

COMMUNITY IMPROVEMENT COMMISSION
of the
CITY OF ALAMEDA

FIVE-YEAR IMPLEMENTATION PLAN:
Fiscal Years 2005/06 – 2009/10
ALAMEDA POINT IMPROVEMENT PROJECT

As Required By
California Health & Safety Code Section 33490

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I. INTRODUCTION

I-1 Scope of the Implementation Plan for the APIP

The Five-Year Implementation Plan is an important component of the compliance requirements for Project Areas under California Redevelopment Law (CRL). This FY 05/06 – FY09/10 Implementation Plan for the Alameda Point Implement Project (APIP) Area outlines on-going efforts in economic and housing redevelopment and refers to applicable policy documents in place, such as the General Plan and the Preliminary Development Concept.

The Implementation Plan is intended to identify programs and goals in the APIP Redevelopment Area, and is not intended to address specific projects. Any specific projects that are listed are provided as typical examples, only. Additionally, programs and projects listed do not limit the CIC from modifying the Plan as need or opportunities arise.

I-2 Implementation Plan Requirements

Section 33490 of the California Health and Safety Code, California Redevelopment Law requires that for each five-year period following the APIP adoption, the CIC prepare an Implementation Plan for the APIP area. In 1998, the CIC adopted its first Five-Year Implementation Plan. The CIC did not adopt the second Five-Year Implementation Plan in 2003, as scheduled due to an on-going community participation-based planning process and stalled negotiations with the Navy for relinquishment of the property. Redevelopment efforts from 2003 to present were limited to maintaining the status quo at Alameda Point. Negotiations with the Navy are now nearing completion and the planning process concluded with the acceptance of the Alameda Point Preliminary Development Concept (PDC) in February 2006. Therefore, this second Five-Year Implementation Plan will address FY 05/06 through FY 09/10. In addition, because the Navy still owns the property the tax increment received has been very limited and therefore has constrained activities.

California Redevelopment Law, Section 33352 of the Health and Safety Code, requires that an Implementation Plan contain the following elements:

- a. Specific goals and objectives of the CIC for the APIP (see Section II)
- b. Specific programs, potential projects and estimated expenditures proposed to be made during the next five years (see Section III)
- c. Implementation of the low- and moderate-income housing requirements per Section 33333.10 if applicable, and Sections 33334.2, 33334.4, 33334.6, and 33413 (see Section III), with specific CIC responsibilities set forth therein (see Section III) including:

- The tax increment available in the low- and moderate-income housing fund and for each of the five years, the estimated amounts which will be deposited and expended;
 - Estimates of the number of new, substantially rehabilitated or price-restricted units to be developed or purchased both over the life of the plan and during the next ten years;
 - Estimates of the number of units of very-low, low-, and moderate-income households which have been developed or are required to be developed in order to meet California Health and Safety Code Section 33413(b)(2); and,
 - Estimates of the number of CIC-developed residential units that will be developed during the next ten years, including units for very-low, low- and moderate-income households that will be governed by California Health and Safety Code Section 33413(b)(1).
 - An explanation of how the CIC is meeting the Housing Fund targeting requirements set forth in Section 33334.4 of the Health & Safety Code.
 - Identification of CIC projects that will result in destruction of existing affordable housing, and, if any, the identification of proposed locations suitable for replacement housing required pursuant to Section 33413
- d. An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and implement the requirements of Sections 33334.2, 33334.4, 33334.6 and 33413 (see Section V)

The CIC must hold a noticed public hearing prior to adoption of each Implementation Plan. The adoption of the Implementation Plan does not constitute a project as defined in section 21000 of the California Public Resources Code, nor does the adoption of an Implementation Plan constitute the approval of any specific program, project, or expenditure. Thus, each specific project, program or expenditure in an Implementation Plan will be subject, if necessary, to standard California Environmental Quality Act (CEQA) review.

In addition, the CIC must hold a public hearing to review the progress of the Implementation Plan no earlier than two years and no later than three years after adoption of the Implementation Plan. In 2002, the CIC held a public hearing to review progress of the first Implementation Plan for the APIP.

I-3. Background Documents

This Implementation Plan is a compendium of and hereby incorporates by reference a variety of documents and research efforts that have been or will be prepared to provide guidance in achieving the objectives of the CIC. Key documents at present include:

- The CIC Budget for FY 2005/06;
- The “Community Improvement Plan for the Alameda Point Improvement Project”;
- The “Survey of the Alameda Point Improvement Project Area”;
- The City of Alameda General Plan;
- The City of Alameda General Plan Amendment;
- The NAS Alameda Community Reuse Plan;
- The Alameda Citywide Retail Policy;
- The Alameda West Strategic Retail Implementation Recommendations;
- The Alameda Point Preliminary Development Concept.

