FIVE-YEAR IMPLEMENTATION PLAN FOR THE SPRINGS REDEVELOPMENT PROJECT

For the Period July 1, 2009 — June 30, 2014

I. INTRODUCTION

A. Background

The Sonoma County Board of Supervisors (the "Board of Supervisors") adopted the Redevelopment Plan for the Sonoma Valley Redevelopment Project on November 27, 1984, pursuant to Ordinance No. 3379 (the "Initial Redevelopment Plan"). The Initial Redevelopment Plan has been amended by the Board of Supervisors as follows:

- First Amendment: By Ordinance No. 4836 adopted on December 13, 1994, in order to comply with Assembly Bill 1290.

- Second Amendment: By Ordinance No. 5212 adopted on December 14, 1999, the Board of Supervisors extended the time limits for conducting certain redevelopment functions, including the time limits for the effectiveness of the Initial Redevelopment Plan, repayment of debt and receipt of tax increment.

- Third Amendment: By Ordinance No. 5519 adopted on November 2, 2004, the Board of Supervisors eliminated the time limit on the establishment of loans, advances and indebtedness as permitted by Senate Bill 211.

- Fourth Amendment: By Ordinance No. 5780 adopted on April 22, 2008, the Board of Supervisors adopted an Amended and Restated Redevelopment Plan (the "Amended Redevelopment Plan") and, among other things, increased the limit on the amount of tax increment revenue that may be allocated to the Redevelopment Agency in the Project Area (including an annual limit), increased the limit on the amount of outstanding bonded indebtedness payable from tax increment revenue, and changed the name of the Project Area from the Sonoma Valley Redevelopment Project to The Springs Redevelopment Project

On December 7, 2004, the Sonoma County Community Development Commission (the "Commission"), serving in its capacity as the governing body of the Sonoma County Community Redevelopment Agency (the "Agency"), adopted a Five-Year Implementation Plan for the Sonoma Valley Redevelopment Project Area (which, as subsequently renamed The Springs Project Area, is referred to as the "Project Area") as required by Section 33490(a) of the California Community Redevelopment Law (the "CRL"), to describe specific goals and objectives, actions and projects, and expenditures for the redevelopment of the Project Area during the five-year period from July 1, 2004 through June 30, 2009, encompassing fiscal years 2004-05 through 2008-09.

The Commission conducted its mid-term review of the 2004 Implementation Plan on December 11, 2007 in compliance with CRL Section 33490(c).

On April 15, 2008, the Commission approved an Amended and Restated 2004 Five-Year Implementation Plan (as so amended, the "2004 Implementation Plan") for The Springs Redevelopment Project. The 2004 Implementation Plan is about to expire. This document constitutes the new Five-Year Implementation Plan for the Project Area (the "2009 Implementation Plan"). This 2009 Implementation Plan succeeds the 2004 Implementation Plan and generally covers the period from July 1, 2009 through June 30, 2014, encompassing fiscal years 2009/10 through 2013/2014. Certain elements of the affordable housing program set forth in Section VI of this 2009 Implementation Plan address additional compliance and reporting periods as required by the CRL.

The 2009 Implementation Plan serves as an implementation planning tool for, and supplements the description of the overall redevelopment program presented in, the Amended Redevelopment Plan. In conformance with the CRL, this document updates the achievements of the Agency within the Project Area during the past five years and lays out the plan for the next five years.

B. The Project Area

The Springs Redevelopment Project Area consists of approximately 323 acres located in the Sonoma Valley. The Valley is served by Highway 12, also known as the Sonoma Highway, one of the region's main transportation corridors. The Sonoma Valley economy is closely linked to the area's many vineyards and agricultural workers. The area is also known for its geothermic hot springs, such as Boyes Hot Springs and Agua Caliente. Located immediately north of the City of Sonoma, the Springs roughly flanks Highway 12 from Agua Caliente Road at the northern-most edge, south to the City/County line near Verano Avenue. The Redevelopment Project Area boundary extends farther west along Boyes Boulevard to encompass residential neighborhoods between Greger Street and Railroad Avenue. Sonoma Creek parallels the area to the west. Highway 12 is a major arterial and commercial spine running north-south through the center of the community. The Redevelopment Project Area is entirely unincorporated and falls under the jurisdiction of Sonoma County and the Agency.

