximately 200 land parcels within the Project Area.

Lincoln Avenue is one of the major commercial corridors in the City of Cypress and consists mainly of mixed-use and highway-oriented businesses. In certain areas, the Corridor suffers from incompatible uses and underutilization.

The entire three-mile length of Lincoln Avenue from Valley View Street, up to and including the Coyote Creek Bridge, has undergone a streetscape improvement upgrade as part of a comprehensive revitalization effort. Included among the improvements undertaken in conjunction with the beautification program were the construction of landscape medians and bow outs; installation of storm drains, decorative street lighting and landscape irrigation systems; and the provision of decorative sidewalks and crosswalks at specific locations along Lincoln Avenue. Additionally, the preparation and adoption of the Lincoln Avenue Specific Plan (which establishes specific land use and development standards for future development as well as provision for the formulation of various incentives to encourage economic development along the Lincoln Avenue Corridor) has also been undertaken. Implementation of economic development incentives is ongoing. The undergrounding of utilities on

Lincoln Avenue from Valley View Street to the eastern City boundary has also been completed.

In an effort to address issues relating to land use incompatibility and underutilization, the Agency Board approved a comprehensive Action Plan for the Lincoln Avenue Corridor in July, 2002. This Plan examined the existing conditions and obstacles present in the area and made specific action recommendations for revitalizing and achieving its economic and land use potential. Since approval, Agency staff has pursued implementation of the recommendations outlined in the Plan. Some specific actions have included 1) the pursuit of targeted in-fill housing developments on underutilized parcels along the Corridor with the negotiation of an affordable component to the residential proposals; 2) discussion with owners of key commercial parcels along the Corridor to assess their interest in the pursuit of property upgrades; 3) the acquisition of strategic properties to facilitate future commercial and residential development opportunities; 4) dialog with Cypress College representatives to explore possible City/College partnership opportunities in conjunction with the establishment of residential and/or commercial land use development at the College; 5) examination of reuse options for the motels present along the Corridor; 6) the monitoring of improvement efforts along the Pacific Electric Railroad right-of-way, which crosses the Corridor twice; and 7) the acquisition of a key property frontage on the west side of Walker Street, just north of Lincoln Avenue to facilitate street widening and improvement in the area to alleviate a dangerous traffic flow condition.

B. Redevelopment Plan Statutory Maximum Time Limits

The statutory maximum time limits pursuant to AB 1290 (and, where applicable, as amended by SB 211 and AB 1045) for each constituent project area are indicated in Table 1 as follows:

Project Area Time Limits

PROJECT AREA	PROJECT EFFECTIVE DATE	PROJECT DURATION	TIME LIMIT TO RECEIVE TAX INCREMENT	TIME LIMIT TO INCUR DEBT	TAX INCREMENT RECEIVABLE	TIME LIMIT TO COMMENCE EMINENT DOMAIN PROCEEDINGS
CIVIC CENTER (ORIGINAL AREA)	July 19, 1982	July 19, 2023	July 19, 2033	None*	\$25 Million in any one fiscal year	April 9, 2013
CIVIC CENTER (AMENDMENT 1)	April 10, 1989	April 10, 2030	April 10, 2040	None*	Included within current Civic Center (Original Area) limit	April 9, 2013
LOS ALAMITOS RACE TRACK	June 18, 1990	June 18, 2031	June 18, 2041	None*	\$770 Million in any one fiscal year	September 10, 2013
LINCOLN AVENUE	June 25, 1990	June 25, 2031	June 25, 2041	None*	\$340 Million in any one fiscal year	August 27, 2013
LINCOLN AVENUE (ADDED AREA)	June 27, 2005	June 27, 2035	June 27, 2050	June 27, 2025	Included within current Lincoln Avenue limit	June 27, 2017

* Time limit to incur debt eliminated pursuant to the provisions of Senate Bill 211 and adoption of Ordinance Nos. 1044, 1045, and 1046.

Section 3 Identification of Blighting Conditions

A. Legal Definition of Blight

The CRL contains a number of provisions that require the Agency and its legislative body to implement its redevelopment plans in a manner that will eliminate blight. AB 1290 substantially changed the definition of blight which can be used for project areas adopted on or after January 1, 1994. With the exception of the "Added Area" which was added to the Lincoln Avenue Project Area in 2005, the Agency's constituent project areas were adopted prior to the effective date of AB 1290 and qualify under the previous definitions of blight. For purposes of this Plan, the Agency will rely upon the blighted conditions that existed at the time each constituent project area was adopted. Because a purpose of this Implementation Plan is to link the actions of the Agency to the elimination of blight, these sections are being presented in their entirety, rather than being incorporated by reference.

According to the CRL at the time the Agency adopted its redevelopment plans (excluding the Added Area) - a blighted area is one which is characterized by one or more of the following conditions which cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone:

1. Physical Blight: The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of such uses, which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime because of any one or more of the following factors:

- a. Defective design and character of physical construction;
- b. Faulty interior arrangement and exterior spacing;
- c. High density of population and overcrowding;
- d. Inadequate provisions for ventilation, light, sanitation, open spaces and recreational facilities; or
- e. Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

2. Economic Blight: A blighted area is characterized by properties which suffer from economic dislocation, deterioration, or disuse because of one or more of the following factors which cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which

cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone:

- a. The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development;
- b. The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions;
- c. The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment; and
- d. A prevalence of depreciated values, impaired investments, and social and economic maladjustment.

The conditions of blight concerning the Added Area comply with the post-AB 1290 blight definition as outlined in Sections 33030 and 33031 of the CRL. These definitions of physical and economic blight are presented below.

1. Physical blight includes the following:

- a. Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors;
- b. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors;
- c. Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area; and
- d. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

2. Economic blight includes the following:

- a. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority;
- b. Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities;
- c. A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions;

- d. Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare; and
- e. A high crime rate that constitutes a serious threat to the public safety and welfare.

The CRL also provides that deficient public improvements may be identified as a blighting condition under circumstances including the presence of physical and economic blight.

B. Existing Blight in Project Areas

The following conditions of blight have been identified in each of the constituent project areas and the Added Area at the time of adoption.

Amended Civic Center Project Area

Within the Amended Civic Center Project Area the following conditions of blight were identified:

Age, Obsolescence and Deterioration

Prior to the acquisition of property located at Walker and Orange, the area contained many residential buildings suffering from the effects of structural deterioration. The need for building maintenance was prevalent.

Mixed Character and Shifting of Uses

In addition to the deterioration of structures, portions of the Project Area suffered from an incompatible land use mix and the shifting of uses. Uses which vary from those designated by the General Plan comprised the Walker and Orange properties.

Faulty Exterior Spacing

Faulty exterior spacing of land uses in the Walker and Orange portion of the Project Area have been caused by inadequate parking areas for the existing land uses and poor ingress/egress. These problems primarily resulted in poor internal and external traffic circulation.

Irregular Parcelization

Irregular parcels existed in the Project Area in the form of landlocked parcels or parcels with inadequate access or visibility and, small or unusual parcel configurations.

Inadequate Public Improvements

Inadequate public improvements within the Project Area included storm drainage improvements; street improvements; park improvements; lack of a main line sewer within the former Wicker Drive roadway easement; and Anaheim School District and Cypress Elementary School District improvements.

Los Alamitos Race Track and Golf Course Project Area

Within the Los Alamitos Race Track and Golf Course Project Area the following conditions of blight were identified:

Age, Obsolescence and Deterioration

Most of the structures in the Project Area are in need of maintenance, and many are in need of rehabilitation. Many of the problems are a function of the age of the structures. The majority of the deteriorating buildings are structures that, over many years, have suffered due to deferred maintenance.

Economic Maladjustment

Economic maladjustment and impaired investments are visually evidenced in the area primarily by the existence of deteriorated commercial areas, as well as vacant parcels in the Project Area. The general prevalence of marginal businesses and the location of nonconforming uses are also potential deterrents to further investments in the area. This mixture of uses projects an atmosphere of older, past investments, rather than new economic potential.

Inadequate Public Improvements

Inadequate public improvements within the Project Area include street improvements necessary to fully implement redevelopment of the project area; traffic signalization improvements; railroad crossing improvements; street light improvements; bus bay construction and storm drainage improvements.

Lincoln Avenue Project Area

Within the Lincoln Avenue Project Area the following conditions of blight were identified:

Age, Obsolescence and Deterioration

Structural deterioration and dilapidation are prevalent in most portions of the Project Area. There are a number of badly maintained and obsolete structures in the vicinity of the Lincoln Avenue/Walker Avenue intersection, a portion of the City that is recognized by the Orange County Fire Department as poorly maintained and an area of possible hazards. Although this is the major concentration of obsolete structures, other examples can be found throughout the area.

Mixed Character and Shifting of Uses

In addition to the deterioration of structures, portions of the Project Area suffer from an incompatible land use mix and the shifting of uses. Uses which vary from those designated by the General Plan comprise a major part of this area.

Physical Construction

Due to the lack of modern building codes in effect at the time many of the older buildings in the Project Area were constructed, it is expected that many of the buildings in the Project Area do not meet modern safety standards. Many structures may violate codes for seismic safety, wiring and circuit protection.

Faulty Exterior Spacing

Faulty exterior spacing of land uses in the Project Area are caused by inadequate parking areas for the existing land uses and poor ingress/egress. These problems primarily resulted in poor internal and external traffic circulation. In some cases, these problems also result in the use of vacant parcels for informal parking or storage. Portions of the Project Area support land uses that do not have adequate exterior spacing to provide for proper internal circulation and parking.

Economic Maladjustment

Economic maladjustment and impaired investments are visually evidenced in the area primarily by the existence of deteriorated commercial and residential areas, as well as vacant parcels in the Project Area. The general prevalence of marginal businesses and the location of nonconforming uses are also potential deterrents to further investments in the area. This mixture of uses projects an atmosphere of older, past investments, rather than new economic potential.

Irregular Parcelization

Irregular parcels exist in the Project Area in the form of landlocked parcels or parcels with inadequate access or visibility and, small or unusual parcel configurations.

Inadequate Public Improvements

Inadequate public improvements within the Project Area include street improvements necessary to fully implement redevelopment of the project area and its vicinity; traffic signalization improvements; storm drainage improvements; public facility improvements such as restructuring of buildings and structures to meet California State earthquake standards and improvements to the Cypress Corporate Yard; sewer improvements and land acquisition, developer incentives, and relocation activities as necessary to effect the objectives of the redevelopment plan.

Lincoln Avenue Added Area

Within the Lincoln Avenue Added Area the following conditions of blight were identified:

Unsafe and Unhealthy/ Dilapidated/ Deteriorated Buildings

Conditions observed throughout the Added Area include aging buildings with deterioration and dilapidation including damaged roofs, exposed and damaged eaves, as well as dilapidated exterior stucco and doorways.

Defective Design/ Defective Physical Construction

Some portions of the Added Area exhibit defective design and/or physical conditions. The structures that are defective in design can create a structural hazard for the inhabitants.

Substandard Design

Substandard design characteristics have been observed in the Added Area, with some uses housed in facilities that are inadequate to meet their needs, a prevalence of excessive outdoor storage-both commercial and industrial, the presence of abandoned vehicles, chronic conditions of garbage dumping, and a predominance of debris littering the area.

Lack of Parking

In addition to the prevalence of excessive outdoor storage as well as garbage and debris accumulation, some Added Area parcels also lack adequate parking. Lack of parking, particularly in the area's commercial/industrial facilities is an indicator that parcels are too small to accommodate all the necessary onsite parking. It also indicates a condition of outdated design that can greatly affect the property's resale value.

Crime

Review of police and crime records for the parcels within the Added Area revealed a pattern of consistently high police calls for service and incidences of crime including grand theft, burglary, battery, terrorist threats, vandalism, drunk in public, disturbing the peace, and fighting.

Chapter III

Tax Increment Projections and Excess Surplus Report

Fiscal Analysis

Section 1 Tax Increment Projections

A. Introduction

The Agency has undertaken a fiscal analysis to assure that the Implementation Plan is developed within the context of the Agency's redevelopment needs, new, current and past programs, and current and prospective revenue resources available for redevelopment. This analysis is summarized in a five-year series of annual cash flow projections for each constituent area of the Merged Project Area and the Housing Fund. Key assumptions include 1) an analysis of projected net tax increment available for redevelopment projects; 2: a listing of debt service requirements and funding for current programs; and 3) other revenue sources and expenses.

B. Estimated Cash Flow for Amended Civic Center Constituent Project Area

Tax Increment Projections

Table 2 illustrates the five-year cash flow for the Amended Civic Center Constituent Project Area. For the Constituent Project Area, a two percent (2%) annual increase in assessed value and tax increment was assumed for the first four (4) fiscal years and a four percent (4%) increase was assumed for the fifth year.

Debt Service & Expenditures for Current Programs

Debt service payments reflect redevelopment activities and expenditures undertaken by the Agency to date. These activities have included participating with the City in the financing of the Civic Center development; acquisition of property and relocation of households within the Walker/Orange site; and construction of a senior citizens center.

Other Revenues and Expenses

No other revenues are anticipated to be generated by this Constituent Project Area.

Table 2 - Estimated Cash Flow for Amended Civic Center Constituent Project Area (\$000)

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Sources:					
BEGINNING FUND BALANCES	\$ 1,326.7	\$ 1,302.6	\$ 2,097.3	\$ 1,645.9	\$ 1,534.1
REVENUE:					
TAX INCREMENT:					
ORIGINAL	395.0	402.9	412.0	420.0	436.8
AMENDED	3,425.0	3,495.0	3,564.9	3,636.2	3,775.0
SERAF SHIFT	(947.5)	(201.0)			
INTEREST	13.0	32.5	55.0	57.5	40.0
PROCEEDS OF DEBT	0	0	7,000.0	0	0
TOTAL REVENUES	2,885.5	3,729.4	11,031.9	4,113.7	4,251.8
Uses:					
DEBT SERVICE:					
COP REFINANCING	462.4	460.7	467.9	468.9	473.5
CITY NOTES:					
\$7,000,000 - INTEREST	350.0	350.0	7,350.0	350.0	350.0
PASS THROUGH AGREEMENTS	1,220.0	1,244.4	1,270.0	1,295.4	1,350.0
HOUSING SET ASIDE	764.0	779.6	795.4	811.2	842.4
TRANSFER TO OTHER PROJECT AREA	-	-	1,500.0	1,200.0	1,200.0
DEV/CAPITAL EXPENDITURES	-	-	-	-	-
OPERATING EXPENDITURES	113.2	100.0	100.0	100.0	100.0
TOTAL EXPENDITURES	2,909.6	2,934.7	11,483.3	4,225.6	4,315.9
ENDING FUND BALANCE	1,302.6	2,097.4	1,645.9	1,534.1	1,469.9

Source: City of Cypress, Finance Department

Please note that Table 9 in Chapter IV references specific anticipated program expenditures for the Amended Civic Center Constituent Project Area.

C. *Estimated Cash Flow for Los Alamitos Race Track & Golf Course Constituent Project Area*

Tax Increment Projections

Table 3 illustrates the five-year cash flow for the Los Alamitos Race Track & Golf Course Constituent Project Area. For this project area, a two percent (2%) increase in assessed value and tax increment is assumed for the first four (4) years and a three and one half percent (3.5%) increase is assumed for the fifth year.

Debt Service & Expenditures for Current Programs

Debt service payments reflect loans from the City for future redevelopment activities.

Other Revenues and Expenses

No other revenues are anticipated to be generated by this Constituent Project Area.