If consistent with this Plan, additional studies, reports, strategies, and programs may be prepared and implemented.

II. GOALS AND OBJECTIVES

II-1 APIP Goals and Objectives

Building upon the broad principles in the Naval Air Station (NAS) Alameda Community Reuse Plan that was drafted in 1996 prior to the decommissioning of the NAS, the Community Improvement Plan (CIP) for the Alameda Point Improvement Project (APIP) was adopted in 1998 to provide a critical tool for eliminating blighting conditions by promoting economic development through the provision of new public improvements, commercial development and affordable housing. These goals and objectives were prepared by the CIC at the time of the adoption of the Project Area and reflect State law requirements currently in place. The CIP established a process and basic framework within which specific plans would later be developed, thereby retaining the CIC's ability to respond to development constraints, changing market conditions and unanticipated circumstances such as the protracted negotiations with the U.S. Department of the Navy for the transfer of land ownership to the City of Alameda. The major goals of the 1998 CIP are:

- The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, small and irregular lots, faulty exterior spacing, obsolete and aged building types, mixed character or shifting uses or vacancies, incompatible and uneconomic land uses, substandard alleys, and inadequate or deteriorated public improvements, facilities, and utilities.
- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign, and development of portions of the Project Area, which are stagnant or improperly utilized.
- The provision of opportunities for participation by owners and tenants in the revitalization of their properties.
- The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements to stimulate new residential, commercial, and light industrial expansion, employment, and social and economic growth.
- The provision of adequate land for parking and open spaces.
- The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements, which provide unity and integrity to the entire Project.
- The expansion, improvement, and preservation of the community's supply of housing available to low- and moderate-income persons and families.

The goals and objective for the APIP were incorporated into various key City of Alameda planning documents since 1998:

- In 2003, a Housing Element was adopted which reflected the housing development goals for the APIP.
- In 2003, 123 acres in the APIP area (the “Exchange Area”) were transferred to the Business and Waterfront Improvement Project Area (BWIP) through an amendment process.
- The City’s General Plan was also amended in 2003 to address the reuse and redevelopment of the NAS. The CIC had adopted the APIP under special provisions regarding closed military facilities. At that time, the General Plan designation for the majority of the project area was Federal Facilities. California Redevelopment Law requires that the CIP and General Plan be consistent in order for tax increment to be spent. Therefore, until 2003, redevelopment activities were funded with a loan from the City of Alameda General Fund. The General Plan policy direction was presented in a set of development objectives, which include:
 - Seamlessly integrate Alameda Point with the rest of the City of Alameda
 - Foster a vibrant new neighborhood
 - Maximize waterfront accessibility
 - De-emphasize the automobile and make new development compatible with transportation capacity
 - Ensure economic development
 - Create a mixed-use environment
 - Establish neighborhood centers

In addition to incorporating policies and diagrams from the Reuse Plan, the General Plan Amendment included updated information about the development plans for Alameda Point, the Golf Course and the Wildlife Refuge.

In December 2003, the Alameda Reuse and Redevelopment Authority (ARRA) initiated an 18-month, ARRA-funded pre-development planning effort during which city staff and consultants would prepare a Preliminary Development Concept (PDC) for Alameda Point and negotiate and plan a schedule for the conveyance of the property from the Navy to the ARRA. With the assistance of the Alameda Point Advisory Committee, six well-attended public workshops were held to receive community recommendations on the PDC. Following presentations to and feedback from the Planning Board, Transportation Commission and Economic Development Commission, the PDC was accepted by the ARRA Board in February 2006.

Taking into account land use constraints, physical constraints, institutional and contractual constraints, guiding principals were adopted to ensure consistency with the APIP CIP and General Plan. The PDC is now the primary document for the redevelopment of Alameda Point and its specific goals and objectives are reflected throughout this Five-Year Implementation

Plan. The CIC's ability to implement the goals and objectives of the APIP remain contingent upon two key contractual relationships.

- The ARRA is involved in lengthy negotiations with the U.S. Department of the Navy regarding the timing and financial terms of the conveyance of Alameda Point. Staff continues to meet at least monthly with the Navy to discuss disposition timelines and other administrative activities related to conveyance. Staff also continues to negotiate with the Navy regarding environmental remediation activities, including privatized clean up. Staff is attending Navy-sponsored BCT and RAB meetings to monitor remediation activities and working closely with DTSC and EPA. Conveyance, including resolution of environmental clean up efforts, is estimated by December 2007.
- The CIC/ARRA/City also maintain a contractual relationship with the selected master developer, Alameda Point Community Partners (APCP). APCP, a partnership of Shea Homes, Centex Homes and Shea Properties works closely with the ARRA staff, per the terms of a Conditional Acquisition Agreement (CAA), to assess the feasibility of various development scenarios, including those outlined in the PDC. It is anticipated that a Disposition and Development Agreement will be executed following the conveyance of land from the Navy to the ARRA in December 2007.