Purpose of Implementation Plan

The primary purpose of the 2009 Implementation Plan is to provide a reasonably detailed, yet flexible framework for redevelopment program implementation by the Commission, in its capacity as the governing body of the Agency, with participation and guidance from The Springs Redevelopment Advisory Committee (the "RAC"). A second purpose of the 2009 Implementation Plan is to inform affected taxing entities, businesspersons, residents, community organizations, and interested citizens of anticipated actions to be taken and expenditures to be made during the next stage of the redevelopment program.

C. Issuance of Tax Allocation Bonds

December 2, 2008 marked the successful closing and issuance of the $14,345,000 Sonoma County Community Redevelopment Agency Tax Allocation Bonds, Series 2008 (the "2008 Bonds"). The 2008 Bonds will be used for redevelopment activities of benefit to The Springs Redevelopment Project, primarily focused on Highway 12 pedestrian and public improvements such as adding sidewalks, widening shoulders, installing a continuous left turn lane, constructing curbs and gutters and placing pedestrian street lights (the "Highway 12 Project"). The financing also allowed for the redemption of the Commission's Series B 1986 Tax Allocation Bonds (the "1986 Bonds") by freeing up cash to redeem the 1986 Bonds. Of the $14,345,000 bond issue, there is approximately $9,976,469 in net proceeds available for projects, after debt service reserve and cost of issuance amounts are deducted, the majority of which has been budgeted for the Highway 12 Project.

II. AMENDED REDEVELOPMENT PLAN LIMITS

In compliance with CRL Section 33490(a)(5), effective January 1, 2008, the following are various time limits set forth in the Amended Redevelopment Plan.

Type of Limit	**Date of Limit**
Eminent Domain Authority	Expired November 27, 1996
Debt Incurrence	None[1]
Effectiveness of Plan	November 27, 2024
Receipt of Tax Increment/Debt Repayment	November 27, 2034

III. PAST PROJECTS

The Agency provided approximately $9,673,667 in The Springs Redevelopment funding for various projects and programs, from July 1, 2004 through June 30, 2009. Listed below is a list of accomplishments achieved during this time:

Elimination of Blight

- Annual Springs Cleaning
- Springs School Initiative
- Valley of the Moon Teen Center Graffiti Abatement Program

[1] The debt incurrence time limit was eliminated by Ordinance No. 5519, approved by the Board of Supervisors on November 2, 2004, as authorized by CRL Section 33333.6(e)(2).

Community Revitalization & Economic Development

- Valley of the Moon Cleaners Rehabilitation Loan
- Ross Drulis Rehabilitation Loan
- Sonoma Valley Strategic Plan
- Valley of the Moon Teen Center predevelopment and development
- Participation with the Sonoma Valley Economic Development Partnership

Infrastructure Improvements

- Highway 12 Phase 2, Stage 1 Design and Right-of-Way
- Highway 12 Phase 2 Construction[2]
- New Sheriff's Substation construction

Open Space and Recreation Improvement to Remove Blight or Support Economic Development

- Verano Landscape Improvements
- Gateway Arch Public Art Project design

Increasing Housing Opportunities

- Bonfini Affordable Housing project
- Ca-LEEP Energy Conservation Retrofit Program
- Purchase of Former Sheriff's Substation for affordable housing development
- Springs Village Affordable Rental Housing

IV. GOALS AND OBJECTIVES

The specific goals and objectives set forth below for this 2009 Implementation Plan are based upon the statement of goals and objectives in the Amended Redevelopment Plan, which are hereby incorporated in this 2009 Implementation Plan by reference.