**Table 3 - Estimated Cash Flow for Los Alamitos Race Track & Golf Course
Constituent Project Area (\$000)**

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Sources:					
BEGINNING FUND BALANCES	759.5	(896.4)	27.4	335.4	388.7
REVENUE:					
TAX INCREMENT:	1,455.0	1,485.0	1,515.0	1,545.3	1,600.0
SERAF SHIFT	(360.0)	(75.2)	-	-	-
TRANSFER TI FROM OTHER PROJECT AREA	-	2,200.0	1,500.0	1,200.0	1,200.0
INTEREST	10.0	1.0	1.0	2.0	2.0
PROCEEDS OF DEBT	-	-	32,500.0	-	-
TOTAL REVENUES	1,105.0	3,610.9	35,516.0	2,747.3	2,802.0
Uses:					
DEBT SERVICE:					
CITY NOTES:					
\$32,500,000	1,625.0	1,625.0	34,125.0	1,625.0	1,625.0
PASS THROUGH AGREEMENTS	550.0	565.0	580.0	610.0	625.0
HOUSING SET ASIDE	291.0	297.0	303.0	309.1	320.0
DEV/CAPITAL EXPENDITURES	-	-	-	-	-
OPERATING EXPENDITURES	294.9	200.0	200.0	150.0	150.0
TOTAL EXPENDITURES	2,760.9	2,687.0	35,208.0	2,694.1	2,720.0
ENDING FUND BALANCE	(896.4)	27.4	335.4	388.7	470.7

Source: City of Cypress, Finance Department

Please note that Table 10 in Chapter IV references specific anticipated program expenditures for the Los Alamitos Race Track and Golf Course Constituent Project Area.

D. Estimated Cash Flow for Lincoln Avenue Constituent Project Area including the Added Area

Tax Increment Projections

Table 4 illustrates the five-year cash flow for the Lincoln Avenue Constituent Project Area. For this project area, it is assumed that the assessed value and tax increment will increase over the five year period from two percent (2%) in the first four (4) years to four percent (4%) in the last year.

Debt Service & Expenditures for Current Programs

Debt service payments reflect loans from the City for future redevelopment activities.

Other Revenues and Expenses

No other revenues are anticipated to be generated by this Constituent Project Area. Operating expenditures during this five-year period indicate modest redevelopment activity in the Constituent Project Area.

Table 4 - Estimated Cash Flow for Lincoln Avenue Constituent Project Area (\$000)

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Sources:					
BEGINNING FUND BALANCES	\$ 2,586.2	\$ 2,590.2	\$ 70.8	\$ 130.8	\$ 250.8
REVENUE:					
TAX INCREMENT:	1,453.5	1,420.0	1,450.0	1,475.0	1,534.0
SERAF SHIFT	(345.0)	(72.8)	-	-	-
INTEREST	40.0	30.0	25.0	25.0	25.0
PROCEEDS OF DEBT	-	-	3,000.0	-	-
TOTAL REVENUES	1,148.5	1,377.2	4,475.0	1,500.0	1,559.0
Uses:					
DEBT SERVICE:					
CITY NOTES:					
\$3,000,000	150.0	150.0	3,150.0	150.0	150.0
PASS THROUGH AGREEMENTS	550.0	562.5	575.0	585.0	600.0
HOUSING SET ASIDE	290.7	284.0	290.0	295.0	306.8
TRANSFER TO OTHER PROJECT AREA	-	2,200.0	-	-	-
DEV/CAPITAL EXPENDITURES	-	500.0	250.0	250.0	-
OPERATING EXPENDITURES	153.8	200.0	150.0	100.0	100.0
TOTAL EXPENDITURES	1,144.5	3,896.5	4,415.0	1,380.0	1,156.8
ENDING FUND BALANCE	2,590.2	70.8	130.8	250.8	653.0

Source: City of Cypress, Finance Department

Please note that Table 11 in Chapter IV references specific anticipated program expenditures for the Lincoln Avenue Constituent Project Area.

Section 2 Housing Fund Analysis

As part of the housing strategy process, the Agency has identified current and projected future Housing Fund balances including deposits and deferrals. This fiscal analysis entails an evaluation of financial resources administered or controlled by the Agency which can be used to fund its affordable housing activities. In addition, the CRL requires that the amount available in the Housing Fund and the estimated amounts which will be deposited in the Housing Fund during each of the next five years of the Implementation Plan period be identified in this plan. Table 5 indicates the Housing Fund cash flow over the next five years and includes existing housing programs in the review.

Table 5 - Estimated Housing Fund Cash Flow with Existing Programs (\$000)

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Sources:					
BEGINNING FUND BALANCES	1,712.6	1,680.2	2,825.8	3,019.1	4,139.4
TRANSFERS IN:					
CIVIC CENTER	764.0	779.6	795.4	811.2	842.4
LINCOLN AVENUE	290.7	284.0	290.0	295.0	306.8
LOS ALAMITOS RACETRACK	291.0	297.0	303.0	309.1	320.0
REVENUE:					
LOAN PAYMENTS	15.0	15.0	15.0	10.0	10.0
CDBG REIMB. - COUNTY	180.0	100.0	-	-	-
INTEREST	18.0	20.0	40.0	45.0	80.0
OTHER	-	-	-	-	-
TOTAL REVENUES	3,271.3	3,175.8	4,269.1	4,489.4	5,698.6
Uses:					
HOUSING ASSISTANCE EXP.	1,391.1	150.0	1,000.0	150.0	500.0
OPERATING EXPENDITURES	200.0	200.0	250.0	200.0	200.0
TOTAL EXPENDITURES	1,591.1	350.0	1,250.0	350.0	700.0
ENDING FUND BALANCE	1,680.2	2,825.8	3,019.1	4,139.4	4,998.6

Source: City of Cypress, Finance Department

Please note that Table 31 in Chapter V references specific anticipated program expenditures from the Agency's Housing fund during the Implementation Plan period.

Section 3 **Excess Surplus Report**

AB 1290 strengthened the sanctions for an agency's failure to spend an excess surplus in the Housing Fund in an effort to address the widespread perception that, collectively, redevelopment agencies were not spending their Housing Fund monies quickly enough. Specifically, AB 1290 modified the definition of excess surplus, modified the time frame and means for encumbering an excess surplus to avoid penalties, and provided stronger penalties intended to encourage agencies to make timely expenditures of any excess surplus.

As redefined in AB 1290, an agency has an excess surplus when the unexpended and unencumbered amount in the agency's Housing Fund exceeds the greater of \$1,000,000 or the total amount deposited in the agency's Housing Fund during the preceding four years. AB 1290 makes clear that the first fiscal year to be included in determining whether an agency has an excess surplus is fiscal year 1989-90, and the first date on which an excess surplus may exist is July 1, 1994.

During the timeframe of the previous implementation plan period, the Agency did incur an excess surplus in the Housing Fund for a short period during fiscal year 2007-2008, but this surplus was timely expended through the successful completion of a transaction to acquire long term affordable covenants on 80 units in an apartment complex within the City. The Agency does not anticipate that excess surplus funds will be accumulated during the current implementation plan cycle based upon the Housing Fund cash flow projection outlined in Table 5 and the continued processing of existing and proposed programs and projects targeting low and moderate income households.

Chapter IV

Legislative Requirements, Goals & Objectives, Programs & Expenditures and Linkages to Blight Elimination

Section 1 Non-Housing Requirements

For non-housing activities, the CRL requires the Agency to include in the implementation plan:

- 1) the specific goals and objectives of the Agency for each project area;
- 2) the specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years;
- 3) an explanation of how the goals, objectives, the specific programs including potential projects and estimated expenditures will eliminate blight within each project area; and
- 4) an explanation of how the goals, objectives, the specific programs including potential projects and estimated expenditures will implement the Agency's housing obligations pursuant to the CRL.

Section 2 Proposed Agency Five-Year Goals and Objectives

A. Amended Civic Center Constituent Redevelopment Project Area

Facilitate a Higher Utilization of Property within the Project Area

- Explore potential opportunities for improvement and enhancement within or in the vicinity of the Project Area.
- Formulate a conceptual strategy for the improvement of underutilized parcels within the Project Area and implement development of the strategy with emphasis on the vacant tank farm facility and the surplus property designated at the Cypress School District office site (both at the intersection of Orange Avenue and Moody Street).

Promote Affordable Housing

- Consistent with the Agency's Comprehensive Affordable Housing Strategy and Inclusionary Housing Policy, pursue the inclusion of affordability covenants on a percentage of any residential units developed in the Project Area.

Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area

- Assist in the improvement of public infrastructure within the Project Area and outside the Project Area if benefiting the Project Area.

B. Los Alamitos Race Track & Golf Course Constituent Redevelopment Project Area

Pursue Major Economic Development Projects

- Stimulate new commercial expansion, employment and economic growth within the Project Area that provides economic growth to the Agency and other Pass Through entities.
- On a case by case basis, evaluate opportunities to provide financial or other forms of assistance to promote development and redevelopment in the Project Area to ensure that such projects are economically feasible.
- Pursue the disposition and commercial development of the Agency owned 13 acre property located on Katella Avenue between Winners Circle and the entrance to the Los Alamitos Race Track.

- Explore potential development opportunities at the 10 acre site located directly west of the Residence Inn on Katella Avenue.
- Continue to work with property owners and interested parties to advance the conceptual Master Plan for the Project Area.
- Outreach with existing and potential new businesses in the Project Area to encourage and promote business retention and expansion.

Promote Affordable Housing

- Implement existing and proposed affordable housing projects and programs outlined in this Implementation Plan and the Comprehensive Affordable Housing Strategy in order to enhance and increase the stock of quality affordable housing.

Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area

- Assist in the improvement of public infrastructure within the Project Area and outside the Project Area if benefiting the Project Area.
- Explore potential development of a community sports park complex in the Project Area.

C. Lincoln Avenue Constituent Redevelopment Project Area including the Added Area

Implement Completed Comprehensive Plan of Redevelopment

- Continue to implement the land use regulations and controls adopted in conjunction with the Lincoln Avenue Specific Plan to facilitate a higher and better utilization of the land uses within the Project Area thereby contributing to the public health, safety and welfare. Also, adopt a comprehensive sign program to further promote the aesthetic beautification of the Lincoln Avenue corridor.
- Actively pursue the redevelopment of the Agency owned parcels in the Project Area with a possible commercial project on the site adjacent to the Cypress Post Office and the development of residential uses on the site east of Valley View Street.

Strengthen the Economic Base of the Project Area and the Community

- Stimulate new commercial expansion, employment and economic growth within the Project Area, including the Added Area through implementation of the Action Recommendations adopted in the Lincoln Avenue Action Plan, including: a) exploration of major retail/commercial development opportunities at key intersections; b) promotion of commercial development activities at opportunity sites; c) encouragement of small business renovation; and d) pursuit of solutions to alleviate concerns raised by identified distressed sites.

- Explore potential development within and adjacent to the Orange County Transportation Authority (OCTA) right-of-way in an effort to facilitate transit oriented development.

Stimulate Construction Activity and Increase Employment in the Commercial Sector of the Community

- On a case by case basis, evaluate opportunities to provide financial or other forms of assistance to promote development and redevelopment in the Project Area to ensure that such projects are economically feasible.

Promote Affordable Housing

- Implement the affordable housing projects and programs outlined in this Implementation Plan and the Comprehensive Affordable Housing Strategy in order to enhance and increase the stock of quality affordable housing.

Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area

- Pursue public infrastructure improvements within the Project Area and outside the Project Area if benefiting the Project Area.

Section 3 Nexus Between Goals & Objectives to Blight Elimination

The following three (3) tables (Tables 6, 7, and 8) provide a matrix linking each of the project area goals and objectives to the alleviation of blight.

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

GOALS AND OBJECTIVES LINK TO BLIGHTING CONDITIONS MATRIX

AMENDED CIVIC CENTER CONSTITUENT PROJECT AREA

GOALS & OBJECTIVES	PHYSICAL CONDITIONS					ECONOMIC CONDITIONS				INFRASTRUCTURE
	UNSAFE BUILDINGS	PHYSICALLY OBSOLETE	INCOMPATIBLE USES	IRREGULAR LOTS	LOW PROPERTY VALUES HAZARDOUS WASTE	ECONOMICALLY OBSOLETE	RESIDENTIAL OVERCROWDING	HIGH CRIME RATE	INADEQUATE PUBLIC IMPROVEMENTS	
FACILITATE A HIGHER UTILIZATION OF PROPERTY		✓	✓	✓		✓				✓
PROMOTE AFFORDABLE HOUSING	✓	✓	✓	✓		✓	✓	✓		
MAINTAIN PUBLIC FACILITIES	✓	✓								✓

Table 6 - Amended Civic Center Constituent Project Area Nexus Between Goals & Objectives to Blight Elimination

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

GOALS AND OBJECTIVES LINK TO BLIGHTING CONDITIONS MATRIX

LOS ALAMITOS RACE TRACK & GOLF COURSE CONSTITUENT PROJECT AREA

GOALS & OBJECTIVES	PHYSICAL CONDITIONS					ECONOMIC CONDITIONS					INFRASTRUCTURE
	UNSAFE BUILDINGS	PHYSICALLY OBSOLETE	INCOMPATIBLE USES	IRREGULAR LOTS	LOW PROPERTY VALUES HAZARDOUS WASTE	ECONOMICALLY OBSOLETE	RESIDENTIAL OVERCROWDING	HIGH CRIME RATE	INADEQUATE PUBLIC IMPROVEMENTS		
PURSUE MAJOR ECONOMIC DEVELOPMENT PROJECTS			✓	✓		✓		✓	✓		
PROMOTE AFFORDABLE HOUSING	✓	✓	✓	✓		✓	✓	✓	✓		
MAINTAIN PUBLIC FACILITIES	✓	✓			✓			✓	✓		

Table 7 - Los Alamitos Race Track & Golf Course Constituent Project Area Nexus Between Goals & Objectives to Blight Elimination

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

GOALS AND OBJECTIVES LINK TO BLIGHTING CONDITIONS MATRIX

LINCOLN AVENUE CONSTITUENT PROJECT AREA INCLUDING THE ADDED AREA

GOALS & OBJECTIVES	PHYSICAL CONDITIONS				ECONOMIC CONDITIONS				INFRASTRUCTURE	
	UNSAFE BUILDINGS	PHYSICALLY OBSOLETE	INCOMPATIBLE USES	IRREGULAR LOTS	LOW PROPERTY VALUES HAZARDOUS WASTE	ECONOMICALLY OBSOLETE	RESIDENTIAL OVERCROWDING	HIGH CRIME RATE	INADEQUATE PUBLIC IMPROVEMENTS	
IMPLEMENT COMPLETED COMPREHENSIVE PLAN OF REDEVELOPMENT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
STRENGTHEN THE ECONOMIC BASE OF PROJECT AREA AND THE COMMUNITY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
STIMULATE CONSTRUCTION ACTIVITY AND INCREASE EMPLOYMENT IN THE COMMERCIAL SECTOR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PROMOTE AFFORDABLE HOUSING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MAINTAIN PUBLIC FACILITIES	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table 8 - Lincoln Avenue Constituent Project Area Nexus Between Goals & Objectives to Blight Elimination

Section 4 **Proposed Agency Programs to Eliminate Blighting Conditions**

Below is a general description of each of the Agency's non-housing programs proposed to alleviate the blighting conditions within each constituent project area.

A. Programs and Potential Projects

Business Assistance Programs

A business assistance program will assist property owners and businesses in the project areas to improve seismic safety, upgrade the appearance of commercial property through rehabilitation loans, expand their businesses, and locate businesses in the project areas.

Capital Improvement Programs

A number of infrastructure projects have been identified within the constituent project areas which include major street reconstruction, storm drain and sewer improvements, water capacity improvements, and streetscape and lighting improvements. Some capital projects that may be pursued during this Implementation Plan period could include but are not limited to the following:

- Sewer Improvements –
 - Grindlay Street from Lincoln Avenue to Orange Avenue
 - Orange Avenue from Moody Street to Julie Beth Street
 - Moody Street from Lemon Avenue to Orange Avenue
 - Moody Street from Alaska Avenue to Bishop Street
 - Lincoln Avenue from Moody Street to Watson Street
 - Lincoln Avenue east of Valley View Street
 - DeLong Street and Watson Street
 - Bishop Street east of Walker Street
- Storm Drain Improvements –
 - Moody Street from Orange Avenue to Ball Road
 - Walker Street from Vonnice Lane to the OCTA Right of Way
 - Danny Avenue and Walker Street
- General Capital Improvement Projects –
 - Community Park as identified in LART Conceptual Master Plan
 - New streets and infrastructure improvements as identified in LART Conceptual Master Plan

Comprehensive Planning Programs

Comprehensive planning, redesign, development, reconstruction or rehabilitation within the project areas is planned which would facilitate a higher and better utilization of the lands within the constituent project areas.

