

**"AMENDMENT NO. 1 - OCTOBER 14, 2009**

**NOTE: The attached pages replace and supersede  
corresponding pages in the  
October 8, 2009, Public Review  
Draft Implementation Plan"**

**Financial Resources:** Tables 3, 4, and 5 present existing and forecasted RDA revenues. Table 5 shows the projected forecast over the next five years and is based on the historical increase in assessed valuation and tax increment growth per Tables 3 and 4. The completion of the Vintage Walk project in FY2007-2008 shows up as a large increase in the tax increment revenue. As shown in Table 5, approximately \$1,200,000 will accrue to the RDA's Low and Moderate Income Housing Fund ("LMIHF"). By law, not less than 20% of all tax increment revenue allocated to the RDA must be exclusively earmarked for the purpose of increasing, improving and preserving the community's supply of housing available at affordable housing cost to persons and families of low and moderate income. In its adoption of Plan Amendment No. 1, the City Council increased the statutory minimum by an additional 5%, resulting in a total commitment of 25% to support affordable housing. Of the tax increment that remains, \$854,150 will be paid to taxing agencies as dictated by statutory formula or prior agreement with the RDA. A net balance totaling \$2.7 million represents funds available to finance assorted redevelopment activities.

**Table 3: Project Valuation**

	Assessed Valuation	Annual Increase	
		Amount	Percent
FY2004-05	\$77,856,250	\$2,751,535	3.66%
FY2005-06	\$83,248,025	\$5,391,775	6.93%
FY2006-07	\$88,061,626	\$4,813,601	5.78%
FY2007-08	\$96,572,121	\$8,510,495	9.66%
FY2008-09	\$112,675,992	\$16,103,871	16.68%
		5-Year Total	42.71%
		Average Annual	8.54%

Source: Annual Tax Increment Reports, County Auditor-Controller, FY2004-05 to FY2008-09; Annual RDA Financial Transactions Report, State Controller's Office, FY2004-05 to FY2008-09.

**Table 4: Tax Increment**

	Gross Increment	Annual Increase	
		Amount	Percent
FY2004-05	\$406,323	\$250	0.06%
FY2005-06	\$490,713	\$84,390	20.77%
FY2006-07	\$524,807	\$34,094	6.95%
FY2007-08	\$728,216	\$203,409	38.76%
FY2008-09	\$753,573	\$25,357	3.48%
Total	\$2,903,632	5-Year Total	70.02%
		Average Annual	14.00%

Source: Annual Tax Increment Reports, County Auditor-Controller, FY2004-05 to FY2008-09; Annual RDA Financial Transactions Report, State Controller's Office, FY2004-05 to FY2008-09.

**Table 5: Valuation and Revenue Forecasts**

	Assessed Valuation	Gross Tax Increment	Tax Increment Revenues		
			LMIHF Deposits	Tax Agency Payments	Discretionary Project Funds
FY2009-10	\$118,433,735	\$813,859	\$203,465	\$119,391	\$491,003
FY2010-11	\$124,485,699	\$878,968	\$219,742	\$140,882	\$518,344
FY2011-12	\$130,846,918	\$949,285	\$237,321	\$166,240	\$545,723
FY2012-13	\$137,533,196	\$1,025,228	\$256,307	\$196,164	\$572,757
FY2013-14	\$144,561,142	\$1,107,246	\$276,811	\$231,473	\$598,961
Total		\$4,774,585	\$1,193,646	\$854,150	\$2,726,789

Source: Projections based on Tables 3 and 4.

Notes:

1. The average annual rate of increase over the past five years is 8.54% for Assessed Valuation and 14% for Gross Tax Increment. Due to the recent recessionary downturn affecting real estate, it is not expected that the past growth rates will be sustained during the forthcoming five-year cycle. More conservative annualized growth rates are used as follows: (i) Assessed Valuation – 1.05%; and (ii) Gross Tax Increment – 8%.
2. Tax Agency Payments were estimated on an 18% average annual increase for the prior 5 years.

**Programs and Activities:** Programs and activities that are undertaken pursuant to the Redevelopment Plan can be grouped into one of four broad categories: Public Facilities, Commercial Revitalization, Housing Assistance and Program Operations. Activities grouped under Public Facilities are designed to enhance the physical image of public spaces and rectify public improvement deficiencies. Commercial Revitalization activities provide for land assemblage and reuse of underutilized and deteriorated properties, recruitment of new businesses and inducements to rehabilitate, expand and modernize commercial and industrial building space. Housing Assistance activities provide for the improvement, preservation and expansion of housing that is available, at affordable housing cost, to persons of extremely low, very low, low, and moderate income (target groups). Program Operations encompass planning, budgeting, policy development, public relations, administration and image enhancement. The general scope of each category is described below.