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[2] Project in process as of writing of 2009 Implementation Plan - anticipated to be completed by June 30, 2009

These goals and objectives are drawn from the Sonoma Valley Redevelopment Area Strategic Plan, prepared with the primary input of the RAC and approved by the Board of Supervisors on March 20, 2007.

A. Street Environment

1. Create safe, attractive and well-maintained pedestrian, bicycle and vehicular circulation improvements along Highway 12.
2. Provide adequate parking that meets the needs of visitors and residents.
3. Improve public transportation.

B. Housing Development and Preservation

1. Promote home ownership for individuals and families of a variety of income levels.
2. Provide incentives for building rehabilitation and infill of multi-family dwelling units and mixed-use developments.
3. Identify and, when possible, provide sites for new infill home construction.
4. Emphasize housing for renters and special needs groups.

C. Business Attraction and Retention

1. Attract diverse and local-serving retail
2. Retain and increase the number of visitor-serving resorts, retail and restaurants.
3. Create vibrant commercial hubs along Highway 12 that provide services for residents and visitors.
4. Support local workers with job training programs and by offering livable wages.

D. Community Character and Identity

1. Preserve and foster the unique and diverse local character throughout the area.
2. Develop a public relations and communications effort to promote local businesses.
3. Encourage the preservation of local historic resources and feature the history of the entire Springs area.
4. Promote cultural festivals, public art displays and other community events.

E. Natural Environment and Recreation

1. Provide a system of open spaces, trails, community gardens, and parks throughout the Project Area.
2. Use physical improvements to promote safe and secure recreation environments.
3. Promote responsible resource management, including green building techniques and environmentally friendly landscaping.

F. Programs, Services, and Neighborhood Organizations

1. Offer incentives for collaboration among community organizations, business groups, immigrant and farm worker service providers, schools, and faith-based and not-for-profit organizations to improve the services in the Project Area.

2. Provide a range of possible activities for all community members, including the elderly, teens and children.

V. NON-HOUSING PROGRAMS AND PROJECTS

A. Proposed Projects

Resources available for implementation activities during the years covered by this 2009 Implementation Plan are relatively limited. Given that the majority of the 2008 Bond issue is going toward the Highway 12 Improvements, and much of the future tax increment revenues will be encumbered to repay the bonded indebtedness, there will be limited funding available for other projects within the Project Area. Taking into consideration beginning fund balances, bond proceeds, tax increment revenues and interest earned, after pass-through payments, bond debt services and housing fund transfers are made, it is anticipated that as of July 1, 2009, there will be approximately $16,665,000 available for non-housing projects for the Five Year term of this Implementation Plan.

Many of the programs, activities, projects and improvements that may be undertaken to address the foregoing goals and objectives are eligible and appropriate for funding and implementation by the Agency under the terms of the CRL, the Amended Redevelopment Plan, and the attached *Sonoma County Policy Guidance for Use of Redevelopment Funds* (the "Policy Guidance"), adopted by the Board of Supervisors and the Commission on April 1, 2008 and incorporated in the 2009 Implementation Plan by this reference. Other programs, activities, projects and improvements would be more appropriately implemented by the County, other governmental entities, and community organizations, residents and businesses to complement and support the activities that may be directly funded and undertaken by the Agency pursuant to the CRL, the Policy Guidance, the Amended Redevelopment Plan, and this 2009 Implementation Plan. Each project proposed for redevelopment funding will be evaluated according to the criteria contained in the Policy Guidance to determine whether the project is eligible and prioritized for assistance.

Given the amount of anticipated revenues to be available from fiscal year 2009/10 through 2013/14, covered by this 2009 Implementation Plan, it is anticipated that special emphasis will be given to the following implementation programs and projects.