Specifically, the Agency anticipates advancing a master plan for the Los Alamitos Race Track and Golf Course Constituent Project Area. Examination and study of underutilized properties within both the Civic Center and Lincoln Avenue Constituent Project Areas is also anticipated during the Implementation Plan period in order to explore reuse and redevelopment potential for identified sites. The Agency may also explore land acquisition opportunities in response to and accordance with the provisions of Government Code § 50569, Education Code § 17485 et. seq., and the general provisions of the CRL to facilitate the redevelopment of underutilized constituent project area properties.

Economic Enhancement Programs

The Agency's efforts to enhance the commercial/industrial sector of the City consist of a variety of programs designed to address the needs of Cypress's existing businesses and to attract new businesses. Some of these may include: programs designed to address the issue of buildings which have become economically obsolete, particularly some of the hotel/motel buildings, a Commercial Property Improvement Assistance Program, and a business expansion and retention program.

The Agency also anticipates the active implementation of an effort to bring sustained retail/commercial development to both the Los Alamitos Race Track and Golf Course Constituent Project Area and the Lincoln Avenue Constituent Project Area during the Implementation Plan period.

Affordable Housing Programs

Programs to increase and improve the supply of affordable housing will continue to be pursued. Please refer to Chapter V for a more detailed description.

B. Five-Year Estimated Expenditures

The five-year estimated expenditures for the specific programs including potential projects proposed to be made over the next five years for each constituent project area are shown in Tables 9, 10, and 11.

Table 9 - Amended Civic Center Constituent Project Area Proposed Program Expenditures, 2010-2014

PROGRAM EXPENDITURES	2010	2011	2012	2013	2014
COMPREHENSIVE PLAN PROGRAM	None	None	None	None	None
DEBT SERVICE	\$815,000	\$810,000	\$7,820,000	\$820,000	\$825,000
HOUSING PROGRAMS	\$980,000	\$105,000	\$700,000	\$105,000	\$350,000

Table 10 - Los Alamitos Race Track Constituent Project Area Proposed Program Expenditures, 2010-2014

PROGRAM EXPENDITURES	2010	2011	2012	2013	2014
DEBT SERVICE	\$1,625,000	\$1,625,000	\$34,125,000	\$1,625,000	\$1,625,000
HOUSING PROGRAMS	\$210,000	\$22,500	\$150,000	\$22,500	\$75,000

Table 11 - Lincoln Avenue Constituent Project Area Proposed Program Expenditures, 2010-2014

PROGRAM EXPENDITURES	2010	2011	2012	2013	2014
BUSINESS ASSISTANCE PROGRAMS		\$100,000	\$50,000	\$50,000	
CAPITAL IMPROVEMENT PROGRAMS		\$400,000	\$200,000	\$200,000	
DEBT SERVICE	\$150,000	\$150,000	\$3,150,000	\$150,000	\$150,000
HOUSING PROGRAMS	\$210,000	\$22,500	\$150,000	\$22,500	\$75,000

Section 5 Nexus Between Proposed Programs and Expenditures to Blight Elimination

Table 12 details the Agency's proposed expenditures as they relate to the programs described above.

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014
PROGRAMS LINK TO BLIGHTING CONDITIONS MATRIX**

PROGRAMS & EXPENDITURES	PHYSICAL CONDITIONS					ECONOMIC CONDITIONS					INFRASTRUCTURE
	UNSAFE BUILDINGS	PHYSICALLY OBSOLETE	INCOMPATIBLE USES	IRREGULAR LOTS	LOW PROPERTY VALUES HAZARDOUS WASTE	ECONOMICALLY OBSOLETE	RESIDENTIAL OVERCROWDING	HIGH CRIME RATE	INADEQUATE PUBLIC IMPROVEMENTS		
BUSINESS ASSISTANCE PROGRAMS	✓	✓	✓	✓	✓	✓		✓	✓		
CAPITAL IMPROVEMENT PROGRAMS	✓	✓							✓		
COMPREHENSIVE PLANNING PROGRAMS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ECONOMIC ENHANCEMENT PROGRAMS	✓	✓	✓	✓	✓	✓			✓	✓	
AFFORDABLE HOUSING PROGRAMS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Table 12 - Nexus Between Proposed Programs and Expenditures to Blight Elimination

Chapter V

Goals & Objectives, Compliance Report, Affordable Housing Cost, Programs & Expenditures

Affordable Housing Strategy

Section 1 Introduction

This section of the Implementation Plan addresses the Agency's housing responsibilities and contains information addressing:

- the Agency's obligation to use twenty (20%) percent of tax increment to increase, improve and preserve the communities supply of low- and moderate-income housing (§33334.2);
- the requirement that assistance be targeted in at least the same proportion as the total number of housing units needed for very low- and low-income groups (§33334.4);
- the requirement that low and moderate income housing set aside is applicable to plans and amendments adopted prior to January 1, 1976 (§33334.6);
- if applicable, a section addressing Agency-developed and project area housing and/or replacement housing requirements (§33413).

In addition, the section addressing the Housing Fund must contain:

- the amount available in the Low and Moderate Income Housing Fund and the estimated amounts which will be deposited in the Low and Moderate Income Housing Fund during each of the next five years;
- a housing program with estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years; and
- a description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund over a ten year period for various groups as required by the CRL.

Section 2 **Housing Goals & Objectives**

This section of the Implementation Plan contains the goals and policies the Agency intends to implement that address a number of important housing related issues. Among the guiding documents for the Agency in the housing area is the City's Housing Element. Five major issue areas are addressed by the goals and policies of the City's Housing Element: 1) provide adequate sites to achieve a variety and diversity of housing; 2) promote equal housing opportunities; 3) assist in the provision of housing; 4) conserve the existing supply of affordable housing; and 5) remove governmental constraints to the provision of affordable housing as necessary.

In addition to the above Housing Element Goals, specific goals outlined in the Agency's Comprehensive Affordable Housing Strategy (adopted January 13, 2003) include the following:

- 1) pursue housing programs and projects that maximize the Agency's ability to meet its replacement and inclusionary affordable housing obligations, both for the short term (10 year period) and long term (life of the component Redevelopment Plans that comprise the Merged Redevelopment Plan);
- 2) institute policies that promote residential projects within the Agency's Project Areas to comply with CRL affordable housing requirements;
- 3) maximize the use of the Agency's Low and Moderate Income Housing Fund (LMIHF) to meet the goals and objectives of the Housing Strategy;
- 4) develop programs that encourage and support homeownership for low and moderate-income households;
- 5) develop programs and projects that address and improve deteriorated housing units;
- 6) establish programs that monitor, conserve, and improve the existing supply of affordable housing within the community;
- 7) ensure that existing affordable housing units remain affordable;
- 8) pursue housing programs and projects that meet the needs of the community; especially those groups that are impacted most severely by the lack of affordability of the general housing market; and
- 9) pursue housing programs and projects that assist the City in meeting its housing obligations as established in the Housing Element of the City of Cypress' General Plan.

Each issue area and the supporting goals and policies outlined in the Housing Element are identified and discussed in the following section.

A. Housing Opportunities

The City and Agency encourage the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs. The maintenance of a balanced inventory of housing in terms of unit type (e.g. single-family, multiple-family, etc.), cost, and style will ensure that the existing variety is maintained. Areas of the City have a distinct character due in large part to the density and housing type of their existing residential neighborhoods. New housing constructed in the City should be compatible with the character of the surrounding neighborhood in particular and the City in general.

GOAL 1: Provide adequate sites to achieve a variety and diversity of housing.

B. Accessibility of Housing

Housing opportunities in the City must be made available to all persons regardless of age, income, or race. The diverse make-up of the region will continue to attract a wide variety of people. The Agency has made a strong and firm commitment that fair housing practices will continue in Cypress.

GOAL 2: Promote equal opportunity for all residents to reside in the housing of their choice.

C. Maintenance and Preservation of Housing

The State of California has made housing preservation and conservation a high statewide priority. While most of the City's housing stock is in good condition, several neighborhoods contain concentrations of housing deterioration. Through both its participation in CDBG and Home Enhancement Loan programs, the Agency offers low or no interest rehabilitation loans as an incentive for unit upgrading.

GOAL 3: Increase the supply of sound housing at prices affordable by all segments of the community through the rehabilitation of substandard housing units.

GOAL 4: Maintain the supply of sound, affordable housing in Cypress through the conservation of the currently sound housing stock.

D. Removing Governmental Constraints

Cypress' Housing Element addresses the removal of governmental constraints affecting the maintenance, improvement, and development of housing within the City. The mitigation of constraints on residential development to facilitate the construction of a variety of housing types is pursued through the implementation of various programs.

GOAL 5: Mitigate any potential government constraints to housing production and affordability.

Section 3 Compliance with Housing Obligations

A. Introduction

The Agency's housing obligations to be addressed in this Implementation Plan will be analyzed in this section. This section will discuss the Agency's compliance with the following CRL provisions: 1) Agency's Housing Fund Requirement; 2) the Replacement Housing Requirement; and 3) the Project Area Housing Production Requirement.

B. Redevelopment Agency's Housing Obligations

Housing Fund Requirement

As noted in previous sections, the Agency is obligated to use twenty percent (20%) of tax increment to increase, improve, and preserve the community's supply of low and moderate income housing. Table 5 in Chapter 3 outlines the projected amounts available in the housing fund for the upcoming five year implementation plan cycle.

Sections 5 and 6 of this chapter will examine specific housing programs and projects anticipated within the next five years and the number of units to be assisted.

Replacement Housing Requirements

Whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the market as part of a redevelopment project subject to a written agreement with the Agency, the Agency must cause to be developed an equal number of replacement dwelling units within four (4) years from the date of destruction. Effective January 1, 1991, replacement dwelling units must have an equal or greater number of bedrooms as those removed units at affordable housing costs within the territorial jurisdiction of the Agency. For units removed after September 1, 1989, California law requires that seventy five percent (75%) of the replacement units be affordable to the same income groups that occupied the units removed. For units removed on or after January 1, 2002, one hundred percent (100%) of the replacement units must be affordable to the same (or lower) income group that occupied the units removed.

Replacement housing must remain affordable for low-, very low-, and moderate-income persons or households for the longest feasible time, but not less than fifty five (55) years for rental units and forty five (45) years for homeownership units. The affordability controls on such units must be made enforceable by recorded covenants or restrictions against the applicable parcel.

The Agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

- The total number of bedrooms in the replacement dwelling units equal or exceed the number of bedrooms in the destroyed or removed units.
- The replacement units are affordable to the same income level of households as the destroyed or removed units.

Replacement Housing Analysis

The following analysis confirms the Agency is in compliance with its replacement housing obligations.

Destroyed or Removed Dwelling Units

Set forth in Technical Appendix A is a table comprised of detailed information regarding all of the units destroyed or removed from the market within all three constituent project areas, along with all of the information that is required to determine the replacement requirements for each unit destroyed or removed. The following Table 13 and Table 14 are a compilation of the information contained in Technical Appendix A. Table 13 shows the number of units destroyed and the number of bedrooms contained in each unit and provides the total number of bedrooms destroyed. Table 14 indicates the number of units destroyed by income group of the last occupant and the number of replacement units required at each income level.

Table 13 - Number of Bedrooms Destroyed/Removed from the Market Housing Persons and Families of Low and Moderate Income

Number of Bedrooms in Unit	Number of Units	Total Number of Bedrooms
One	4	4
Two	13	26
Three	8	24
Four	1	4
	26	58

Source: City of Cypress

Table 14 - Number of Dwelling Units Destroyed/Removed from the Market by Income Group

Income Level	Number of Units	Number of Replacement Units (and Bedrooms) Required at Income Level²
Very Low	7	5 (10 bedrooms)
Low	12	9 (20 bedrooms)
Moderate	7	5 (14 bedrooms)
Very low, Low or Moderate		7 (14 bedrooms)
	26	26 (58 bedrooms)

Source: City of Cypress

Measurement of Replacement Housing Performance

A comparison of Table 13 and Table 15 shows that the Agency has met the replacement requirements triggered by the redevelopment effort that caused the removal of dwelling units on the Wicker Drive property in the 1980's and 1990's. Therefore, the Agency is in compliance with this obligation.

A list of the developments used to meet the Agency's replacement obligation, which includes the number of replacement units, income level of each unit and the total number of bedrooms is shown in Table 15.

²The numbers in this column represent seventy-five percent (75%) of the total number of units required at each income level.

Table 15 - List of Replacement Units

DEVELOPMENT	NUMBER OF REPLACEMENT UNITS	INCOME LEVEL	TOTAL NUMBER OF BEDROOMS
CYPRESS PARK SENIOR COMMUNITY	13 units	Very low	13
	12 units	Low	12
	6 units	Moderate	6
CYPRESS SUNRISE APARTMENTS	1 unit	Low	1
SUMNER PLACE	1 unit	Very low	2
HABITAT FOR HUMANITY	4 units	Low	12
	3 units	Very Low	12
	SUBTOTAL	Very low: 27	
		Low: 25	
		Moderate: 6	
	TOTAL		58
	40 units		

Source: City of Cypress

Housing Production Analysis (“AB 315 Plan”)

Legislation enacted in 1991 (AB 315) and subsequently amended by AB 1290, SB 732, and AB 637, requires the Agency, as part of the Implementation Plan, to adopt a plan for each constituent project area showing how the Agency intends to meet its housing production requirement. This plan must be consistent with the community's housing element, must be reviewed and, if necessary, amended at least every five years in conjunction with either the housing element cycle or the implementation plan cycle. The plan must ensure that the housing production requirements are met every ten years.

The Agency's housing production plan must contain:

- 1) estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within one or more project areas, both over the life of the plan and during the next ten (10) years;
- 2) estimates of the number of units for very low-, low- and moderate-income households required to be developed within one or more project areas in order to meet the housing production requirements of dwelling units developed by public or private entities or persons other than the redevelopment agency, both over the life of the plan and during the next ten (10) years;
- 3) the number of units for very low-, low and moderate-income households which have been developed by public or private entities or persons other than the redevelopment agency within one or more project areas which meet the affordability provisions for housing production;
- 4) estimates of the number of Agency developed residential units which will be developed during the next five years, if any, within one or more project areas; and

- 5) estimates of the number of agency developed units for very low-, low- and moderate-income households which will be developed by the Agency during the next five years that meet the affordability provisions for housing production.

Measurement of Past Production Performance

In the Agency's first production plan, the production estimates took into account units produced to-date plus the number projected to be produced in the ten-year planning period. The method of determining the Agency's obligations for housing production that has already taken place in each project area is an approach which emphasizes a precise accounting of production. A careful review of building permit records was performed to obtain the exact number of residential units constructed and rehabilitated within each project area. In addition, a review of the Agency files was conducted to establish the terms of any affordability controls previously placed on these units. The following information describes the amount and type of housing production occurring in each constituent project area.

Amended Civic Center Constituent Project Area

In 1987, the Agency purchased a 1.8 acre site within the Civic Center Project Area for the purpose of reselling it to a non-profit corporation who received HUD 202/8 monies for the construction of a senior rental project. The Cypress Sunrise Apartments were completed in September 1988, and are fully occupied. This project contains seventy five (75) senior rental housing units with twenty three (23) units reserved for very low income residents, fifty one (51) units designated for low income tenants, and one (1) unrestricted unit reserved for an on-site manager. These units must remain affordable until March 2029. In promoting the development of the senior housing project the Agency utilized housing set-aside funds (totaling approximately \$80,000) to provide the balconies and a tile roof for the project.

In 1989, the Agency Board adopted an Amended Redevelopment Plan adding approximately 158 gross acres to the existing Civic Center Redevelopment Plan. The increased land area consisted of an abandoned petroleum products tank farm and ancillary heating facilities. The entire tank farm facility was demolished and the oily soil underwent clean up.