- **Public Facilities.** Public infrastructure activities include urban design improvements, public utilities and street construction. Urban design improvements focus on enhancing the visual and pedestrian environment within public right-of-way that serves the Project Area including curbs, street lights, public spaces, landscaping, street furniture, public art, and undergrounding of overhead utility lines. Utility improvements include the construction, reconstruction and upgrading of water, sewer, storm drain and similar “backbone” infrastructure necessary and appropriate to serve the Project Area. Street construction encompasses a wide variety of vehicular and pedestrian improvements to improve access and safety, expand parking capacity, and enhance the overall functionality of public rights-of-way.
- **Commercial Revitalization.** Commercial Revitalization activities are broadly grouped into one of two categories: business improvement and retention/attraction. Business improvement activities include: (i) development incentives to facilitate expansion,

**Table 10: LMIHF 2010-2014**

	Five-Year LMIHF Revenue Forecasts				
	FY2009-10	FY2010-11	FY2001-12	FY2012-13	FY2013-14
<b>Gross Amount</b>					
Fund Balance	\$1,300,771	\$1,013,115	\$741,981	\$488,689	\$254,668
New Funds	\$203,465	\$219,742	\$237,321	\$256,307	\$235,695
Interest Earnings	\$3,052	\$3,296	\$3,560	\$3,845	\$3,539
Total Resources	\$1,507,288	\$1,236,153	\$982,862	\$748,841	\$494,173
<b>Adjusted Total</b>					
Administration	\$49,417	\$49,417	\$49,417	\$49,417	\$49,417
Expenditures	\$444,755	\$444,755	\$444,755	\$444,755	\$444,755
Carryover	\$1,013,115	\$741,981	\$488,689	\$254,668	-

Source: Table 6

**Table 11: Proportionality Requirements**

	Income Distribution					
	Extremely Low	Very Low	Lower	Moderate	Other	Total
<b>Income</b>						
Total Unit Goals	32	32	47	46	122	279
% Allocation (Total)	11.5%	11.5%	17%	16%	44%	100%
Target Group Allocation	20.5%	20.5%	30%	29%	n/a	n/a
	Age Distribution					
	65+ Years of Age		<65 Years of Age		Total	
<b>Age</b>						
Total Population	520		3,052		3,572	
% Allocation	15%		85%		100%	

Source: City of Buellton Housing Element (2009), and Housing and Population Data, U.S. Census Bureau (2000)

**Housing Program:** Housing production and expenditure forecasts over the next five years appear in Table 12. The programmatic categories appearing in Table 12 correspond to the City’s current adopted Housing Element: Housing Construction (net RHNA goals), Housing Rehabilitation (loans and grants) and Housing Conservation (affordable covenants). The numeric goals are also based on the adopted Housing Element; however, the specific numbers assigned to the RDA is a prorated amount of total Housing Element goals based on the amount of land area encompassed by the Buellton Improvement Project compared to the City at large (i.e., [Housing

Element Quantified Objectives] x [(Redevelopment Project Area Acreage) / (Total City Acreage)]. Expenditure forecasts reflect the total amount of tax increment to be deposited into the RDA's LMIHF over the next five years, less 10% for general administration and overhead (see Tables 6 and 10). Net revenues are then apportioned among the program categories based on unit goals assigned to each category (e.g., Construction Expenditures = [Net LMIHF Revenues] x [Construction Unit Goals/Total Unit Goals]).

**Table 12: Housing Program Forecasts**

	Housing Production – Unit Goals										Grand Total
	Family Households					Elderly Households					
	E.L.	V.L.	Low	Mod.	Total	E.L.	V.L.	Low	Mod.	Total	
<b>5-Year Total</b>											
Construction	5	5	7	7	23	1	1	1	1	4	28
Rehabilitation	2	2	3	3	9	0	0	0	0	2	10
Conservation	1	1	1	1	4	0	0	0	0	1	4
<b>Total</b>	<b>7</b>	<b>7</b>	<b>11</b>	<b>10</b>	<b>36</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>42</b>
<b>Avg. Annual</b>											
Construction	1	1	1	1	5	0	0	0	0	1	6
Rehabilitation	0	0	1	1	2	0	0	0	0	0	2
Conservation	0	0	0	0	1	0	0	0	0	0	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>
	Expenditure Forecasts (\$000's)										Grand Total
	Family Households					Elderly Households					
	E.L.	V.L.	Low	Mod.	Total	E.L.	V.L.	Low	Mod.	Total	
<b>5-Year Total</b>											
Construction	\$255	\$255	\$373	\$360	\$1,242	\$45	\$45	\$66	\$64	\$219	\$1,461
Rehabilitation	\$94	\$94	\$138	\$133	\$459	\$17	\$17	\$24	\$23	\$81	\$540
Conservation	\$39	\$39	\$57	\$55	\$190	\$7	\$7	\$10	\$10	\$33	\$223
<b>Total</b>	<b>\$387</b>	<b>\$387</b>	<b>\$567</b>	<b>\$548</b>	<b>\$1,890</b>	<b>\$68</b>	<b>\$68</b>	<b>\$100</b>	<b>\$97</b>	<b>\$334</b>	<b>\$2,224</b>
<b>Avg. Annual</b>											
Construction	\$51	\$51	\$75	\$72	\$248	\$9	\$9	\$13	\$13	\$44	\$292
Rehabilitation	\$19	\$19	\$28	\$27	\$92	\$3	\$3	\$5	\$5	\$16	\$108
Conservation	\$8	\$8	\$11	\$11	\$38	\$1	\$1	\$2	\$2	\$7	\$45
<b>Total</b>	<b>\$77</b>	<b>\$77</b>	<b>\$113</b>	<b>\$110</b>	<b>\$378</b>	<b>\$14</b>	<b>\$14</b>	<b>\$20</b>	<b>\$19</b>	<b>\$67</b>	<b>\$445</b>
<b>Proportionality</b>											
Income	20.5%	20.5%	30%	29%	-	20.5%	20.5%	30%	29%	-	
Age					85%					15%	
Overall Blended	17%	17%	26%	25%		3%	3%	5%	4%		100%

**SOURCES:** Updated Housing Element, Table H-8A, July 23, 2009.