- Streetscape and Infrastructure Improvements: The highest non-housing priority for the Project Area has been the improvement of Highway 12 with curbs, gutters, sidewalks, street lighting and other landscaping; the design and construction of those improvements will be completed for the full length of Highway 12 within the Project Area boundaries during the term of this 2009 Implementation Plan. Other streetscape and infrastructure improvements such as installation and repair of storm drainage systems, pedestrian lighting, street trees, benches, water fountains, bus shelters, waste receptacles and other landscaping and trees, facilitation of utility undergrounding projects, and other traffic circulation improvements will be accomplished as the opportunities arise and funds are available. In June of 2007, the Commission approved $3,593,000 toward the Highway 12 Phase 2, Stage 1, Design and Right-of-Way acquisition. These funds have already been expended. In November of 2008, the Commission approved $5,735,450 of the 2008 Bond proceeds for the Highway 12 Phase 2, Stage 1 Construction and Phase 2 Stage 2 design and right-of-way acquisition. This project is currently underway. An additional $6,750,000 was also budgeted for Phase 2, Stage 2 construction, which should take place during the term of the 2009 Implementation Plan. It is anticipated that with existing cash fund balances, future tax increment and the 2008 Bond proceeds, there will be sufficient funds to complete the Phase 2 Stage 2 construction.

- Open space, recreation, community and other public facilities: The Agency will explore opportunities for open space, recreation, community and other public facilities, the primary purpose of which would be to remove blight, support economic development, or promote the public health, safety and welfare.

Commercial revitalization and economic development: The Agency will continue to seek opportunities to assist economic development and revitalization of the Project Area, especially including the extension of financial support targeted to improvement and expansion of existing businesses and attraction of compatible new businesses. Projects may include assistance to market the Project Area's attributes and services, assistance with environmental clean-up, if required, façade improvements and commercial rehabilitation, improved signage, public art, and programs and projects to reinforce the identities of the Project Area's communities.

B. Proposed Expenditure Plan

The Expenditure Plan for non-housing funds during the current five-year implementation period is set forth in Table 1 of the 2009 Implementation Plan. The Expenditure Plan includes total expenditures based upon actual cash reserves accumulated from previous tax increment revenue, projections of future tax increment revenues for Fiscal Years 2009 – 2013 and 2008 Bond proceeds. It should be noted that this Expenditure Plan is based partly on estimated revenues and simply sets general guidelines and targets for Agency expenditures and that the actual allocation and appropriation of funds will be set through the Commission's adoption of current and future annual budgets for the Agency, as advised by the RAC. Allocations for various activities in the current and future adopted budgets may vary from the Expenditure Plan presented in Table 1 of the 2009 Implementation Plan to reflect the judgment of the RAC and the Commission about changing redevelopment needs and opportunities.

TABLE 1
EXPENDITURE PLAN
(values in thousands of dollars)

PROGRAM	2009-010	2010-11	2011-12	2012-13	2013-14	TOTAL
Streetscape/lnfrastructure	$2,530	$3,375	$3,375			$9,280
Other Public Facilities/Open Space Recreation	$370	$370	$370	$370	$370	$1,850
Commercial Revitalization	$1,107	$1,107	$1,107	$1,107	$1,107	$5,535
‘l’OTAL[3]	**$4,007**	**$4,852**	**$4,852**	**$1,477**	**$1,477**	**$16,665**

VI. ALLEVIATION OF BLIGHT

Adverse physical and economic conditions in the Project Area were originally described in Part II of the 1984 Report on the Plan for the Sonoma Valley Redevelopment Project, which accompanied the Initial Redevelopment Plan. The remaining adverse physical and economic conditions in the Project Area were updated and summarized in Section C of the Preliminary Report on the Amended Redevelopment Plan, while Section F of the Preliminary Report described how various potential redevelopment activities would alleviate the remaining blight in the Project Area. Sections C and E of the Preliminary Report for the Amended Redevelopment Plan are incorporated in this Part VI by this reference to demonstrate how various redevelopment activities will alleviate remaining blight in the Project Area.