The 148 acre former tank farm site was master planned and ultimately developed with 671 single-family residences. The Agency assisted the project through an Owner Participation Agreement (OPA) between the Agency and the developer, Cypress Homes, Inc. Under the OPA, the City acted as a conduit for the formation of a Mello-Roos District and for the issuance of bonds to construct public improvements benefiting the project and pledged \$4.5 million of tax increment to be utilized for the construction of

storm drain facilities which would benefit the Cypress Homes project and surrounding areas.

The first phase of construction, consisting of the installation of public improvements and 166 units, began in the fall of 1990. Construction of all 671 units is now complete.

In 1994, the Agency entered into an agreement with the Cypress Park Senior Community, a one hundred twenty four (124) unit residential housing complex for elderly persons, to reserve twenty eight (28) units for low and moderate income tenants. An amended declaration, executed in June, 1996, added the requirement for the provision of three (3) additional units reserved for moderate income tenants. Affordability covenants for the thirteen (13) very low income and twelve (12) low income units expire in April, 2025. The remaining units must remain affordable until March, 2029.

In response to City Council/Agency Board direction, a comprehensive effort to redevelop the "Wicker Drive" parcels east of the Civic Center complex was undertaken in 2002. The vacant, Agency owned site consisted of twenty five (25) small, often land locked parcels totaling approximately seven and one half (7.5) acres in area. A Parcel Map was processed to allow a reversion and division of the multiple parcels into two developable parcels, with the two (2) acre western most parcel retained for Civic Center renovations, and the five (5) acre eastern parcel sold to Fieldstone Communities who facilitated the development of forty (40) single family dwelling units. All units were completed and occupied by late 2003.

Lincoln Avenue Constituent Project Area including the Added Area

Several housing projects have been developed within the Lincoln Avenue Project Area in the recent past. The one hundred ten (110) unit Cypress Pointe Senior Community was completed in the fall of 1993. This project is subject to a Density Bonus and Operating Agreement in which the developer has agreed to make available ten percent (10%) of the units at affordable housing cost to persons and households of very low income for the life of the redevelopment plan.

A forty two (42) unit condominium project named the Grand Lincoln Village was built in 1991 and was subject to a density bonus agreement. This agreement required that seven (7) of the units be set-aside for purchase at affordable housing cost to persons and households of low-income for a period of ten (10) years. The affordability controls for this project do not meet the duration requirements mandated for replacement housing and/or housing production.

A thirteen (13) unit townhome project located at Lincoln Avenue and Grindlay Street was completed in 2004. In response to negotiations, an Affordable Housing

Agreement between the Agency and the developer was entered into that reserved two (2) units for low income households and three (3) units for moderate income households for a term of forty five (45) years.

A sixty three (63) unit townhome project on the northeast corner of Lincoln Avenue and Sumner Place was completed in July, 2007. An Affordable Housing Agreement was approved in conjunction with the development to provide ten (10) units affordable to moderate income households. The term of affordability for the ten (10) restricted units is forty five (45) years, in compliance with CRL requirements.

A seven (7) unit townhome project developed at the northwest corner of Lincoln Avenue and Sumner Place entered into an agreement to provide a fee to the Agency in lieu of providing an affordable unit on site in order to assist in the future provision of an affordable unit.

The affordability provisions associated with this and the above referenced townhome developments have been provided in response to the adoption of the Agency's Inclusionary Housing Policy.

In response to one of the recommendations outlined in the Comprehensive Affordable Housing Strategy adopted in January, 2003, the Agency successfully negotiated a partnership opportunity with Habitat for Humanity of Orange County to construct seven (7) for-sale condominium units reserved for very low income families within the Lincoln Avenue Project Area. The Agency provided a loan to facilitate Habitat's purchase of the parcel that acted as the development site, located at 8882 Walker Street, just north of Lincoln Avenue. The project was completed and all units were sold to income qualified families in December, 2007.

In April, 2009, the Agency completed a transaction to acquire long term affordability covenants on eighty (80) of the one hundred seventy (170) units at the Tara Village apartment complex. The covenants reserve forty (40) units for very low income tenants and forty (40) units for low income households for a period of fifty five (55) years, in compliance with CRL requirements. The Tara Village property was added to the Lincoln Avenue Project Area in June, 2005 when the amendment to merge project areas was adopted.

Los Alamitos Race Track & Golf Course Constituent Project Area

The Los Alamitos Race Track & Golf Course Project Area contains no housing development. The City's General Plan and the Specific Plan for the Project Area do not currently provide for residential land uses.

The Agency's Past Production Performance is summarized in Table 16. Contained in Table 16 is the following information: 1) whether the units were privately developed or developed by the Agency; 2) the number of units produced in each constituent project area; 3) the number of units by income type required to be affordable as defined under AB 315; 4) the number of units by income type that comply with the affordability provisions set forth in AB 315; and 5) the number of units the Agency is obligated to produce or cause to be produced within the next ten years to comply with the past housing production requirements.

CYPRESS REDEVELOPMENT AGENCY

PAST HOUSING PRODUCTION PERFORMANCE

Project Area	Developed/ Rehabilitated By	Number of Units Produced	Production Obligation as Defined in AB 315	Units in Compliance	Past Production Obligation ³
Civic Center:					
Cypress Sunrise Apts.	Private	75	Very low 54.6	Very low 23	Very low 31.6
Sorrento Homes	Private	671	Low & Moderate 81.2	Low & Moderate 50	Low & Moderate 31.2
Cypress Park Senior Fieldstone	Private	49			
Subtotal		910	136.5	73	63.5
Los Alamitos Race Track & Golf Course: None					
Lincoln Avenue:					
Cypress Pointe Senior	Private	110	Very low 18.4	Very low 55	Very low (36.6)
Grand Lincoln Village	Private	42	Low & Moderate 27.5	Low & Moderate 55	Low & Moderate (27.5)
9122 Walker	Private	9			
6242 Lincoln	Private	36			
6202 Lincoln	Private	19			
5231 Lincoln	Private	13			
4801 Lincoln	Private	63			
4761 Lincoln	Private	7			
8882 Walker	Private	7			
5201 Lincoln	Private	170			
Subtotal		476	45.9	110	(64.1)
Total	Private	1386	Very low 73 Low & Moderate 109.4 182.4	Very low 78 Low & Moderate 105 183	Very low (5) Low & Moderate 4.4 (0.6) ⁴

Source: City of Cypress

³ Past production obligation represents the total number of affordable units required to be developed over the next 10 years (2010-2019) to comply with the Agency's production obligation within the constituent project areas.

⁴ Numbers in parentheses represent a surplus of units in compliance with affordability requirements. Therefore, the Agency has met its production obligation based on past housing production in the constituent project areas.

Table 16 - Past Production Performance through 2009

Measurement of Production Obligation for Each Constituent Project Area Over the Life of the Redevelopment Plan

The Agency's housing production plan must contain an analysis of the production obligation over the life of the redevelopment plan. Table 17 provides the following information: 1) number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased in each constituent project area over the life of the redevelopment plan based on general plan land use; 2) the number of units required to meet the housing production requirements over the life of the redevelopment plan; and 3) the number of units which have been developed that meet the affordability provisions for housing production.

Measurement of Production Obligation for Each Constituent Project Area Over the Next Ten Years

The production obligation for each constituent project area over the next ten (10) years is calculated by adding together past production performance and the number of units estimated to be developed in each constituent project area over the next ten (10) years. Table 18 provides the following information: 1) number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased in each constituent project area over the next ten (10) years; 2) the number of units required to meet the housing production requirements over the next ten (10) years; and 3) the number of units which have been developed which meet the affordability provisions for housing production.

Current law requires an agency's affordable housing production responsibility to be fulfilled on a project area-by-project area basis. Because an amendment to merge project areas was approved in 2005, the Agency's housing production obligation may be fulfilled across constituent project areas.

The City of Cypress has limited vacant land available for additional residential development and relies on residential infill and the recycling of underutilized properties for the provision of additional housing stock. The Housing Element of the General Plan targets the northern portion of the City, encompassing Lincoln Avenue, as the most viable area for targeted, large-scale new residential development within the City. Due to the City's built out land use character and the generally high quality of the existing housing stock throughout the City, aggregating new residential development across constituent project areas with a focus along Lincoln Avenue will not promote or exacerbate racial, ethnic, or economic segregation.

AB 1290 enables an agency to meet its obligation in the aggregate among designated project areas if the agency finds, based on substantial evidence after a public hearing, that such aggregation will not cause or exacerbate racial, ethnic, or economic segregation. By adopting this plan, the Agency hereby makes this finding.

CYPRESS REDEVELOPMENT AGENCY

HOUSING OBLIGATION OVER THE LIFE OF THE REDEVELOPMENT PLAN

Project Area	Private or Agency Developed	No. of Units To Be Produced ⁵	Production Obligation Requirement			Units in Compliance with Affordability Requirements			Remaining Production Obligation		
			Very Low	Low & Mod	Very Low & Mod	Very Low	Low & Mod	Very Low & Mod	Very Low	Low & Mod	Very Low & Mod
Civic Center:											
Cypress Sunrise Apts.	Private	75	4.5	6.8	23	50					
Cypress Park Senior	Private	124	7.4	11.1	0	0					
Sorrento Homes	Private	671	40.3	60.4	0	0					
Fieldstone	Private	40	2.4	3.6	0	0					
Anticipated Units	Private	16	1.0	1.4	N/A	N/A					
Subtotal		926	55.6	83.3	23	50			32.6		33.3
Los Alamitos Race Track & Golf Course: None											
Lincoln Avenue:											
Cypress Pointe Senior	Private	110	6.6	9.9	11	0					
Grand Lincoln Village	Private	42	2.5	3.8	0	0					
9122 Walker Street	Private	9	0.5	0.8	0	0					
6242 Lincoln	Private	36	2.2	3.2	0	0					
6202 Lincoln	Private	19	1.2	1.7	0	0					
5231 Lincoln	Private	13	0.8	1.2	0	5					
4801 Lincoln	Private	63	3.8	5.7	0	10					
4761 Lincoln	Private	7	0.4	0.6	0	0					
6882 Walker	Private	7	0.4	0.6	4	0					
5201 Lincoln	Private	170	0	0	40	40					
Anticipated Units	Private	670	40.2	60.3	N/A	N/A					
Subtotal		1,146	58.6	87.8	55	55			3.6		32.8

Source: City of Cypress

⁵ Based on the approximate total number of units to be produced in each constituent project area according to the 2001 General Plan Update and the 2008 Housing Element Update.

Table 17 - Measurement of Production Obligation for Each Constituent Project Area Over the Life of the Redevelopment Plan

CYPRESS REDEVELOPMENT AGENCY

HOUSING PRODUCTION OBLIGATION OVER NEXT TEN YEARS FOR THE REDEVELOPMENT PLAN

Project Area	Private or Agency Developed	No. of Units To Be Produced ⁶	Production Obligation Requirement		Units in Compliance with Affordability Requirements		Remaining Production Obligation	
			Very Low	Low & Mod	Very Low	Low & Mod	Very Low	Low & Moderate
Civic Center:								
Cypress Sunrise Apts.	Private	75	4.5	6.8	23	50		
Cypress Park Senior	Private	124	7.4	11.1	0	0		
Sorrento Homes	Private	671	40.3	60.4	0	0		
Fieldstone	Private	40	2.4	3.6	0	0		
Anticipated Units	Private	8	0.5	0.7	N/A	N/A		
Subtotal		918	55.1	82.6	23	50	32.1	32.6
Los Alamitos Race Track & Golf Course: None								
Lincoln Avenue								
Cypress Palms Senior	Private	110	6.6	9.9	11	0		
Grand Lincoln Village	Private	42	2.5	3.8	0	0		
9122 Walker Street	Private	9	0.5	0.8	0	0		
6242 Lincoln	Private	36	2.2	3.2	0	0		
6202 Lincoln	Private	19	1.2	1.7	0	0		
5231 Lincoln	Private	13	0.8	1.2	0	5		
4801 Lincoln	Private	63	3.8	5.7	0	10		
4761 Lincoln	Private	7	0.4	0.6	0	0		
8882 Walker	Private	7	0.4	0.6	4	0		
5201 Lincoln	Private	170	0	0	40	40		
Anticipated Units	Private	304	18.2	27.4	N/A	N/A		
Subtotal		780	36.6	54.9	55	55	(18.4)	(0.1)

Source: City of Cypress

⁶ The anticipated units to be produced is calculated by dividing the anticipated unit production over the life of the plan by the remaining plan duration (from 2010) and multiplying by 10.

Table 18 - Measurement of Production Obligation for Each Constituent Project Area Over the Next Ten Years

Conclusion

Replacement Housing Plan

As noted earlier, the Agency has satisfied its replacement housing obligations for units destroyed at the Wicker Drive property through the provision of replacement units as outlined in Table 15. Table 19 indicates the Agency's compliance standing relative to replacement housing.

Table 19 - Summary of the Agency's Housing Replacement Obligation

REPLACEMENT HOUSING OBLIGATION	
NUMBER OF UNITS BY INCOME CATEGORY	TOTAL NUMBER OF BEDROOMS
SATISFIED	SATISFIED

Source: Cypress Redevelopment Agency

Housing Production Plan

Based on the estimated number of units to be produced in the Agency's constituent project areas in accordance with the 2008 General Plan Housing Element Update and including past production, the Agency is obligated to produce or cause to be produced the following number and type of units over the next ten (10) years:

Table 20 - Summary of the Agency's Housing Production Obligation

NUMBER OF UNITS	INCOME LEVEL
OVER THE LIFE OF THE REDEVELOPMENT PLAN:	
36.2	Very Low
66.1	Low/Mod
OVER THE NEXT TEN YEARS:	
13.7	Very Low
32.5	Low/Mod

Source: Cypress Redevelopment Agency

The portion of the Housing Production Plan that ensures that the housing production requirements are met every ten (10) years is located in Chapter V, Section 5 of this Plan.

C. *Regional Housing Needs Assessment*

The Regional Housing Needs Assessment (RHNA) prepared by Southern California Association of Governments (SCAG) identifies a community's need for new housing units over the effective period of the Housing Element. SCAG establishes goals for a total number of units to be

distributed among four (4) income categories: very low, low, moderate, and upper income.

Table 21 indicates that SCAG has estimated there will be a need for approximately 451 new housing units in Cypress for the period from 2008 through 2014. The distribution of the required units among the four (4) income categories is depicted in the table.

Housing developed and permits issued as of January, 2006 can be credited toward the City's future RHNA for the 2008-2014 period. Using housing production figures derived from the 2008 Housing Element of the General Plan, the City's total RHNA obligation may be reduced by 232 units, resulting in a remaining housing need of 253 units.

Table 21 - SCAG Regional Housing Needs Assessment, 2008-2014, Household Needs by Income

INCOME CATEGORY	NUMBER OF UNITS	PERCENT OF TOTAL	UNITS AS OF 1/06	REMAINING HOUSING NEED
Very Low (0-50% County median income)	98	22%	0	98
Lower (50-80% County median income)	79	17%	0	79
Moderate (80-120% County median income)	89	20%	13	76
Upper (over 120% County median income)	185	41%	219	0
Total	451	100%	232	253

Source: Southern California Association of Governments and City of Cypress

The RHNA for Cypress and requirements under the City's Housing Element are not Agency requirements but do provide a basis for Agency planning of its future affordable housing obligations.

CRL (as instituted by AB 637) requires a redevelopment agency to expend its housing fund dollars to assist very low and low income households in at least the same proportions as the total number of housing units needed for each of these income groups bears to the total number of persons of very low, low, and moderate income need, as identified in the community's housing element, over the duration of its Redevelopment Implementation Plan.

Table 22 depicts the required proportional allocation of set-aside funds as dictated by the City's RHNA obligation. Specifically, the Agency would be required to expend at least thirty nine percent (39%) of its Housing Funds on very low income households and thirty one percent (31%) on low income households during the five (5) year Implementation Plan period.

Table 22 – Proportional Allocation of Set-Aside Funds/Per Housing Element

Income Category	Allocation of	
	Remaining Housing Need	Housing Set-Aside Funds
Very Low	98	39%
Lower	79	31%
Moderate	76	30%
Total	253	100%

Source: City of Cypress

CRL also limits the Housing Fund dollars that an agency may spend on senior housing to the proportion of persons sixty five (65) years of age and over to the general population of the City. Approximately ten and one half percent (10.5%) of the City of Cypress' population is sixty five (65) years of age or older.