III. PROGRAMS, POTENTIAL PROJECTS AND ESTIMATED EXPENDITURES

This section of the Implementation Plan reviews specific programs, proposed projects, anticipated revenues and estimated expenditures for the next five years. Estimated expenditures are based on current and potential activities that achieve the Plan’s goals and objectives. These expenses include, but are not limited to, the CIC’s senior obligations for long-term debt such as bond payments, fiscal agreements, and ongoing subordinate payments for contracts, reimbursements to other agencies, and operational and administrative costs incurred when carrying out the Redevelopment Plan.

The following program and project descriptions include specific activities for illustrative purposes. The examples are intended to reflect the PDC and to help clarify the range of potential programs, projects, or expenditures, and are not intended to represent an inclusive listing of potential activities. Details will be reviewed annually at the time of adoption of the CIC budget.

III – 1. Estimated APIP Revenues and Expenditures

Table 1 details projected APIP revenues by fiscal year. The projection is based on the fiscal consultant report, which uses a 2% growth rate to determine property valuations. State law requires that 20% of APIP revenues be set-aside for affordable housing projects and those revenues are detailed in Section III-3. The remaining 80% of APIP revenues¹ will be used for non-housing related projects intended to alleviate blighted conditions in the APIP area, and are discussed in Section III-2.

Table 1					
Estimated APIP Revenues					
(Values in Thousands of Dollars)					
FY	2005/06	2006/07	2007/08	2008/09	2009/10
Housing Projects	120	135	136	137	138
Non-Housing Projects	482	325	332	544	547
TOTAL	602	461	468	681	685

¹ The balance is subject to County, local and other statutory pass-thru obligations for APIP established under CRL.

III – 2. APIP Non-Housing Programs

Estimated expenditures on APIP non-housing programs and summary program descriptions are provided below. As projected revenue increases annually, the expenditures are anticipated to deplete resources at the same level. Timing and level of expenditures involve collaborative efforts with private sector entities and other government agencies. Actual expenditures are established annually as part of the CIC budget process. Section III-3 details housing programs, projects and estimated expenditures on an individual project basis.

Table 2 Estimated APIP Non-Housing Expenditures (Values in Thousands of Dollars)					
FY	2005/06	2006/07	2007/08	2008/09	2009/10
Non-Housing Expenditures	482	325	332	544	547

Program: “Implementation of recommendations in the Community Reuse Plan. Examples of specific projects include regulatory changes (revisions to the General Plan and Zoning Ordinance), fiscal impact analyses, etc., necessary for high quality development within the APIP.”

Status:

- Completed Project: Housing Element updated to include Alameda Point in 2000.
- Completed Project: General Plan Amendment Environmental Impact Report (EIR) was certified by the City in 2003.
- Completed Project: General Plan Amendment for Alameda Point and new Housing Element adopted in 2003.
- Completed Project: ARRA has accepted the Preliminary Development Concept to guide reuse and redevelopment activities. The PDC anticipates development informed by the following seven principles:
 - Each phase of the development should support and contribute to the creation of a balanced mix of land uses at Alameda Point to build community and create a pedestrian friendly environment.
 - Development at Alameda Point should be transit-oriented and facilitate convenient access to multiple modes of transportation in close proximity to homes and businesses.
 - Alameda Point development must be well integrated into surrounding existing neighborhoods.
 - The development of Alameda Point should support creation of a diverse community with a variety of housing types, income groups, employment

and recreational opportunities.

- The development at Alameda Point must be an economically viable project that will not require or rely upon General Fund subsidies.
 - The development at Alameda Point should support and facilitate the environmental remediation program and facilitate conveyance of the property from the U.S Navy.
 - Alameda Point should be a sustainable, environmentally sound community. Site planning, building orientation, landscape design and materials, construction techniques, choice of transit vehicles, and opportunities for partnerships with Alameda Power and Telecom and the use of solar power must all be carefully considered throughout the initial design, construction, and maintenance phases of the project.
- On-going Project: Conveyance negotiations on-going with Navy. EDC MOA amendment to be complete by December 2007.
 - On-going Project: Master Developer for AP selected in 2001. Exclusive Negotiating Agreement completed in 2002. Conditional Acquisition Agreement approved in November 2003. Cooperative efforts to complete pre-development tasks and related negotiations are on-going. An 18-month EIR and entitlement process to begin in July 2006. A Disposition and Development Agreement (DDA) anticipated to be complete in December 2007.