In addition, the attached Table 2 describes how the various activities undertaken and proposed to be undertaken pursuant to the 2009 Implementation Plan will help to alleviate such remaining blight in the Project Area.

[3] The Total amounts available for projects reflects cash reserves from accumulated tax increment revenues, future tax increment projections and 2008 Bond proceeds.

TABLE 2
ALLEVIATION OF ADVERSE CONDITIONS
FIVE-YEAR IMPLEMENTATION PERIOD 2009- 2014

Documented Adverse Physical and Economic Conditions	**Proposed Redevelopment Actions and Projects Designed to Alleviate Conditions**
Deficient or Deteriorated Buildings • Structurally unsound structures • Physically damaged structures • Structures with leaking roofs • Deteriorated structures • Buildings that fail to provide adequate access for the disabled	Deficient or Deteriorated Buildings • Stabilization of structures • Residential and structural rehabilitation • Provision of accessibility improvements for the disabled
Blighting Conditions • Abandoned, fire damaged and dilapidated buildings • Abandoned vehicles • Trash and debris accumulations	Blighting Conditions • Assistance in the removal of abandoned, fire damaged and dilapidated buildings • Removal of abandoned vehicles • Clean-up of trash and debris
Adverse Economic Conditions • Declining tax revenues • Declining tourism • Underutilized properties • Limited job opportunities • Limited purchasing power	Adverse Economic Conditions • Tourism and economic development funding • Assistance with business districts revitalization • Economic assistance programs
Substandard Public Improvements • Inadequate and substandard park and recreational facilities • Substandard, deteriorated and hazardous roads	Substandard Public Improvements • Clean-up and rehabilitation of existing park and recreational facilities • Repair and improvement of substandard, deteriorated and hazardous roads

VII. AFFORDABLE HOUSING ACTIVITIES

A. Project Area Housing Production Requirement

CRL Section 33413(b) requires that specified percentages of all new or substantially rehabilitated housing units in the Project Area during each ten-year compliance period over the life of the Amended Redevelopment Plan be made available as affordable housing to low and moderate income households, including very low income households. CRL Section 33490(a)(2)(B) requires that each Five-Year Implementation Plan contain specified information about compliance with this Project Area affordable housing production requirement. This section of the 2009 Implementation Plan addresses these requirements.

Because the Agency itself does not intend to develop or rehabilitate housing units in the Project Area, but instead intends to facilitate such development and rehabilitation by private parties—affordable housing developers, property owners and individual homeowners—the applicable CRL requirement is that the Agency must assure, during each applicable compliance period, that at least 15% of all new or substantially rehabilitated housing units in the Project Area are made affordable to low and moderate income households through long-term affordability covenants, and that at least 40% of these housing units be made affordable to very-low income households through long-term affordability covenants.

Table 3 summarizes the status of the Agency's compliance with this Project Area affordable housing production requirement for various historical and future periods. As detailed in Table 3, the Agency has incurred an obligation from the inception of the Initial Redevelopment Plan to the present (through June 30, 2009) to cause the development or substantial rehabilitation of at least 15 moderate income units and at least 11 very low income units. In actuality, the Agency has exceeded these requirements, with the development of 80 moderate income units (resulting in a surplus to-date of 65 moderate income units above the statutory production requirement), and an additional 33 very low income units (resulting in a surplus of 22 very low income units above the statutory requirement).

Based on Table 3, for the current ten-year Project Area affordable housing production compliance period running from July 1, 2004 through June 30, 2014, the Agency estimates that a total of 101 new or substantially rehabilitated units have been or will be developed in the Project Area. This total yields an affordable housing production obligation during this 2004-14 compliance period of 9 moderate income units and 7 very low income units. During this 2004-14 compliance period, the Agency has already produced 23 affordable moderate income units and expects to produce an additional 24 affordable moderate income units during the balance of the compliance period, for an overall 2004-14 compliance period production of 47 affordable moderate income units. This total constitutes an estimated surplus for the 2004-14 compliance period of 38 affordable moderate income units.