Proportionality Analysis

Table 23 sets forth the housing fund expenditures for low income households over the previous five (5) year period. Additionally, the data presented in [Appendix B](#) outlines the housing units available to families with children, as required by CRL.

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

HOUSING FUND EXPENDITURES FOR LOW INCOME HOUSEHOLDS

PROJECTS AND PROGRAMS	AFFORDABILITY	EXPENDITURE AMOUNT					SUBTOTAL	TOTAL
		2005	2006	2007	2008	2009		
Rental Unit Covenant Purchase	Extremely Low						\$2,900,000	\$5,800,000
	Very Low Lower						\$2,900,000	
Rehabilitation Program	Extremely Low	\$10,000					\$10,000	\$60,000
	Very Low	\$10,000	\$10,000				\$20,000	
	Lower	\$10,000	\$20,000				\$30,000	
TOTAL	Extremely Low	\$10,000					\$10,000	\$5,860,000
	Very Low	\$10,000	\$10,000				\$2,920,000	
	Lower	\$10,000	\$20,000				\$2,930,000	

Table 23 - Housing Fund Expenditures, 2005-2009

Section 4 **Affordable Housing Cost**

A. **Overview; Income Level Definitions**

Affordable housing is safe and decent housing that different income level households can afford to rent or buy. The Housing Fund must be spent on housing which is "available at affordable housing cost" to persons and households whose incomes do not exceed the low- and moderate-income level. The general definition of maximum income level for very low, low, and moderate-income households is set forth in Table 24, based on calculations established by the California Housing and Community Development Department using United States Department of Housing and Urban Development ("HUD") standards. Thus, the general requirement is that housing set-aside funds cannot be used to assist or provide housing which will be for persons or families whose incomes exceed one hundred twenty percent (120%) of the area median. Other requirements target use of the Housing Fund for lower income households and very low income households.

Table 24 - Definition of Income Categories

Income Categories	Definition
Very Low	Households earning not more than 50% of the area median income adjusted for household size
Lower	Households earning over 50% and not more than 80% of the area median income adjusted for household size.
Moderate	Households earning over 80% and not more than 120% of the area median income adjusted for household size.

Source: U.S. Department of Housing and Urban Development

The following Table 25 identifies annual income by family size for all the income categories for Orange County as defined by the U.S. Department of Housing and Urban Development and adopted by the State of California Department of Housing and Community Development as of April, 2009. Household sizes of one through four persons have been chosen to illustrate income levels.

Table 25 - Annual Income by Family Size for Income Categories

Household Size	Very Low Income	Lower Income	Median Income	Moderate Income
1	Not more than \$32,550	Not more than \$52,100	\$60,250	Not more than \$72,300
2	Not more than \$37,200	Not more than \$59,500	\$68,900	Not more than \$82,650
3	Not more than \$41,850	Not more than \$66,950	\$77,500	Not more than \$92,950
4	Not more than \$46,500	Not more than \$74,400	\$86,100	Not more than \$103,300

Source: State of California Department of Housing and Community Development, April, 2009

The above figures are adjusted annually and thus the above chart is for illustration purposes only.

B. Affordable Housing Cost

Affordable housing cost definitions apply for different income levels, and the definition is not the same for rental housing as for owner-occupied housing.

Rental Housing

For rental housing required to be available at affordable housing cost to very low income households (defined as households at or below fifty percent (50%) of median income), annual rents (including utility allowance) may not exceed thirty percent (30%) of fifty percent (50%) of area median income, adjusted for family size appropriate to the unit.

For rental housing required to be available at affordable housing cost to lower income households [defined as households between fifty one percent (51%) and eighty percent (80%) of median income], annual rents (including utility allowance) may not exceed thirty percent (30%) of sixty percent (60%) of area median income, adjusted for family size appropriate for the unit. In addition, if the gross income of the lower income household is between sixty percent (60%) and eighty percent (80%) of median income, the Agency may optionally set rents at a level not to exceed thirty percent (30%) of the actual gross income of the household.

For rental housing required to be available at affordable housing cost to moderate income households [defined as households between eighty one percent (81%) and one hundred twenty percent (120%) of median income], annual rents (including utility allowance) may not exceed thirty percent (30%) of one hundred ten percent (110%) of the area median income, adjusted for family size appropriate for the unit. In addition, if the gross income of the moderate income household is between one hundred ten percent (110%) and one hundred twenty percent (120%) of the median income, the Agency may optionally set rents at a level not to exceed thirty percent (30%) of the actual gross income of the household.

The option of setting rents at a level not to exceed a certain percentage of actual gross income of the household is not recommended because the practice of setting rents to actual income makes projections of the revenue to be generated by a particular development uncertain prior to actual rent-up of the development, and means that project owners may be required to decrease rents if occupant households experience any decreases in income, threatening the feasibility of the development.

Owner-Occupied Housing

For owner-occupied housing required to be available at affordable housing cost to very low-income households, housing cost shall not exceed thirty percent (30%) of fifty percent (50%) of the area median income, adjusted for family size appropriate for the unit.

For owner-occupied housing required to be available at affordable housing cost to lower income households between fifty percent (50%) and seventy percent (70%) of the area median income, housing cost shall not exceed thirty percent (30%) of seventy percent (70%) of the area median income, adjusted for family size appropriate for the unit. In addition if the gross income of the lower income household is between seventy percent (70%) and eight percent (80%) of area median income, the agency may optionally require that housing cost not exceed thirty percent (30%) of the actual gross income of the household.

For owner-occupied housing required to be available at affordable housing cost to moderate income households, annual housing cost shall not exceed thirty five percent (35%) of one hundred ten percent (110%) of area median income, adjusted for family size appropriate for the unit, nor shall it be less than twenty eight percent (28%) of the gross income of the household. In addition, if the actual gross income of the moderate income household exceeds one hundred ten percent (110%) of the area median income, the agency may optionally require that housing cost not exceed thirty five percent (35%) of the actual gross income of the household.

Summarizing affordable housing cost limits, Table 26 defines the legal limits on affordable housing costs (including a reasonable utility allowance) for units assisted with redevelopment funds.

Table 26 - Affordable Housing Costs Definitions

Income Level	Affordable Rental	Affordable Owner Occupied
Very Low	30% of 50% of the area median income	30% of 50% of the area median income
Lower	30% of 60% of the area median income	30% of 70% of the area median income
Moderate	30% of 110% of the area median income	35% of 110% of the area median income, but no less than 28% of actual income

Source: California Health & Safety Code, Section 50052.5 and 50053

For example, Table 27 and Table 28 set out the affordable monthly housing costs applicable for calendar year 2009 for a two (2) person household, three (3) person household and a four (4) person household for multifamily rental and single family owner-occupied housing units in Orange County where the median annual income for a four (4) person household is currently \$86,100. For this analysis, renters' affordable housing cost is unadjusted for utility costs. For homeowners, the affordable housing cost is unadjusted for taxes and insurance.

Table 27 - Affordable Monthly Housing Costs, Rental Housing, Maximum of Income Category

Household Size	Very Low Income	Lower Income	Moderate Income
2	\$861	\$1,034	\$1,895
3	\$969	\$1,162	\$2,131
4	\$1,076	\$1,292	\$2,368

Source: Cypress Redevelopment Agency

Table 28 - Affordable Monthly Housing Costs, Owner-Occupied, Maximum of Income Category

Household Size	Very Low Income	Lower Income	Moderate Income
2	\$861	\$1,206	\$2,211
3	\$969	\$1,356	\$2,486
4	\$1,076	\$1,507	\$2,762

Source: Cypress Redevelopment Agency

(The above are illustrations only. The figures vary from year to year)

Section 5 Implementation of Affordable Housing Programs

A. Introduction

In addition to the non-housing programs, the implementation plan must also describe how the Agency will spend its Housing Fund dollars to increase, improve and preserve the community's supply of low- and moderate-income housing at an affordable housing cost as defined in the Health & Safety Code.

The implementation plan must contain, for each of the five (5) years, an annual housing program with sufficient detail to measure performance pursuant to the implementation plan: the number of housing units developed, rehabilitated, price-restricted, otherwise assisted, or destroyed. If the implementation plan does describe a project in which units will be destroyed, the plan must identify proposed locations suitable for the replacement of those dwelling units.

The following is a list of those programs which the Agency expects to begin or continue within the next five (5) years, the number of affordable housing units and the targeted income levels and the type of assistance provided. Other projects and programs may be considered and developed in lieu of, or in addition to those shown.

B. Affordable Housing Programs

Multi-Family Residential Programs

Rental Deposit Guarantee Program

This program would assist income qualified renters currently residing in local area motels with funds to cover the initial "up-front" costs of securing an apartment. Up to \$3,000 could be allocated per household to cover first and last month's rent and the security deposit. Program participants would be required to satisfactorily complete a financial and "life skills" training program before receiving assistance. The Agency could partner with a non-profit organization to provide these and all services associated with this program.

Community Rental Rehabilitation Program

This program would provide funds for the upgrade of deteriorating and substandard rental properties within the City to assist income qualified tenants within the complexes. The comprehensive rehabilitation of targeted rental properties could be undertaken through the pooling of public funds from various agencies (County Housing Authority, HUD, State, etc.) along with possible private investment (matching funds) provided by the property owners. A

rental rehabilitation program focusing on the series of 4-plexes located in the 6000 block of Lemon and Lime Avenues was recently developed and it is anticipated that the program will remain active through the current Implementation Plan period.

Mixed Use Housing Development Program

This program would promote the development of affordable housing units within mixed use developments. This would allow residents ease of access to public systems for transportation, recreation, shopping, and education. Possible projects may be pursued at key opportunity sites identified in the Lincoln Avenue Action Plan, which was adopted on July 8, 2002. The two parcels acquired by the Agency on Lincoln Avenue may also represent viable mixed use development sites that could facilitate the provision of substantial affordable units in conjunction with the residential component of the project.

Owner-Occupied Housing Programs

Neighborhood Clean-Up Program

This program would pursue clean up events for neighborhoods with income qualified households. The provision of funds and/or materials for the purpose of performing deferred maintenance and repair (including exterior painting and roof repair) to properties could be incorporated into the program. In conjunction with the rehabilitation effort, trash receptacles could also be provided to assist with waste disposal and neighborhood clean up. The program could be administered in conjunction with the provisions of proactive code enforcement activity. The Cypress Acres and Lemon/Lime areas may be viable neighborhoods in which to initiate the program.

Single Family Residential Rehabilitation Program

This program provides funds to income qualified single family homeowners to assist with the provision of interior and exterior improvements to their homes. Loans of up to \$20,000 are currently available to prospective program participants. One possible program modification to consider may involve nominally increasing the maximum loan amount available (to perhaps \$25,000 - \$30,000) to compensate for the increase in construction costs since initial program implementation. Another possible modification could involve increasing the program's forgivable loan amount from \$10,000 to \$20,000 for income eligible applicants.

First Time Homebuyer Programs

A hybrid homeownership program focusing on the provision of subsidy assistance for a percentage of units reserved as affordable in new condominium developments proposed within the Project Areas has been implemented and should continue to be pursued. This program serves as an implementation tool to assist new condominium developments in complying with the Agency's newly adopted Inclusionary Housing Policy.

The Agency's existing Home Equity Loan Program (HELP I) also remains operational. A possible HELP I program modification could include exploration of an increase in the subsidy amount available to qualified applicants to help cover the gap between the market rate cost for homes and the loan amount that an applicant can qualify for.

Assistance for Preservation of Affordable Units

This effort will assist the Agency in preserving existing subsidized housing units. An agreement between the Agency and the owners of the Tara Village apartment complex was recently approved to secure long term affordability covenants on eighty (80) of the complex's low and very low income units. These covenants will assure that the units remain affordable for a minimum term of fifty five (55) years.

Table 29 and Table 30 list each potential program, the number of units proposed to be provided and the potential income level household to be addressed.

**CYPRESS REDEVELOPMENT AGENCY
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PROPOSED ANNUAL HOUSING PROGRAM

PROGRAM/PROJECT	CATEGORY	STATUS	NUMBER OF UNITS					TOTAL
			2010	2011	2012	2013	2014	
PROGRAMS WITH ASSISTANCE TO MULTI-FAMILY PROJECTS:								
RENTAL DEPOSIT GUARANTEE PROG.	Rent Subsidy	Planning	0	2	3	3	4	07
COMMUNITY RENTAL REHAB PROGRAM	Multi-Family Rehab	Program Approved	3	4	4	3	3	08
MIXED USE HOUSING DEVELOPMENT PROGRAM	New Construction	Planning	0	0	5	5	5	15
PROGRAMS WITH ASSISTANCE TO SINGLE FAMILY PROJECTS:								
NEIGHBORHOOD CLEAN UP PROGRAM	Single-Family	Program Approved	0	4	5	4	4	09
1 ST TIME HOMEBUYER PROGRAMS	Single-Family	Implemented	0	5	5	5	3	18
SINGLE FAMILY RESIDENTIAL REHABILITATION PROGRAMS	Single-Family Rehab	Implemented	3	4	5	5	3	010
PRESERVATION OF AFFORDABLE UNITS								
	Preservation	Implemented	80	-	-	-	-	80
TOTAL								113

7 Unless long term affordability covenants are secured, the units assisted with this program will not count as affordable units.

8 (See comment on footnote 7, above.)

9 (See comment on footnote 7, above.)

10 (See comment on footnote 7, above.)

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

NUMBER OF AFFORDABLE HOUSING UNITS

PROJECT AND PROGRAMS	AFFORDABILITY	NUMBER OF UNITS							TOTAL
		2010	2011	2012	2013	2014	SUBTOTAL		
Multi-Family	Very Low	0	0	1	0	0	1		
	Lower	0	0	0	2	4	6		
	Moderate	0	0	4	3	1	8	15	
Owner-Occupied	Very Low	0	2	3	4	3	12		
	Lower	0	2	1	1	0	4		
	Moderate	0	1	1	0	0	2	18	
Assistance for Preservation	Very Low	40	0	0	0	0	40		
	Lower	40	0	0	0	0	40		
	Moderate	0	0	0	0	0	0	80	
TOTAL	Very Low						53		
	Lower						50		
	Moderate						10	113	

Table 30 - Number of Affordable Housing Units, 2010-2014

Section 6 Five-Year Estimated Expenditures

Table 31 sets forth the estimated expenditures for Fiscal Year 2009-10 through Fiscal Year 2013-14 from the Agency's Housing Fund. These figures are estimates only. A different combination of expenditures may be considered and made in lieu of, or in addition to those shown.

Table 31 - Housing Fund, Estimated Expenditures, 2010-2014

	2010	2011	2012	2013	2014
MULTI-FAMILY RESIDENTIAL PROGRAMS	\$125,000	\$50,000	\$400,000	\$75,000	\$300,000
OWNER-OCCUPIED HOUSING PROGRAMS	\$75,000	\$100,000	\$600,000	\$75,000	\$200,000
PRESERVATION OF AFFORDABLE UNITS PROGRAMS	\$1,200,000				

Table 32 sets forth the estimated Housing Fund expenditures by income category for proposed projects and programs over the five (5) year Implementation Plan period.