Redevelopment of Alameda Point will be phased over 15 years, with Phase I activities occurring from 2008 – 2013. With the completion of the General Plan Amendment in 2003, the Community Reuse Plan goals and objectives were folded into the City's General Plan. The Reuse Plan has been further refined through the PDC. Therefore, this "Program" has been replaced, for redevelopment purposes, by these updated documents.

Program: "Facilitation of high priority privately or publicly sponsored catalyst development projects in the form of financial/engineering/architectural/ environmental analyses, site planning and project development, etc. Possible projects include adaptive reuse of existing industrial or commercial sites or buildings on the former base, including, but not limited to, non-traditional residential activities such as live/work spaces, and acquisition, disposition or reuse of underutilized public or privately owned properties.

Status:

- On-going Project: Environmental Remediation – The Navy is actively working with the USEPA and the California EPA to evaluate and clean up environmental contamination throughout Alameda Point. The environmental regulatory agencies have approved closure of many fuel storage tanks and other petroleum facilities. For

other sites investigation and cleanup are in progress. All of the sites with non-petroleum contamination are being investigated and some are in the active clean-up phase. A few non-petroleum sites have achieved closure sign-off from the environmental regulators, e.g., the Skeet Range and the Former Transformer Storage Area. By the end of 2010, the Navy's cleanup is expected to be complete or to have progressed to a long-term monitoring phase for most areas, but not the West Beach Landfill (IR-02), the Northwestern Ordinance Storage Area (IR-32), and the most industrialized areas (OU-2) north and east of the Seaplane Lagoon.

- On-going Project: Ploughshares Nursery, an economic development endeavor of the Alameda Point Collaborative, is open for business on four acres of open space fronting Main Street. During the next several years, permanent improvements will include an indoor retail and classroom facility as well as propagation and outdoor sales areas.
- On-going Project: In accordance with the Stuart B. McKinney Act of 1987 the ARRA subleased over 178,000 square feet of existing buildings to the Alameda Point Collaborative for use in providing supportive services and economic development opportunities. \$330,000 of Community Development Block Grant funds have been invested in upgrades to these facilities as well as in technical assistance to enhance the capacity of Alameda Point Collaborative staff to provide services to the residents of 200 very-low income housing units at Alameda Point.

According to the PDC, between 2008-2013, only Phase I of the plan will be implemented. Phase I is proposed to include 107,000 square feet of Community/Civic/Institutional uses, 512,000 square feet of office and research/development uses, and 115,000 square feet of town-center retail space. At the completion of Phase I redevelopment in 2013, the following physical improvements will be in place:

- Potential Project: A Town Center on the Seaplane Lagoon with up to 115,000 square feet of community retail shops and services.
- Potential Project: Several new neighborhoods with parks, pedestrian pathways and neighborhood centers will be built. These new neighborhoods will add up to 1,100 new housing units. A minimum of 25% of the new housing will be affordable to very low-, low-, and moderate-income households. Neighborhood-serving, small-scale retail centers will offer commercial services, day care centers, places of worship etc.
- Potential Project: Approximately 500,000 square feet of job generating non-residential uses, including industrial and manufacturing businesses, maritime related businesses, research and development businesses, office uses and other commercial enterprises.

- Potential Project: 50-acre regional sports complex to be located at Alameda Point. The complex will include soccer fields, baseball fields, swimming facilities and a gymnasium.
- Potential Project: Approximately 44 contributing structures in the historic district will be preserved and adaptively reuse consistent with the Secretary of the Interior Standards for the Preservation and Rehabilitation of Historic Structures.
- Potential Project: 215-acre Alameda Point Golf Course/Resort Development/Public Access project to be located in the northwest corner of Alameda Point. The proposed new development will include public access lands along the water's edge consisting of two public parks, a hiking and biking trail, parking and restrooms. The 2002 Request for Qualifications did not result in the selection of a golf course/resort hotel developer. The Golf Course project Draft EIR has been released and will be presented at a Public Hearing in June 2006.

Program: "Support for ongoing activities aimed at business attraction/retention, business promotion, and enhancement of the economic mix in the APIP area. Potential projects include contracting with local and regional business associations for design, promotional business retention and attraction activities. Possible projects include financial assistance for facade improvements of commercial buildings, seismic upgrading and the adaptive reuse of key landmark buildings. This will help achieve the goal of strengthening commercial and industrial business districts in the APIP."