Likewise for the current 2004-14 Project Area affordable housing production compliance period, Table 3 indicates that the Agency has already produced 16 affordable very low income units during the first five years of the compliance period and expects to produce an additional 17 affordable very low income units during the remaining five years of the compliance period, for an overall 2004-14 compliance period production of 33 affordable very low income units. This total constitutes an estimated surplus for the 2004-14 compliance period of 26 affordable very low income units.

In summary, as also shown in Table 3, the Agency estimates that it will continue to create and expand upon affordable units above the statutory production requirement during the balance of the current 2004-14 compliance period and throughout the remaining life of the Amended Redevelopment Plan by using its Housing Fund deposits and other funding sources to continue to produce affordable units in a manner similar to past performance. In conclusion, the Agency is currently more than in compliance with the Project Area affordable housing production obligation and expects to build upon past performance to maintain and enhance such compliance through the end of the Amended Redevelopment Plan period.

TABLE 3
HOUSING PRODUCTION

Compliance Period	New and Substantially Rehabilitated Units In Project Area	Number Required to be Affordable		Number of Affordable Units Created		Surplus/(Deficit) In Affordable Units	
		Mod	**VL**	**Mod**	**VL**	**Mod**	**VL**
1984-98	138	12	9	57	17	45	8
1998-04	4	1	0	0	0	(1)	0
2004-09	24	2	2	23	16	21	14
*Projects identified below							
Subtotal—To Date	166	**15**	**11**	**80**	**33**	**65**	**22**
2009-14**	77	7	5	24***	17***	17	12
2014-2019**	25	2	2	2	2	0	0
20l9-End of Plan**	25	2	2	2	2	0	0
Subtotal—Future	**127**	**11**	**9**	**28**	**21**	**17**	**12**
Total**	**293**	**26**	**20**	**108**	**54**	**82**	**34**

*1984-98- Private Single Family Dwellings (SFD), Oak Ridge Apts, Sonoma Valley Apts., Villa Hermosa, Casablanca

1998-04 – Private SFD

2004-09- Springs Village, Bonfini, Private SFD

** Values for these time periods are estimates

***For conservative estimating purposes, these estimates conform to the estimates of new units only (and do not include rehabilitated and price restricted units) to be assisted with Housing Funds during the 2009-14 period, as shown in Table 6 below.

B. 20% Set-Aside Housing Fund Deposits and Expenditures

CRL Sections 33334.2 et seq. require that the Agency deposit specified portions (typically not less than 20%) of its tax increment revenue into a Low and Moderate Income Housing Fund (the "Housing Fund") and that it make timely expenditures from the Housing Fund to facilitate the development, improvement, and preservation of the community's affordable housing stock. CRL Sections 33490(a)(2)(A) and (C) require that each Five-Year Implementation Plan contain specified information about compliance with these Housing Fund deposit and expenditure requirements. This section of the 2009 Implementation Plan addresses these requirements.

1. Total Deposits and Expenditures. Deposits to the Housing Fund during the five-year implementation period are provided below in Table 4:

TABLE 4
ESTIMATED REDEVELOPMENT 20% HOUSING SET-ASIDE REVENUES
(values in thousands of dollars)

REVENUE SOURCE	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
Tax Revenue	$453	$474	$486	$497	$509	$2,419
Interest	$14	$13	$11	$10	$9	$57
Loan Repayments and Other	$0	$5	$5	$5	$5	$20
TOTAL	**$467**	**$492**	**$502**	**$512**	**$523**	**$2,496**

Data for estimates are based on worksheets supplied by the Sonoma County Auditor-Controller's office.

The anticipated Housing Fund balance as of the July 1, 2009 beginning date of the five-year implementation plan period is $923,000. Taking into consideration that beginning Housing Fund balance, together with the estimated tax increment revenue deposits, interest earned, and loan repayments to the Housing Fund as shown in Table 4, it is anticipated that there will be approximately $3,419,000 available from the Housing Fund for affordable housing projects for the five-year term of this 2009 Implementation Plan.