**CYPRESS REDEVELOPMENT AGENCY
FIVE-YEAR IMPLEMENTATION PLAN
2010-2014**

HOUSING FUND ESTIMATED EXPENDITURES

PROJECTS AND PROGRAMS	AFFORDABILITY	EXPENDITURE AMOUNT						SUBTOTAL	TOTAL
		2010	2011	2012	2013	2014			
Multi-Family	Very Low	\$75,000	\$30,000	\$300,000				\$405,000	
	Lower	\$50,000	\$20,000	\$25,000	\$40,000	\$250,000		\$385,000	
	Moderate			\$75,000	\$35,000	\$50,000		\$160,000	\$950,000
Owner Occupied	Very Low			\$450,000	\$50,000	\$200,000		\$700,000	
	Lower	\$25,000	\$25,000	\$100,000	\$25,000			\$175,000	
	Moderate	\$50,000	\$75,000	\$50,000				\$175,000	\$1,050,000
Preservation	Very Low	\$700,000						\$700,000	
	Lower	\$500,000						\$500,000	
	Moderate								\$1,200,000
TOTAL	Very Low	\$775,000	\$30,000	\$750,000	\$50,000	\$200,000		\$1,805,000	
	Lower	\$575,000	\$45,000	\$125,000	\$65,000	\$250,000		\$1,060,000	
	Moderate	\$50,000	\$75,000	\$125,000	\$35,000	\$50,000		\$335,000	\$3,200,000

Table 32 – Housing Fund Estimated Expenditures, 2010-2014

Chapter VI

Monitoring & Compliance

Administration of the Implementation Plan

Section 1 Implementation Plan

As outlined in the beginning of this document, the Agency is required to produce an Implementation Plan every five (5) years. After adoption of the first implementation plan, a new plan is to be adopted every five (5) years either in conjunction with the housing element cycle or the implementation plan cycle. The Agency may amend the implementation plan at any time after conducting a public hearing on the proposed amendment.

At least once within the five (5) year term of this Plan, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation for each redevelopment project. This hearing must take place no earlier than two (2) years and no later than three (3) years after the adoption of the Implementation Plan.

Section 2 Monitoring and Reporting of Housing Activity

The Agency must monitor affordable housing developed or otherwise made available pursuant to any provision of the CRL. This monitoring applies to units developed without Housing Fund assistance, if the housing is located within a project area.

As part of such monitoring, the owners or managers of the affected housing must submit annual reports to the Agency. For rental housing, the annual reports to the Agency must set forth the rental rate and income and family size of the occupants of each unit (with the income information certified by each occupant). For owner-occupied housing, the owner's annual report to the Agency must disclose whether there was

an ownership change during the year and, if so, the income and family size of the new owner.

The Agency may impose fees on the owners of monitored property to defray the costs of the monitoring system. The information obtained from the new monitoring system is to be used in meeting the annual reporting requirements to the State Controller for the Agency's housing activities.

APPENDIX A

**CYPRESS REDEVELOPMENT AGENCY
PROPERTY ACQUISITION & RELOCATION DATA**

PARCEL NO.	ASSESSOR PARCEL NO.	STREET ADDRESS	OWNER	PURCHASE DATE	NO. OF UNITS	DATE UNIT(S) DESTROYED	DATE REPLACEMENT UNIT(S) REQUIRED	NO. OF BEDROOMS	INCOME LEVEL OF LAST OCCUPANT
2	244-451-02	5361 Wicker 5363 Wicker	Cypress Redevelopment Agency	03/07/83	2	January 1991	N/A ¹ January 1995	N/A 3	Above Moderate Moderate
3	244-451-03	5371 Wicker 5373 Wicker 5381 Wicker 5383 Wicker	Cypress Redevelopment Agency	08/26/85	4	January 1991	N/A ² January 1995	N/A 3 3 3	Above Moderate Low Very low Lower
4	244-451-04	5391 Wicker 5391½ Wicker 5401 Wicker 5411 Wicker 9375 Walker	Cypress Redevelopment Agency	08/08/89	5	January 1991	January 1995	2 1 1 1 1	Moderate Very low Low Low Very low
5	244-451-05	9371 Walker 9361 Walker	Cypress Redevelopment Agency	08/94	2	July 1996	N/A ³ July 2001	N/A 2	Above Moderate Low
6	244-451-06	9381 Walker	Cypress Redevelopment Agency	06/13/89	1	January 1991	January 1995	3	Low
7	244-451-07	9401 Walker	Cypress Redevelopment Agency	03/07/83	1	May 1987	Not required ⁴	N/A	N/A
8	244-451-08	5452 Wicker	Cypress Redevelopment Agency	03/07/83	1	January 1991	January 1995	2	Lower
9	244-451-09	9411 Walker	Cypress Redevelopment Agency	03/07/83	1	January 1991	January 1995	2	Lower
10	244-451-10	9421 Walker	Cypress Redevelopment Agency	12/30/94	N/A	N/A	N/A	N/A	N/A

PARCEL NO.	ASSESSOR PARCEL NO.	STREET ADDRESS	OWNER	PURCHASE DATE	NO. OF UNITS	DATE UNIT(S) DESTROYED	DATE REPLACEMENT UNIT(S) REQUIRED	NO. OF BEDROOMS	INCOME LEVEL OF LAST OCCUPANT
11	244-451-11	N/A	Cypress Redevelopment Agency	03/07/83	0	N/A	N/A	N/A	N/A
12	244-451-12	9451 Walker	Cypress Redevelopment Agency	03/07/83	1	January 1991	January 1995	3	Moderate
13	244-451-13	9461 Walker	Cypress Redevelopment Agency	09/29/89	2	January 1991	January 1995	2 2	Very low
14	244-451-14	9471 Walker	Cypress Redevelopment Agency			Chamber of Commerce			
15	244-451-15	5421 Orange	Cypress Redevelopment Agency			Vacant lot			
16	244-451-16	5411 Orange	Cypress Redevelopment Agency	03/05/92	1	December 1994	December 1999	3	Lower
17	244-451-17	5423 Orange 5425 Orange	Cypress Redevelopment Agency	03/05/92	2	December 1994	December 1999	2 2	Moderate Very-low elderly
18	244-451-18	5401 Orange	Cypress Redevelopment Agency	03/05/92	1	December 1994	December 1999	2	Lower
19	244-451-19	Well Site	Cypress Redevelopment Agency	03/05/92	N/A	Vacant lot	N/A	N/A	N/A
20	244-451-20	5381 Orange	Cypress Redevelopment Agency	03/05/92	1	December 1994	December 1999	4	Moderate
21	244-451-21	5371 Orange	Cypress Redevelopment Agency	03/05/92	1	December 1994	December 1999	3	Moderate
22	244-451-22		Cypress Redevelopment Agency	03/07/83	N/A	N/A	N/A	N/A	N/A
23	244-451-23	5392 Wicker	Cypress Redevelopment Agency	03/07/83	1	December 1974	Not required ⁵	Vacant	N/A

PARCEL NO.	ASSESSOR PARCEL NO.	STREET ADDRESS	OWNER	PURCHASE DATE	NO. OF UNITS	DATE UNIT(S) DESTROYED	DATE REPLACEMENT UNIT(S) REQUIRED	NO. OF BEDROOMS	INCOME LEVEL OF LAST OCCUPANT
24	244-451-24	5402 Wicker 5404 Wicker 5406 Wicker 5412 Wicker	Cypress Redevelopment Agency	06/21/89	4	January 1991	January 1995	2 2 2 2	Low Low Moderate Very low
25	244-451-25	N/A	Cypress Redevelopment Agency	03/07/83	N/A	N/A	January 1995	N/A	N/A
26	244-451-26	Well Site	Cypress Redevelopment Agency						
Total								1-Bedroom: 4 2-Bedroom: 13 3-Bedroom: 8 4-Bedroom: 1	Very low: 7 Lower: 12 Moderate: 7

Source: Cypress Planning Department

¹The dwelling unit was last occupied by an above moderate-income household. Replacement of this unit is not required.

²Ibid.

³Ibid.

⁴Dwelling unit was destroyed before the property was acquired by the Agency.

⁵Destroyed by City before Project Area formed.

APPENDIX B

Housing Units Available to Families with Children

2005 - 2009

Block No.	Street	Fund Amount	Income Level	# of Units	Household Size
5200	Lincoln Avenue	\$2,900,000.00	Very low	40	Varies
5200	Lincoln Avenue	\$2,900,000.00	Low	40	Varies
	TOTAL	\$5,800,000.00		No. of Units	80

APPENDIX C

IMPLEMENTATION PLAN REVIEW

CYPRESS REDEVELOPMENT AGENCY

**A SUMMARY REVIEW BY FISCAL YEAR OF THE
PROGRESS OF THE REDEVELOPMENT PLAN FOR
THE CYPRESS MERGED AND AMENDED
REDEVELOPMENT PROJECT AREA AS RELATED TO
THE CYPRESS REDEVELOPMENT AGENCY
IMPLEMENTATION PLAN FIVE YEAR GOALS &
OBJECTIVES BEGINNING FISCAL YEAR 2004/2005
THROUGH FISCAL YEAR 2008/2009**

Civic Center Component Area of the Cypress Merged and Amended Redevelopment Project Area

Implementation Plan 5-Year Goals and Objectives

1. **Facilitate a Higher Utilization of Property Within the Project Area**
 - Complete the improvements planned for the Civic Center and explore potential additional opportunities for further improvement and enhancement within or in the vicinity of the Project Area.
 - Formulate a conceptual strategy for the improvement of underutilized parcels within the Project Area and implement development of the strategy.
2. **Promote Affordable Housing**
 - Consistent with the Agency's recently adopted Comprehensive Affordable Housing Strategy and Inclusionary Housing Policy, pursue the inclusion of affordability covenants on a percentage of residential units developed in the Project Area.
3. **Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area**
 - Assist in the improvement of public infrastructure within the Project Area and outside the Project Area if benefitting the Project Area.

Fiscal Year 2004-2005 Achievements

- Continued administration of the Agency's Home Enhancement Loan Program. (Goal No. 2)
- A number of Civic Center complex improvement items were completed during this period, including the following:
 - Complete reconstruction of the Civic Center complex's parking facilities;
 - Construction of six (6) new tennis courts.(Goal Nos. 1 & 3)
- The Agency monitored the development and reuse potential of both the underutilized 3 acre tank farm facility on the southeast corner of Orange Avenue and Moody Street, as well as the Cypress School District's maintenance yard facility, which has been designated by the District as surplus property. (Goal No. 1)
- The Agency completed a plan amendment which merged the three Project Areas, updated the Project Area capital improvement list, and added a limited number of parcels to the Merged Project Area. (Goal Nos. 1, 2, & 3)

Fiscal Year 2005-2006 Achievements

- During the fiscal year, the following improvements to the Civic Center complex were completed:
 - Construction of a new police evidence and storage building;
 - Construction of new public restroom facilities to serve the Civic Center complex and the numerous special events held on the Civic Center Green. (Goal No. 1)
- The Agency continued to monitor the reuse potential of the underutilized three (3) acre tank farm facility at Orange and Moody. The property underwent extensive soil and site remediation in preparation for a possible sale for the likely purpose of future low density residential development. (Goal No. 1)
- Agency staff participated in ongoing discussions with the Cypress School District to examine possible reuse alternatives for the surplus property at the District's Administrative Office site. One possible development option that was explored was the provision of affordable senior housing on the property. (Goal Nos. 1 & 2)
- Continued administration of the Agency's affordable housing programs. (Goal No. 2)

Fiscal Year 2006-2007 Achievements

- During the fiscal year, the comprehensive renovation of the Cypress Community Center was undertaken. (Goal Nos. 1 & 3)
- Extensive soil and site remediation continued on the 3 acre tank farm facility in anticipation of a future sale for the purpose of low density residential development. (Goal No. 1)
- Discussions between Agency staff and Cypress School District representatives continued regarding potential reuse of the School District's maintenance yard, which has been designated as surplus property. (Goal Nos. 1 & 2)
- In response to newly adopted California Community Redevelopment Law legislation, an ordinance that describes the Cypress Redevelopment Agency's program to acquire real property by eminent domain has been adopted in compliance with the provisions of Senate Bill 53. (Goal Nos. 1, 2, & 3)
- A revised Statement of Proceedings, which describes the land within the project area and confirms that proceedings for the redevelopment of the project area have been instituted, has been prepared and recorded with the County Clerk in compliance with the requirements of Senate Bill 1809. (Goal Nos. 1, 2, & 3)

Fiscal Year 2007-2008 Achievements

- During the fiscal year, the Agency continued to monitor redevelopment potential for the remaining underutilized parcels within the Project Area. Specific focus was placed on the

development and reuse potential of both the underutilized three (3) acre tank farm facility on the southeast corner of Orange Avenue and Moody Street, as well as the Cypress School District's maintenance yard facility, which has been designated by the District as surplus property. Soil and site remediation of the tank farm property was completed during the fiscal year and the property was marketed for sale. (Goal No. 1)

- The following improvements were completed at the Cypress Community Center during the fiscal year:
 - Complete renovation and upgrade of the building interior
 - Provision of additional building square footage to the main assembly area
 - Comprehensive redesign of the facility's entrance area
 - Parking area expansion
 - Landscape upgrades
 - Access upgrades (Goal No. 1)
- A mid-term review of the Agency's Five Year Implementation Plan (2005-2009) was conducted in December 2007, in compliance with CRL requirements. (Goal No. 1)
- A series of Agency workshops were held to review the tools, financing methods, activities, and other development provisions available to the Agency to achieve the goals and development opportunities desired within the Project Area. (Goal Nos. 1, 2, & 3)

Fiscal Year 2008-2009 Achievements

- Monitoring of development opportunities for the few remaining underutilized parcels within the Project Area continued during the fiscal year. (Goal No. 1)
- Staff continued to remain open to reuse potential for the tank farm facility and the surplus Cypress School District property, both located in proximity to Orange Avenue and Moody Street. During the fiscal year, negotiations to sell the tank farm property to a private entity for residential development continued and the School District utilized a land use consulting firm to explore reuse alternatives at the District's office site. (Goal No. 1)
- During the fiscal year, staff continued to implement the provisions of the Agency's Five Year Implementation Plan. (Goal No. 1)
- Staff also began preparation of an update to the Five Year Implementation Plan for the coming Plan cycle spanning the period from 2010-2014. (Goal Nos. 1, 2, and 3)

Los Alamitos Race Track & Golf Course
Component Area of the Cypress Merged and Amended
Redevelopment Project Area

Implementation Plan 5-Year Goals and Objectives

1. Pursue Major Economic Development Projects

- Stimulate new commercial expansion, employment and economic growth within the Project Area that provides economic growth.
- On a case by case basis, evaluate opportunities to provide financial or other forms of assistance to promote development and redevelopment in the Project Area to ensure that such projects are economically feasible.
- Implement a Disposition and Development Agreement with Costco Wholesale Corporation.
- Continue to work with the selected developer to achieve the retail/commercial development of the two parcels adjacent to the Costco project.
- Continue to work with property owners and interested parties to advance the conceptual Master Plan for the Project Area.
- Outreach with existing and potential new businesses in the Project Area to encourage and promote business retention and expansion.

2. Promote Affordable Housing

- Implement existing and proposed affordable housing projects and programs outlined in this Implementation Plan and the recently adopted Comprehensive Affordable Housing Strategy in order to enhance and increase the stock of quality affordable housing.

3. Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area

- Assist in the improvement of public infrastructure within the Project Area and outside the Project Area if benefiting the Project Area.