Status:

- Completed Project: Electrical System conveyed by ARRA to Alameda Power & Telecom.
- Completed Project: Alameda Power & Telecom completed installation of underground high-speed fiber optic system at Alameda Point that serves the entire island.
- Completed Project: Electrical services were relocated and upgraded for Pier 2 and Pier 3 to accommodate a 20-year sublease to MARAD.
- Completed Project: Electrical, plumbing and structural upgrades have been completed with \$10 million grant from the EDA to Hanger 11, 23 and 39 and Building 77, 400A and 530, to attract several key business tenants.

- On-going Project: The ARRA has an active interim leasing program with more than 90 businesses, with 2000 employees, occupying 2 millions square feet of existing space at Alameda Point.

Program: “Design and construction of streetscape improvements. Possible projects include feasibility studies to carry out the recommendations contained in the NAS Alameda Street Improvement Plan.”

Status:

- Completed Project: Main Street Linear Greenway property acquired and improvements complete.
- Potential Project: The ARRA approved a Streetscape Beautification Agreement with the Master Developer in September 2002. No funding has been identified for this project to date.
- Potential Project: Main Street will be reconfigured to include one lane for cars in each direction, a center turning lane, 5-foot bike lanes and on-street parking. Landscaping will complement the improvements made along the Main Street Linear Greenway.

Program: “Improvements to traffic circulation and regional access to the City. An example is the determination of an alignment for the proposed Mitchell-Mosley and/or Tinker Extension, which will guide development on FISC properties. Establishment of the alignment will improve circulation to presently underutilized properties, making them suitable for private development.”

Status:

- Ongoing Project: The Mitchell-Moseley and Tinker Improvements are both in the BWIP area following the 2003 boundary adjustment. Therefore, the status of these projects is tracked in the BWIP Five-Year Implementation Plan. However, the importance of the improvements to the redevelopment of the APIP remain significant. The Tinker Extension is scheduled to be completed in 2009. The Mitchell-Moseley improvements will provide major access point to Alameda Point but will be configured as a neighborhood boulevard west of the intersection at Main Street. The Mitchell-Moseley improvements are scheduled to be completed in 2015. A portion of Mitchell-Moseley will be constructed as part of the Phase I AP improvements.
- Ongoing Project: ARRA received a \$250,000 MTC grant in 2005 to prepare a specific plan for the proposed multi-modal transit center at Alameda Point. The specific plan will be completed in early 2007.
- Potential Project: A multi-modal transportation program designed to attract new homeowners and businesses that are willing to pay for, support and use transit and other alternatives to the automobile is planned for Alameda Point. The program

includes frequent bus and ferry services, use of zero or low emission transit vehicles, car-share and bicycle facilities etc.

Program: “Improvements to public infrastructure and facilities that are of benefit to the APIP and allowed by Community Redevelopment Law. Possible improvement projects include transportation, parking, public safety, storm drains, sidewalks, curbs, gutters, sewer lines and laterals. Examples of possible projects include developing more public parking; developing new park and recreational open spaces; and improving existing open spaces.”

Status:

- Completed Project: Public Works completed a water separation project to segregate the fire suppression system from the domestic water system.
- On-going Project: PM Realty Group, on behalf of the ARRA, has replaced and/or repaired raised sidewalks throughout Alameda Point, with emphasis on areas experiencing the greatest pedestrian traffic. Annual assessments and repairs are done utilizing non-redevelopment funds.
- On-going Project: A 565 acre national wildlife refuge currently managed by the US Fish and Wildlife Service to protect migratory birds, endangered species and other wildlife habitat. The US Navy intends to transfer the ownership of the land to the US Fish and Wildlife Service in the future.
- Potential Project: A key component of the golf course/conference center will be development of a shoreline trail along the Estuary. Looping through the golf course, it will connect to the Wildlife Refuge trail, or return to the Main Street portion of the Bay Trail. The conceptual golf course plan provides three park areas along the trail, with a waterfront promenade, esplanade, observation points, and picnic facilities. Approximately 14,000 feet, or almost three miles, of new trail would be provided by the project.
- Potential Project: Seaplane Lagoon: The PDC recommends a major new park on the north side of the Seaplane Lagoon. The park may include areas for passive recreation, water access, and organized community gatherings and still preserve bay views.
- Potential Project: Water System/Sanitary Sewer, Storm Drain and Dry Utility System: The existing systems at Alameda Point are not built to current City or utility company standards so the PDC recommends the systems be replaced with new pipes and structures on a phased basis as each phase of the development is constructed.

Program: “Development of design improvements and coordinated design standards for the Atlantic Avenue entrance to APIP. Possible projects include preparation of streetscape improvements.”