Estimated expenditures from the Housing Fund, during the five-year implementation period, shown are detailed below in Table 5.

TABLE 5
HOUSING FUND EXPENDITURES
(values in thousands of dollars)

Expenditure Type/Program	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
Land Acquisition						
Rehabilitation Loans (Scattered-Site Owner-Occupied Single-Family & Mobile Homes)	$72	$72	$96	$96	$120	$456
Loan to Developer (specific housing development to be determined)		$1,111	$461	$750	$641	$2,963
TOTAL	**$72**	**$1,183**	**$557**	**$846**	**$761**	**$3,419**

Expenditures from the Housing Fund during the five-year implementation period are estimated to produce new, rehabilitated and price-restricted affordable housing units are reflected in Table 6 below.

TABLE 6
HOUSING FUND ASSISTED UNITS

Housing Type	2009-10	2010-11	2011-12	2012-13	2013-14
New	0	0	11	15	15
Rehabilitated	5	5	6	6	10
Price-Restricted	0	0	11	15	15

2. Ongoing or in Process Housing Fund Activities:

The following affordable housing activity began during the previous implementation plan period using funds provided by the Agency from the Housing Fund and other sources and is yet to be completed:

- Las Palmas Housing: In May 2007, a redevelopment housing set-aside loan was made to New Pueblo LLC in the amount of $1,060,000 to develop 11 affordable single-family homeownership units within a larger market-rate subdivision on 6.38 acres. A total of 13 two-bedroom units and 39 three-bedroom units are planned with 10 units designated as affordable to low- income households and 1 unit designated as affordable to a moderate income household. The developer is currently seeking final entitlement approvals.

The following affordable housing activity is an on-going program:

- Housing Rehabilitation Loan Program: During the 2004 Implementation Plan period, three mobile homes owned and occupied by low-income households were rehabilitated using $40,430 in redevelopment housing set-aside funds. It is anticipated that this Program will continue to assist low-income households maintain their properties during the entire term of the 2009 Implementation Plan.

3. Future Activities. During the 2009 Implementation Plan period (FY 2009-10 through FY 2013-14, the Commission proposes to continue to use available Housing Funds as follows:

- **Rehabilitation** of units occupied by persons of low- and very low-income, especially owner-occupants of single-family homes and owner occupants of mobile homes sited in mobilehome parks. Such work is anticipated to include but not necessarily be limited to roofing repairs, removal of termite infestation and dry rot, installation/improvement of insulation and thermal efficiency, access improvements, and plumbing and electrical improvements, earthquake bracing and other assistance to mobilehomes, and public information and other outreach programs to increase participation in and effectiveness of the rehabilitation programs.

- **Development** of new multifamily units, especially in conjunction with efforts to increase the number of units available to agricultural workers. Activities may include but would not necessarily be limited to the acquisition and disposition of land for the development of affordable housing units, and participation with other lenders in financing affordable housing development projects.

These programs are anticipated to be provided through low-cost, low-interest loans and, where appropriate, small grants, in combination with other programs as appropriate and available. Housing Funds will be distributed between these programs as opportunities arise.

4. Targeting. Over the course of the Agency's current Housing Fund targeting compliance period (January 1, 2002 - June 30, 2014), the Agency will expend funds from its Low- and Moderate-Income Housing Fund in compliance with the CRL Section 33334.4 requirement to expend Housing Fund monies to assist very low- and low-income households in at least the same proportion as the ratio of (1) the total number of housing units needed in the community for those two income categories to (2) the total number of units needed in the community for very low-, low-, and moderate-income households, using the regional housing needs allocation (RHNA) prepared for Sonoma County by the Association of Bay Area Governments (ABAG). ABAG has provided two sets of RHNA numbers: one set for the period 2002-2007, and the other set for the balance of the Housing Fund targeting period ending in 2014.