Fiscal Year 2004-2005 Achievements

- Agency staff continued exploration of the pursuit of a varied and economically diverse land use mix within the Project Area as outlined in the conceptual master plan adopted by the City Council in 2002. (Goal No. 1)
- Agency staff met with or contacted each property owner to solicit their comments, suggestions, interests and visions regarding the potential future revitalization and redevelopment of the area. (Goal No. 1)
- A mutually beneficial land use agreement was negotiated to allow the Cottonwood Christian Center (CCC) to purchase and develop an approximately 30 acre portion of the property

previously improved with the Cypress Golf Course and to allow the Agency to acquire CCC's property at the corner of Walker Street and Katella Avenue in order to pursue future commercial development opportunities. (Goal No. 1)

- A Disposition and Development Agreement between Costco Wholesale and the Agency was approved to facilitate the retail/commercial development of the 14.9 acre Costco site located at the northwest corner of Walker Street and Katella Avenue. Construction of the 150,000 square foot Costco building was also completed during the fiscal year. (Goal No. 1)
- During the fiscal year, terms were successfully negotiated for the disposition and development of the "out parcels" adjacent to the Costco site with specialty retail and restaurant development. (Goal No. 1)
- Construction of commercial/retail development was completed at the seven (7) acre property located between the Residence Inn and the entrance to the Los Alamitos Race Track. (Goal No. 1)
- The Agency completed a plan amendment to merge the three Project Areas, update the Project Area capital improvement list, and add parcels to the merged Project Area. (Goal Nos. 1, 2, & 3)

Fiscal Year 2005-2006 Achievements

- During the fiscal year, staff continued to explore pursuit of a varied and economically diverse land use mix within the Los Alamitos Race Track Project Area, as outlined in the conceptual master plan for the area adopted by the City Council in 2002 and revised in 2005. (Goal No. 1)
- Staff continued to work closely with area property owners as master plan preparation and implementation has proceeded, in order to assure the seamless and satisfactory redevelopment of the area. (Goal No. 1)
- During the reporting period, staff has worked diligently through negotiations with key property owners to assure that an economically viable mix of land uses are available in the Project Area to satisfy the projected need for commercial, residential, recreational, and institutional uses in the area. (Goal No. 1)
- A Disposition and Development Agreement was completed with a retail/commercial development firm (Jones Development) to facilitate the sale of the two "out parcels" adjacent to the Costco site for the development of a restaurant and specialty commercial uses. (Goal No. 1)

Fiscal Year 2006-2007 Achievements

- Preliminary efforts to explore pursuit of a land use mix for the Project Area as outlined in the conceptual master plan for the area are ongoing. (Goal No. 1)

- Staff continues to work closely with area property owners as land use alternatives for the Project Area are explored and master plan preparation and implementation are pursued. (Goal No. 1)
- Construction commenced on the first phase of the Cottonwood Christian Center development, located at the western edge of the City on Katella Avenue. (Goal Nos. 1 & 3)
- Construction commenced on a 24,600 square foot medical office building located on the southwest corner of Walker Street and Cerritos Avenue. (Goal No. 1)
- Construction of the “out parcel” buildings adjacent to the Costco site was completed and all buildings have been fully leased and occupied. (Goal No. 1)
- During the reporting period, the Agency acquired the approximately 13 acre property located at the northwest corner of Katella Avenue and Winners Circle. Following the acquisition, a focused Request for Proposals (RFP) was circulated to identify a suitable commercial retail development company to facilitate the disposition and development of the property. As a result of the RFP process, an exclusive negotiation agreement was entered into with Hopkins Real Estate Group to negotiate and explore the feasibility of developing the site. (Goal No. 1)

Fiscal Year 2007-2008 Achievements

- Efforts to explore pursuit of a land use mix for the Project Area as outlined in the conceptual Master Plan for the area are ongoing. During the fiscal year, a fiscal land use revenue analysis was prepared to further explore the economic benefits and ramifications of pursuing varied land use scenarios in the area. The analysis illustrated the fiscal viability of a series of land use options that incorporated a mix of retail, commercial, office, and residential development. Based on these findings, exploration of future Master Plan implementation will continue. (Goal Nos. 1, 2, & 3)
- In conjunction with the preparation and subsequent revision of the Master Plan for the Los Alamitos Race Track and Golf Course Project Area, Agency staff has met with or contacted property owners to solicit their comments, suggestions, interests and visions regarding the potential future revitalization and redevelopment of the area. Staff will continue to work closely with area property owners as land use alternatives are explored and the Master Plan preparation and implementation continue, to assure the seamless and satisfactory redevelopment of the Project Area. (Goal No. 1)
- During the fiscal year, a workshop was held to obtain Agency Board input and direction concerning goals and potential opportunities for future activities within the Los Alamitos Race Track and Golf Course component area of the Cypress Merged and Amended Redevelopment Project Area. The input received will assist in goal and strategy identification as an updated Five Year Implementation Plan is prepared. (Goal Nos. 1, 2, & 3)
- Staff has worked diligently through negotiations with key property owners to assure that an economically viable mix of land uses are available in the Project Area to satisfy the projected need for commercial, residential, recreational, and institutional uses in the area. Some

projects of note that completed construction during the fiscal year included the first phase of the Cottonwood Christian Center development, located at the western edge of the City on Katella Avenue, and the 24,600 square foot medical office building located on the southwest corner of Walker Street and Cerritos Avenue. (Goal Nos. 1, 2, & 3)

- Construction of two buildings totaling 12,350 square feet on the parcel fronting on Katella Avenue and Winners Circle and a freestanding 6,350 square foot building on the corner of Walker Street and Katella Avenue is complete and the “out parcel” buildings are all fully leased and occupied with service, general, and quick serve food user retail as well as a full service sit down restaurant. (Goal No. 1)
- Construction of the retail/commercial facility on the seven (7) acre property between the new Residence Inn and the entrance to the Los Alamitos Race Track is complete and all retail space has been fully leased. (Goal No. 1)
- During the fiscal year, a disposition and development agreement with Hopkins Real Estate Group was approved to facilitate the sale and commercial development of the Agency-owned 13 acre site located on Katella Avenue between Winners Circle and the entrance to the race track. (Goal No. 1)

Fiscal Year 2008-2009 Achievements

- Efforts to explore pursuit of a land use mix for the Project Area as outlined in the conceptual Master Plan for the area continue. (Goal No. 1)
- Staff has continued to work cooperatively with property owners to solicit their comments, suggestions, interests and visions regarding the potential future revitalization and redevelopment of the Project Area. This effort has included the active pursuit of quality retail development along the Katella Avenue street frontage. (Goal No. 1)
- During the fiscal year, staff worked with Hopkins Real Estate Group to implement the provisions of the Disposition and Development Agreement (DDA), which was approved during the previous fiscal year, to facilitate the sale and commercial development of the Agency-owned 13 acre site located on Katella Avenue between Winners Circle and the entrance to the race track. Unfortunately, Hopkins was unable to secure leases with required tenants or meet other milestone requirements specified in the DDA. The DDA with Hopkins was, therefore, terminated by the Agency. Staff will, however, continue to actively pursue the commercial development of the property. (Goal No. 1)
- Staff began preparation of an update to the Five Year Implementation Plan for the coming Plan cycle spanning the period from 2010-2014. (Goal Nos. 1, 2, & 3)

**Lincoln Avenue Component Area of the Cypress Merged
and Amended Redevelopment Project Area,
Including the “Added Area”**

Implementation Plan 5-Year Goals and Objectives

1. Implement Completed Comprehensive Plan of Redevelopment

- Impose the land use regulations and controls adopted in conjunction with the Lincoln Avenue Specific Plan to facilitate a higher and better utilization of the lands within the Project Area, thereby contributing to the public health, safety and welfare. Also, adopt a comprehensive sign program to further promote the aesthetic beautification of the Lincoln Avenue Corridor.
- Actively pursue the redevelopment of the Agency owned parcels in the Project Area with possible emphasis on a mixed use development with both a commercial and residential component.

2. Strengthen the Economic Base of the Project Area and the Community

- Stimulate new commercial expansion, employment and economic growth within the Project Area, including the Added Area, through implementation of the Action Recommendations adopted in the Lincoln Avenue Action Plan, including: a) exploration of major retail/commercial development opportunities at key intersections; b) promotion of commercial development activities at opportunity sites; c) encouragement of small business renovation; and d) pursuit of solutions to alleviate concerns raised by identified distressed sites.
- Explore potential development within and adjacent to the Orange County Transportation Authority (OCTA) right-of-way in an effort to facilitate transit oriented development.

3. Stimulate Construction Activity and Increase Employment in the Commercial Sector of the Community

- On a case by case basis, evaluate opportunities to provide financial or other forms of assistance to promote development and redevelopment in the Project Area to ensure that such projects are economically feasible.

4. Promote Affordable Housing

- Implement the affordable housing projects and programs outlined in this Implementation Plan and the recently adopted Comprehensive Affordable Housing Strategy in order to enhance and increase the stock of quality affordable housing.

5. Continue Efforts to Maintain and Improve Public Facilities in and Serving the Project Area

- Pursue public improvements within and serving the Project Area, including but not limited to, the widening of the west side of Walker Street, north of Lincoln Avenue.

Fiscal Year 2004-2005 Achievements

- The Agency has continued to pursue implementation of the recommendations outlined in the comprehensive Action Plan for Lincoln Avenue. Among the actions undertaken include: 1) pursuit of targeted in-fill housing developments on underutilized parcels along the corridor with the negotiation of an affordable component to the residential proposals; 2) discussion with owners of key commercial properties to assess their interest in the pursuit of upgrades; 3) pursuit of the acquisition of strategic properties to facilitate future commercial and residential redevelopment opportunities; 4) dialog with Cypress College representatives to explore possible City/College partnership opportunities in conjunction with the establishment of residential and/or commercial land use development at the College; 5) examination of reuse options for the motels present along the corridor; and 6) monitoring of improvement efforts along the Pacific Electric Railroad right-of-way. (Goal Nos. 1, 2, 3, & 4)
- All new developments, uses, and improvements proposed along the Lincoln Avenue corridor are reviewed and processed in accordance with the provisions of the use allowances and design guidelines mandated by the Lincoln Avenue Specific Plan. (Goal No. 1)
- Staff met with the owners of a strategic property within the area who have expressed an interest in pursuing the acquisition of parcels on the south side of Lincoln Avenue, east of Valley View Street in an effort to assemble a site suitable for viable commercial development. (Goal Nos. 1, 2, & 3)
- Staff has initiated contact and worked to develop a relationship with key retail brokers and property managers familiar with the corridor area to facilitate opportunities to attract major retailers to Cypress. Commercial land use and redevelopment consultants have also been conferred with to assess the commercial viability of the Lincoln Avenue corridor. Based on these discussions, it has been suggested that the most promising opportunities for large scale commercial development would likely lie in the assemblage of targeted parcels along key intersections and street frontages. The Lincoln Avenue Action Plan identified two viable sites in particular. They include the properties on the southeast corner of Valley View Street and Lincoln Avenue, and the series of parcels west of the Home Depot site to the railroad right-of-way. (Goal No. 2)
- During the reporting period, staff undertook discussions with a commercial property owner along the corridor to explore possible rehabilitation partnership opportunities in conjunction with the owner's participation in the Agency's Lincoln Avenue Revitalization Façade Improvement Program. The owner has been very open to exploring upgrade opportunities for the site and staff will continue to work with the owner to craft a mutually beneficial improvement proposal. (Goal Nos. 2 & 3)
- Staff has maintained an active discourse with the owners of key properties in the vicinity of the Cypress Post Office in order to explore mutually beneficial redevelopment opportunities in the area. (Goal Nos. 1, 2, and 3)
- Staff has and will continue to provide assistance to business owners who seek direction and referrals relating to resource organizations that provide training in practical business skills. (Goal No. 2)

- The Agency completed the plan amendment process to merge the three Project Areas, update the Project Area capital improvement list, and add a limited number of parcels to the merged Project Area. (Goal Nos. 1, 2, 3, 4, & 5)

Fiscal Year 2005-2006 Achievements

- The Agency has and will continue to pursue implementation of the recommendations outlined in the comprehensive Action Plan for Lincoln Avenue, including: exploration of retail/commercial development opportunities; pursuit of targeted residential in-fill development; management of existing sign blight; identification of distressed sites with examination of possible solutions to alleviate concerns; discussion with owners of key commercial properties to assess their interest in the pursuit of upgrades; dialog with Cypress College representatives to explore possible City/College partnership opportunities in conjunction with the establishment of residential and/or commercial land use development at the College; and dialog with Cypress School District representatives to explore viable reuse opportunities for the Mackay School site. (Goal Nos. 1, 2, & 4)
- The Agency entered into an Exclusive Negotiation Agreement with the Olson Company to explore the feasibility of pursuing a residential mixed use or live/work redevelopment project on the Agency owned property located at 6122 Lincoln Avenue. This action was undertaken to pursue a possible opportunity to creatively advance the long term land use goals and objectives for the area. (Goal Nos. 1, 2, 3, & 4)
- During the reporting period, the Agency Board authorized staff (in partnership with Jamboree Housing Corporation) to proceed with the exploration and, if warranted, the preparation of a neighborhood improvement plan for the Lemon and Lime rental neighborhood adjacent to Cypress College. (Goal Nos. 1 & 4)
- Staff initiated discussions with the owner of a strategic property within the Added Area who has expressed an interest in pursuing the revitalization of the area on the south side of Lincoln Avenue, east of Valley View Street in order to explore viable commercial development in the area. (Goal Nos. 1, 2, & 3)
- Staff has maintained an active discourse with the owners of key properties in the vicinity of the Cypress Post Office in order to explore mutually beneficial redevelopment opportunities in the area. (Goal Nos. 1, 2, and 3)

Fiscal Year 2006-2007 Achievements

- The Agency has and will continue to pursue implementation of the recommendations outlined in the comprehensive Lincoln Avenue Action Plan. (Goal No. 2)
- All new developments and improvements proposed along the Lincoln Avenue corridor are reviewed and processed in accordance with the provisions of the use allowances for and design guidelines required by the Lincoln Avenue Specific Plan (Goal No. 1)

- During the reporting period, the Agency continued to work with the Olson Company in conjunction with the previously approved Exclusive Negotiation Agreement (ENA) to explore the feasibility of pursuing a residential mixed use redevelopment project on the Agency's property located at 6122 Lincoln Avenue. Olson actively pursued the acquisition of key properties adjacent to the Agency's parcel but, due to rapid changes in the housing market during this period as well as other complications, purchase negotiations proved unsuccessful. The ENA between the Agency and Olson was subsequently terminated, though Agency staff remains open to continued pursuit of possible future development options for the Agency's parcel. (Goal Nos. 1, 2, 3, & 4)
- The Agency has maintained a discourse with the property owners to the east and west of the Agency owned parcel adjacent to the Cypress Post Office in an effort to explore possible mutually beneficial redevelopment opportunities in the area. (Goal Nos. 1, 2, & 3)
- Agency staff, in partnership with Jamboree Housing Corporation representatives, commenced evaluation of the Lemon and Lime neighborhood located adjacent to the Cypress College, to explore the advisability of pursuing a neighborhood improvement plan for the area. During the reporting period, the following actions were taken: City departmental level discussions were held to identify issues and opportunities in the area; property owner and tenant surveys were circulated and neighborhood meetings were held to assess these stake holder's concerns and desires; analysis of compiled data was undertaken to assess the feasibility and advisability of pursuing a comprehensive improvement plan for the area; and preparation of a draft neighborhood plan commenced. (Goal Nos. 1 & 4)
- During the reporting period, comprehensive design services were pursued to address the possible future widening of west Walker Street north of Lincoln Avenue. These design activities resulted in the preparation of detailed plans and specifications to facilitate the future improvement of the street. (Goal No. 5)
- Staff has pursued innovative endeavors to facilitate the provision of housing affordable to all segments of the City's population in compliance with the recommendations outlined in the Comprehensive Affordable Housing Strategy. Among the actions undertaken was active discussion with the owners of an existing apartment complex (Tara Village) in an effort to secure long term affordability covenants on a portion of the units in the development. Negotiations in this regard are ongoing and substantial progress has been made toward reaching mutual agreement on an acceptable deal structure. (Goal Nos. 3 & 4)

Fiscal Year 2007-2008 Achievements

- Pursuit of implementation of the recommendations outlined in the comprehensive Action Plan for Lincoln Avenue has continued. Some specific actions undertaken during the fiscal year have included: 1) the pursuit of targeted in-fill housing developments on underutilized parcels along the corridor with the negotiation of an affordable component to the residential proposals; 2) discussion with owners of key commercial parcels along the corridor to assess their interest in the pursuit of property upgrades; 3) pursuit of the acquisition of strategic

properties to facilitate future commercial and residential redevelopment opportunities; 4) dialog with Cypress College representatives to explore possible City/College partnership opportunities in conjunction with the establishment of residential and/or commercial land use development at the College; 5) examination of reuse options for the motels present along the Corridor; and 6) the monitoring of improvement efforts along the Pacific Electric Railroad right-of-way, which crosses the Corridor twice. (Goal Nos. 1, 2, 3, & 4)

- All new developments, uses, and improvements proposed along the Lincoln Avenue Corridor continue to be reviewed and processed in accordance with the provisions of the use allowances and design guidelines mandated by the Lincoln Avenue Specific Plan. (Goal No. 1)
- During the fiscal year, a workshop was held to obtain Agency Board input and direction concerning goals and potential opportunities for future development within the Lincoln Avenue component area of the Cypress Merged and Amended Redevelopment Project Area. The input received will form the basis for the future goals and strategies incorporated into the updated Five Year Implementation Plan. (Goal Nos. 1, 2, 3, 4, & 5)
- During the fiscal year, the Agency entered into a purchase and sale agreement to facilitate the acquisition of the Cypress Post Office property located at 5762 Lincoln Avenue. This action was undertaken in order to pursue possible commercial development in an area identified as an “opportunity site” by the Lincoln Avenue Action Plan. In late 2003, the Agency purchased the parcel just west of the post office property, giving it control of a strategic property within the opportunity site. Assembling this parcel with the post office property would yield a viable site for future commercial development.