Status:

- Potential Project: The PDC recommends that the existing Atlantic Avenue be straightened by extending Ralph J. Appezzato Memorial Parkway directly west to and along the north side of the Seaplane Lagoon and San Francisco Bay. This broad boulevard could accommodate rail or bus ways in the future. Implementation is anticipated as part of the Phase I AP redevelopment (2008-13).

Program: “The current basis of calculating State’s Education Revenue Augmentation Fund (ERAF) payments is subject to change, but the CIC does make annual payments.”

Status:

- On-going Project: State Legislature re-established a requirement for redevelopment agencies to make ERAF payments during FY 2002/03. Through FY 04/05 the CIC has made \$1,638,247 in ERAF payments.

Program: “Administrative and personnel costs associated with carrying out all of the above programs, projects and expenditures.”

Status:

- On-going Project: Both the CIC and ARRA budgets support on-going administrative and personnel costs. During FY 2003/04, the ARRA budgeted \$3.5 million toward the 18-month pre-development planning period that resulted in the PDC.

III-3. APIP Housing Programs

The Community Improvement Commission is committed to meeting its requirements for affordable housing under Community Redevelopment Law.

Section 33413(b) of the Health and Safety Code (Community Redevelopment Law) requires that (a) "at least 30 percent of all new or rehabilitated dwelling units developed by an Agency shall be available at affordable housing cost to persons and families of low- moderate-income" with not less than 50 percent of such units to be occupied by very low-income households and (b) "at least 15 percent of all new or rehabilitation units developed by public or private entities or persons other than the Agency shall be available to persons of low- or moderate-income" with not less than 40 percent of such units to be available at affordable housing cost to very low-income households. The housing units referred to in this paragraph must remain affordable for not less than 55 years for rental units and 45 years for homeownership units.

Section 33413 was amended, effective January 1, 1992, to require the CIC, as a redevelopment agency, to adopt an inclusionary housing compliance plan to insure that such requirements will

be met every ten years. Every five years the plan must be reviewed in conjunction with the City of Alameda Housing Element cycle and, if necessary, amended. If the 30/15 percent housing requirements are not met by the end of the ten-year period, then the CIC must meet these goals on an annual basis until the requirements for the ten-year period are met. If the CIC has exceeded the housing requirements for the ten-year period, the CIC may count the excess units toward compliance in the next period.

Ten-Year Production

Special legislation affords Alameda the option of counting housing units given over for housing the homeless against state-mandated inclusionary housing units, required at a rate of 15 percent of new units built. A legal settlement with Renewed Hope and Arc Ecology requires that 25% of the new units built at Alameda Point be available to and occupied by, very low-, low-, and moderate-income families. Two hundred units have already been rehabilitated and converted for very-low income housing units and are managed by the Alameda Point Collaborative under several 59-year long-term leases. This conveyance is the result of negotiations with the Homeless Collaborative in compliance with the Stuart B. McKinney Act of 1987 and subsequent federal legislation.

The FY 1997-2003 CIP approved by the CIC assumed the development of 157 new units in the first ten years of the APIP CIP. It is anticipated that none of these units will be developed by the CIC, acting as the developer. The CIC may, however, acquire parcels or provide other financial contribution based on demonstrated need to assist developers in the provision of these affordable units. Consistent with the Housing Element adopted on May 6, 2003, it is the policy of the CIC to require developers to construct housing units for low and moderate-income households within their projects. Furthermore, a minimum of six percent of the total units in each residential development must be affordable to very low-income households.

Since the inception of the APIP in 1997, there have been no new units developed by the CIC. Two hundred forty-six (246) substantially rehabilitated units were developed by other public or private developers in the five-year period 1997-2002. Of these, one hundred seventy-eight (178) are affordable to very-low income households. Not included in these production numbers is the Spirit of Hope II development located in the Alameda Point Improvement Project (APIP), which utilized BWIP funding to produce 22 units of housing affordable to very low-income households. California Redevelopment Law allows the aggregation of units, and a finding has been made that, based on substantial evidence, aggregation of these APIP units with the BWIP will not cause or exacerbate racial, ethnic, or economic segregation. These units were aggregated to meet the inclusionary requirement for the BWIP for the 10-year period 1994-2004. Given delays in the conveyance of land to the ARRA no new housing units have been constructed in the APIP. Inclusionary housing production developed in the APIP during the last period exceeded the CRL 15% inclusionary requirement and will be carried forward into the current period.

Table 3 shows the historical production of housing in the APIP (The calculation of inclusionary housing units reflects the established City policy of rounding to the nearest whole unit.)