The first set of RHNA numbers for 2002-2007 indicated that for the unincorporated County of Sonoma, 1,311 units (33%) were needed for very low-income households, 1,116 units (28%) were needed for lower-income households, and 1,563 (39%) were needed for moderate-income households. During that portion of the Housing Fund targeting compliance period, the Agency used $3,405,000 from the Housing Fund to assist 129 housing units: 30% of the funds assisted very low-income units, 56% of the funds assisted low-income units and 14% of the funds assisted moderate-income units. Consequently, during the first portion of the compliance period, with the RHNA need allocations then in effect, the Agency virtually met its very low income targeting requirement (30% spent vs. 33% need), and far exceeded its low-income targeting requirement (56% spent vs. 28% need

The 2008-2014 RHNA for unincorporated Sonoma County indicates that 319 units (40%) are needed for very low-income households, 217 units (27%) are needed for lower-income households and 264 (33%) are needed for moderate-income households. The Agency's Housing Fund expenditure program for the current five-year implementation period indicates that the Agency will fully comply with the its Housing Fund income targeting requirement by the 2014 end of the current compliance period. For instance, as shown in Table 5, nearly 87% of the Agency's estimated Housing Fund expenditures for the coming five years will be for loans to developers of new multifamily housing, the great proportion of which tends to be made available for occupancy by very low income and lower-income households. Through this spending strategy, the Agency intends to make up its very small current shortfall in Housing Fund expenditure targeting for the very low income households, and build upon its already existing large surplus in Housing Fund expenditure targeting for lower-income households, to meet its overall targeting requirement through the two RHNA cycles that together establish the targeting requirement for the 2002-1014 Housing Fund targeting compliance period.

The Agency will also expend funds from its Low- and Moderate-Income Housing Fund in compliance with CRL Section 33334.4(b) requirement to assist housing that is not restricted to seniors (over 65 years of age) in at least the same proportion as the numbers of low-income households in the community with a member under age 65 bears to the total number of low-income households in the community as reported in the most recent census. The 2000 Census of Population and Housing data indicates that 33% of the County's low-income households are categorized as senior households (65 and over). Consequently, not more than 33% of the Agency's Housing Fund expenditures during the 2002-2014 Housing Fund targeting compliance period may be spent for seniors housing, and at least 67% of the Agency's Housing Fund expenditures during the compliance period must be spent for non-age restricted affordable housing units.

Since the January, 2002 start of the current Housing Fund targeting compliance period, only 30% of the expended Housing Fund monies assisted households restricted to seniors (below the maximum percentage expenditure of 33%), and 70% of the expended monies assisted non-age restricted affordable units (above the minimum percentage expenditure of 67%). The Agency's expenditure plan for the coming five-years, as shown in Tables 5 and 6 and accompanying text, will continue to assist households in compliance with the CRL senior vs. non-age restricted household targeting requirement during the balance of the current Housing Fund targeting compliance period ending in 2014.

C. Replacement Housing Requirement

CRL Section 33413(a) requires that the Agency cause the replacement in a specified time and manner of dwelling units within the Project Area housing low- and moderate-income households that are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project. CRL Section 33490(a)(3) requires that each Five-Year Implementation Plan contain specified information about compliance with this replacement housing requirement. No redevelopment funds have been committed to any project planned over the next five years that would result in the destruction or removal of low- and moderate-income housing units.

In the event any future redevelopment activities were to require the destruction or removal of any of the low- and/or moderate-income housing stock, the responsible entity would be required to adhere to the provisions of the State Relocation Law (Government Code Section 7260 et seq.), the State Relocation Guidelines, as those regulations may be amended by the State from time-to-time, and the relocation methods incorporated in the October, 1984 and the March, 2008 Reports to the Board of Supervisors on the Initial Redevelopment Plan and the Amended Redevelopment Plan, respectively. Any amendments to the State Relocation Guidelines shall automatically be incorporated without the need for further action by the Agency.