Because the extended term and right to purchase option in the post office’s existing lease were unacceptable to the Agency, the purchase agreement included a condition that the property acquisition would be contingent upon the Agency negotiating a new lease with the post office with terms acceptable to the Agency. Unfortunately, the Agency was unable to negotiate an acceptable lease with the post office so the purchase did not move forward. The Agency will, however, remain open to future development opportunities in the area as they become available. (Goal Nos. 1, 2, & 3)

- In conjunction with the preparation of the Lincoln Avenue Action Plan, staff has initiated contact and worked to develop a relationship with key retail brokers and property managers to facilitate opportunities to attract major retailers to Cypress. Additionally, commercial land use and redevelopment consultants have been conferred with to assess the commercial viability of the Lincoln Avenue Corridor. It has been suggested that the most promising opportunities for large scale commercial development would likely lie in the assemblage of targeted parcels along key intersections and street frontages. Two opportunity sites in particular were identified in the Lincoln Avenue Action Plan. They include the properties on the southeast corner of Valley View Street and Lincoln Avenue, and the series of parcels west of the Home Depot site to the railroad right of way. Detailed property profiles for these sites

have been prepared in an effort to analyze the feasibility of pursuing commercial development that would attract a strong anchor tenant. (Goal Nos. 1, 2, & 3)

- The Lincoln Avenue Revitalization Façade Improvement Program was established to provide low interest commercial matching loans to businesses along the Lincoln Avenue Corridor to address the provision of exterior building improvements. The current program structure, with funds provided in the form of an amortized loan with a required matching equity contribution from the property owner, has provided limited incentive for widespread participation. Legislation that requires prevailing rates of wage to be paid for all improvements undertaken in conjunction with the program further compromises the viability of the program. Staff will explore possible program amendments, including targeting a greater level of assistance to an identified commercial upgrade project, to act as a “seed” or catalyst for future commercial improvement efforts. Staff has undertaken discussions with a number of commercial property owners along the Corridor to explore possible rehabilitation partnership opportunities and will continue to work toward identification of a viable improvement proposal that may be presented to the Agency Board for consideration. (Goal Nos. 1, 2, & 3)
- Staff has and will continue to provide assistance to business owners who seek direction and referrals relating to resource organizations that provide training in practical business skills. Local educational institutions and the Small Business Administration are among the local resources available to business owners for this purpose. (Goal Nos. 2 & 3)
- During the fiscal year, Agency staff, in partnership with Jamboree Housing Corporation (JHC) representatives, completed preparation of a neighborhood improvement plan for the Lemon and Lime neighborhood located adjacent to Cypress College. The plan, which was approved by the Agency Board in March 2008, incorporates goals, strategies, and recommendations to alleviate issues and concerns identified in the neighborhood. The plan also serves as a monitoring tool to assess the progress of neighborhood revitalization as the plan’s recommendations are pursued. (Goal Nos. 2, 4, & 5)

Fiscal Year 2008-2009 Achievements

- The Agency has and will continue to pursue implementation of the recommendations outlined in the comprehensive Action Plan for Lincoln Avenue. These recommendations include (but are not limited to) exploration of major retail/commercial development opportunities at key intersections along the Corridor, pursuit of targeted residential in-fill development, management of existing sign blight, and the identification of distressed sites with examination of possible solutions to alleviate concerns. (Goal Nos. 1, 2, 3, & 4)
- All new developments, uses, and improvements proposed along the Lincoln Avenue Corridor have been and will continue to be reviewed and processed in accordance with the provisions of the use allowances and design guidelines mandated by the Lincoln Avenue Specific Plan. (Goal No. 1)

- The Agency has pursued and will continue to explore lot assembly opportunities in the areas surrounding the Agency-owned parcels on Lincoln Avenue in an effort to secure larger, more feasible development sites. (Goal Nos. 1, 2, 3, & 4)
- Staff continues to explore possible revisions to the Lincoln Avenue Façade Improvement Program to facilitate increased program participation. Efforts include pursuing a commercial upgrade project that could act as a “seed” or catalyst for future commercial improvement activity. Discussions with a number of commercial property owners along the Corridor to explore possible rehabilitation partnership opportunities have been pursued and staff will continue to work toward identification of a viable improvement proposal that may be presented to the Agency Board for consideration. (Goal Nos. 1, 2, & 3)
- Staff has pursued the implementation of the recommendations outlined in the recently adopted Neighborhood Improvement Plan focusing on the Lemon and Lime residential rental neighborhood located adjacent to Cypress College. Some specific accomplishments include the complete resurfacing of the public streets and alleys in the neighborhood, provision of new handicap accessible curb ramps, pursuit of a loan program to assist with building rehabilitation and renovation, exploration of reuse opportunities for the “common parcel” located at the center of the community, and support of the property owner’s efforts to revise and update the area’s underlying Homeowner’s Association Covenants, Conditions, and Restrictions (CC&R’s). (Goal Nos. 2, 4, & 5)
- During the fiscal year, staff successfully negotiated the purchase of the twelve foot (12’) right of way frontage for the property located at 8941-8951 Walker Street. In conjunction with the purchase transaction, the vacant Cheng’s Kitchen building, which protruded into the public right of way, was demolished. Walker Street has since been widened and improved to its ultimate right of way. (Goal No. 5)
- Staff began preparation of an update to the Five Year Implementation Plan for the coming Plan cycle spanning the period from 2010-2014. (Goal Nos. 1, 2, 3, 4, & 5)

Low/Moderate Income Housing

Implementation Plan 5-Year Goals and Objectives

1. **Housing Opportunities**

- Provide adequate sites to achieve a variety and diversity of housing.

2. **Accessibility of Housing**

- Promote equal opportunity for all residents to reside in the housing of their choice.

3. **Maintenance and Preservation of Housing**

- Increase the supply of sound housing at prices affordable by all segments of the community through assistance in the provision of housing opportunities in the City.

- Maintain the supply of sound, affordable housing in Cypress through the conservation of the currently sound housing stock.

4. Removing Governmental Constraints

- Remove governmental constraints as necessary to promote the development of housing opportunities.

Fiscal Year 2004-2005 Achievements

- During both the current reporting period and the Implementation Plan cycle (2005-2009), the Agency's administration of the Low and Moderate Income Housing Fund has been managed in a manner consistent with the guidelines of the Agency's Implementation Plan. (Goal Nos. 1, 2, & 3)
- The Agency completed and adopted an updated Five Year Implementation Plan in compliance with CRL requirements. (Goal Nos. 1, 2, 3, & 4)
- Five (5) townhome units were sold to income qualified first time homebuyers in a new 13 unit for sale complex in which an affordable housing agreement securing long term affordability covenants was previously approved. (Goal Nos. 1, 2, & 3)
- Two additional for sale housing projects subject to affordable housing agreements commenced construction during the fiscal year. They included a 7 unit Habitat for Humanity project with all units reserved for very low income families and a 63 unit townhome project in which 10 units will be reserved for moderate income households. (Goal Nos. 1, 2, & 3)
- Agency staff continues to utilize Housing Set Aside funds to administer the Agency's existing affordable housing programs, and will focus future expenditures on projects and programs that will provide long term affordable housing opportunities in compliance with the requirements of redevelopment law. (Goal Nos. 1, 2, 3, & 4)
- The Agency's Home Enhancement Loan Program (HELP II) processed 13 loans with an assistance amount totaling approximately \$150,000. (Goal No. 3)
- An application for Community Development Block Grant (CDBG) funds for single family residential rehabilitation was submitted to the County of Orange in an effort to supplement the Housing Set Aside funds used for the HELP II Program. The request resulted in the award of \$80,000 in CDBG funds for use by income qualified HELP II applicants during the following fiscal year. (Goal No. 3)
- All units with affordability covenants within the City were monitored and found in compliance with affordability requirements. (Goal Nos. 1, 2 & 3)
- In compliance with the requirements of the California Department of Housing and Community Development, the Annual Report of Housing Activity was prepared and circulated to the department for review and information. (Goal Nos. 1, 3, & 4)

Fiscal Year 2005-2006 Achievements

- During the reporting period, construction proceeded on two (2) for sale housing projects within the Lincoln Avenue corridor that are subject to affordable housing agreements. (Goal Nos. 1, 2, & 3)
- Sixteen applicants participated in the Agency's Home Enhancement Loan Program (HELP II) with loan proceeds totaling approximately \$228,000. (Goal No. 3)
- An Annual Report of Housing Activity was prepared and circulated to the State Department of Housing Community Development in compliance with redevelopment law requirements. (Goal Nos. 1, 2, & 4)
- The Agency entered into an Exclusive Negotiation Agreement (ENA) with the Olson Company to explore potential creative residential reuse opportunities on and in the vicinity of the Agency's property located at 6122 Lincoln Avenue. (Goal Nos. 1 & 3)
- In an effort to implement the recommendations outlined in the Comprehensive Affordable Housing Strategy, staff pursued innovative endeavors to facilitate the provision of housing affordable to all segments of the City's population. Among the actions undertaken was active discussion with owners of an existing apartment complex (Tara Village) in an effort to secure long term affordability covenants on a portion of the units in the development. (Goal Nos. 1, 2, & 3)

Fiscal Year 2006-2007 Achievements

- During the fiscal year, construction of the previously approved Habitat for Humanity project was completed. The project provides for seven (7) for-sale housing units reserved for very low income families. (Goal Nos. 1, 2, & 3)
- During the fiscal year, 10 applicants participated in the Home Enhancement Loan Program (HELP II) with loan proceeds totaling \$140,000. (Goal No. 3)
- \$100,000 in Community Development Block Grant (CDBG) funds for single family residential rehabilitation were awarded to the City to supplement the Housing Set Aside funds used for the HELP II Program. All of the awarded CDBG funds were used for income qualified HELP II applicants. (Goal No. 3)
- In compliance with redevelopment law, the Agency's Annual Report of Housing Activity was prepared and presented to the Department of Housing and Community Development. (Goal Nos. 1, 2, & 4)

Fiscal Year 2007-2008 Achievements

- During both the current fiscal year and the Implementation Plan cycle (2005-2009), the Agency's administration and expenditure of the Low and Moderate Income Housing Fund has been managed in a manner consistent with the guidelines of the Agency's Implementation Plan. (Goal Nos. 1, 2, & 3)
- Staff continued to utilize Housing Set Aside funds to administer the Agency's existing affordable housing programs, and will focus future expenditures on projects and programs that will provide long term affordable housing opportunities in compliance with the requirements of redevelopment law. (Goal Nos. 1, 2, 3, & 4)
- During the fiscal year, seven (7) very low income families purchased the Habitat for Humanity units completed in the previous fiscal year. (Goal Nos. 1, 2, & 3)
- During the current fiscal year, six (6) of the ten (10) units reserved for moderate income households at the 63 unit Lincoln Square (Nevis) townhome development were sold to income qualified families. Four (4) of the project's affordable units were sold during the last portion of the previous fiscal year. (Goal Nos. 1, 2, & 3)
- During the fiscal year, five (5) applicants participated in the Home Enhancement Loan Program (HELP II) with loan proceeds totaling \$80,000. (Goal No. 3)
- During the fiscal year, \$100,000 in Community Development Block Grant (CDBG) funds for single family residential rehabilitation were awarded to the City to supplement the Housing Set Aside funds used for the HELP II Program. The awarded CDBG funds were used for income qualified HELP II applicants. (Goal No. 3)
- In compliance with the requirements of the California Department of Housing and Community Development, the Annual Report of Housing Activity was prepared and circulated to the department during the fiscal year. Monitoring of existing covenanted units within the City was also undertaken to assure compliance with redevelopment law. (Goal Nos. 1, 2, & 4)
- During the fiscal year, the Agency discussed exploration of potential creative residential reuse opportunities on and in the vicinity of the Agency's properties located at 6122 Lincoln Avenue and 5732 Lincoln Avenue with a number of non-profit housing developers. (Goal Nos. 1, 2, 3, & 4)
- In an effort to implement the recommendations outlined in the Comprehensive Affordable Housing Strategy, staff pursued innovative endeavors to facilitate the provision of housing affordable to all segments of the City's population. Among the actions undertaken included active negotiations with the owners of an existing apartment complex (Tara Village) in order to secure long term affordability covenants on a portion of the units in the development. Negotiations have resulted in the preparation of a covenant purchase agreement that will be presented for Agency Board consideration in the next fiscal year. (Goal Nos. 1, 2, & 3)

- During the fiscal year, Agency staff completed preparation of the mid-term review of the Five Year Implementation Plan and presented it to the Agency Board for consideration and approval. (Goal Nos. 1, 2, 3, & 4)
- In conjunction with the series of redevelopment workshops held during the fiscal year, one dealt exclusively with the topic of affordable housing issues. The workshop incorporated discussion of the housing provisions outlined in redevelopment law and provided a forum for Agency Board input to guide future pursuits in this area. (Goal Nos. 1, 2, 3, & 4)

Fiscal Year 2008-2009 Achievements

- During the current fiscal year, the Agency's administration and expenditure of the Low and Moderate Income Housing Fund has been managed in a manner consistent with the guidelines of the Agency's Implementation Plan. (Goal Nos. 1, 2, & 3)
- Staff began preparation of an update to the Five Year Implementation Plan for the coming Plan cycle spanning the period from 2010-2014. (Goal Nos. 1, 2, 3, & 4)
- Staff continues to utilize Housing Set Aside funds to facilitate the provision of affordable housing opportunities that will focus future expenditures on projects and programs that will provide long term affordable covenants in compliance with the requirements of redevelopment law. (Goal Nos. 1, 2, 3, & 4)
- During the fiscal year, staff successfully completed negotiations with the owners of the Tara Village apartment complex to acquire long term affordability covenants on a portion of the units in the development. In April 2009, an Affordable Housing Agreement was recorded securing covenants on 40 very low income units and 40 low income units within the complex. (Goal Nos. 1, 2, & 3)
- During the fiscal year, staff monitored the City's existing covenanted units and prepared and submitted an Annual Report of Housing Activity to the California Department of Housing and Community Development in compliance with redevelopment law. (Goal Nos. 1, 2, & 4)
- Staff continues to explore possible residential development opportunities on targeted parcels on and in the vicinity of Lincoln Avenue, with some potential sites including the Agency owned property located at 6122 Lincoln Avenue and the Cypress School District controlled Mackay School site. (Goal Nos. 1, 2, & 3)
- In an effort to implement the recommendations outlined in the Comprehensive Affordable Housing Strategy, staff continues to pursue innovative endeavors to facilitate the provision of housing affordable to all segments of the City's population. Specific actions include continued administration of the Agency's housing programs to assist in home purchase and renovation efforts as well as exploration of other creative projects to secure the provision of new residential units in the City. (Goal Nos. 1, 2, 3, & 4)
- During the fiscal year, six (6) applicants participated in the Home Enhancement Loan Program (HELP II) with loan proceeds totaling \$74,000. (Goal No. 3)

- During the fiscal year, \$100,000 in Community Development Block Grant (CDBG) funds for single family residential rehabilitation were awarded to the City to supplement the Housing Set Aside funds used for the HELP II Program. The awarded CDBG funds were used for income qualified HELP II applicants. (Goal No. 3)
- During the fiscal year, a resolution was adopted authorizing an extension of the time period to pursue development of the Agency owned properties located at 5732 Lincoln Avenue and 6122 Lincoln Avenue. The properties were purchased with Low and Moderate Income Housing Funds in late 2003 and the extension resolution allows the Agency five (5) additional years to explore development opportunities on the properties. (Goal Nos. 1, 2, 3, & 4)