Table 3				
APIP Historical Housing Development (1997 – 2006)				
	Total Units	Very Low	Low/Mod	Market
Total Units Developed	246	178	0	68
Inclusionary % (CRL requires 15%)		72%		

It should be noted that a policy to increase the inclusionary requirement to 25% in all redevelopment areas has also been adopted in the City’s Housing Element and by the CIC. Therefore, the CIC anticipates it will continue to exceed inclusionary requirements within the APIP for the remainder of the ten-year period.

Table 4 details the number of units projected to be completed during the ten-year plan period covering 7/1/05 – 6/30/10. According to the PDC, between 2008-2013 only Phase I of the plan will be implemented. Phase I is proposed to include the 200 affordable housing units already occupied and 1148 newly constructed housing units built primarily by private developers in a range of housing types that will serve a diversity of household sizes, incomes and ages. It is not anticipated that the CIC will develop new units during this current period. 25% of new units built will be inclusionary units with 6% affordable to very-low income households. For the remainder of the plan, the CIC anticipates that an additional 587 units will be constructed with 25% inclusionary units. It should be noted that, as predicted in the Housing Element, any Navy delay in completing environmental remediation and conveyance related activities would impact the housing production schedule at the APIP.

Table 4						
Projected APIP Housing Development						
FY	2005/06	2006/07	2007/08	2008/09	2009/10	Total
New Housing Units Developed	0	0	0	300	300	600
Total Inclusionary Housing Units	0	0	0	75	75	150
Very Low-Income Units	0	0	0	18	18	36
Low/Moderate-Income Units	0	0	0	57	57	114

Table 5 details the Housing Fund balance and projected Revenue and Expenditures for the APIP project area. It is anticipated that during the five-year period covering 7/1/05 – 6/30/10, the ARRA will provide \$3.6 million of Housing Funds to satisfy the Alameda Point Collaborative’s contribution to infrastructure for its existing 200 very-low income units. By agreement, the

ARRA will provide. The use of any remaining APIP 20% funds will be made available to projects at Alameda Point consistent with State Redevelopment Law.

Table 5 Estimated Revenues and Expenditures of APIP Housing Fund (Values in Thousands of Dollars)						
FY	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Est. Revenue	120	135	136	137	138	621
Est. Expend.	120	135	136	137	138	621
Ending Balance	0	0	0	0	0	0

It is anticipated that no excess surplus will exist for the duration of this Implementation Plan. Once the \$3.6 million APIP housing funds obligation to infrastructure noted above is met, future funds will be accumulated until sufficient funds exist to assist the Alameda Housing Authority in the development of an affordable project or to assist a private developer in completing a larger project with a significant number of affordable units. It is anticipated that the units noted above would be both owner- and tenant-occupied. A variety of financial tools are available to assist affordable housing development. In addition to the 20 percent housing set-aside (Housing Fund), federal HOME funds, City Affordable Housing fees and tax-increment financing could be utilized to assist such development.

III-4 Plan for Replacement of Demolished Existing Affordable Housing

No demolition of occupied affordable housing which would require replacement (Per Section 33413(a) of CRL) is anticipated in the APIP, and no replacement housing is expected to be required. If replacement housing is required, it would be provided consistent with CRL requirements, including those related to location. Replacement housing could be provided in residentially-designated areas within the APIP or, following adoption of a resolution beneficial to the Project Area, units could be acquired or developed on a scattered basis outside of the Project Area at a rate of two units for every one unit of affordable housing removed.

III-5 Expenditure Targeting Statutory Requirements for Housing

CRL requires agencies to set aside, in a separate low and moderate income housing fund, at least 20% of all tax increment revenue generated from their project areas for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. Revisions adopted under AB 637, effective January 1, 2002, and SB 701, effective

January 1, 2003, require agencies to address how their Housing Fund expenditures will meet the newly instituted Housing Fund Targeting requirements. Section 33334.4 of the Health and Safety Code has been amended to include the following:

Income Targeting

Each agency shall expend over each 10 year period the monies in the Low and Moderate Income Housing Fund to assist with housing for persons of low income and housing for persons of very low income in at least the same proportion as the total number of housing units needed for each of those income groups to the total number of units needed for persons of moderate, low, and very low income within the community, as those needs have been determined for the community.

The number of units needed for low and very low income households relative to the total number of units needed for persons of moderate, low, and very low income within the community is determined by the Regional Housing Need Determination (RHND), also called the “fair share” determination. The Association of Bay Area Governments (ABAG) calculates this every five years. Based on the current regional fair share allocation, 34% of the CIC Low and Moderate Income Housing Fund for each project area must be targeted to very-low income households and 20% to low income households. According to the RHND, the City of Alameda will need to develop 443 units affordable to very-low income households and 265 units affordable to low income households in order to meet its regional fair share goals. The legislation requires agencies to account for Low and Moderate Income Housing Funds spent by income levels in both the “past period”, which is defined to be from July 1, 1997, to June 30, 2005, and for the “current period”, defined to be from July 1, 2005 to June 30, 2010. Table 6 lists past and current period expenditures by income affordability of units produced in the APIP.

All of the projected APIP expenditures in the current period will be used in support of very low-income units through the \$3.6 million contribution to be made by the CIC on behalf of the APC. Therefore, the planned CIC contributions exceed CRL income targeting requirements for very-low income households in the current period. Over the lifetime of the redevelopment project area, the income targeting requirements will be met via projects funded by the CIC, as well as those private developers construct for low income households. All units will be restricted by a recorded covenant in accordance with the requirements of CRL. The CIC will work closely with APCP during the current period to ensure that a detailed production schedule, that meets the RHND targeting requirements, is developed and implemented when new housing development begins at Alameda Point.

Table 6					
Estimated APIP Income Targeted Fund Expenditure					
(Values in thousands of dollars)					
	Past Period: FY 1997-98 to FY 2004-05		Current Period: FY 2005-06 to FY 2010-11		RHND Targeting Requirement
	Funds Expended	% Total Funds Expended	Funds Expended	% Total Funds Expended	
Very Low Income (VLI)	126	100%	1325	100%	34%
Low Income (LI)				0%	20%
Moderate Income (Mod)				0%	46%
TOTAL APIP	126	100%	1325	100%	

Table 7					
Estimated Income Targeting Expenditure					
(Values in thousands of dollars)					
	2005/06	2006/07	2007/08	2008/09	2009/10
Very Low Income (VLI)	120	135	136	137	138
Low Income (LI)	0	0	0	0	0
TOTAL APIP	120	135	136	137	138

Targeting for Persons Regardless of Age

Each agency shall expend over the duration of each Implementation Plan, the monies in the Low and Moderate Income Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the population under age 65 bears to the total population of the community as reported in the most recent census of the United States Census Bureau.

As of January 2002, the Agency is required to target unit production to persons regardless of age in at least the proportion of the population under sixty-five to the total population, as listed in the latest Census. According to the 2000 Census, the City of Alameda's population of 72,259 persons consists of eighty-seven (87%) percent persons under the age of sixty-five, and thirteen percent (13%) over the age of sixty-five. As with the income targeting requirement, the legislation requires that funds targeted by age levels report expenditures in the "past period" (FY 1997/98 to FY 2004/05) and the "current period" (FY 2005/06 to FY 2009/10). Table 8 shows the status of the APIP in meeting this requirement.

In the past period, 100 percent of APIP funds have been spent on housing for persons regardless of age. In the current period, 100 percent of APIP funds will be targeted for

housing for persons regardless of age. The CIC is therefore, exceeding CRL requirements.

Table 8					
APIP Fund Expenditure Targeting on Persons Regardless of Age					
(Values in thousands of dollars)					
	Past Period: FY 1997-98 to FY 2004-05		Current Period: FY 2005-06 to FY 2014/2015		
	Funds Expended	% Total Funds Expended	Funds Expended	% Total Funds Expended	RHND Targeting Requirement
Senior Housing	0	0%	0	0%	Less than 13%
Non Senior Housing	126	100%	1325	100%	At least 87%
TOTAL APIP	126	100%	1325	100%	

IV. APIP BLIGHTING CONDITIONS

The APIP CIP identifies the existing conditions of blight as defined under the special legislation established for decommissioned military bases in Section 33492.11 of the CRL. The major blighting conditions of the APIP are as follows:

- Buildings in which it is unsafe or unhealthy for persons to live and work - The NAS facility consists of many old, deteriorated and functionally obsolete buildings, many of which must be demolished due to a lack of maintenance by the Navy, resulting from a lack of funds and the anticipated closure.
- Factors inhibiting economically viable reuse of buildings or areas - In many cases, the cost of a total building upgrade would exceed the replacement value of the structures and would require enormous initial capital investment.
- Incompatible uses - The large scale maintenance and repair work performed at the base has resulted in many adjacent uses that would be incompatible in civilian communities. Many heavy industrial uses are located near residential areas, with large warehouse structures inappropriately located in residential neighborhoods.
- Buildings that will not comply with subdivision, zoning, or planning regulations - Alameda Point land use patterns differ from traditional, private industrial developments. Buildings on the base are distributed in clusters of warehouses and industrial buildings for which legal parcels have not been created, points of entry and vehicle access are limited, and there is minimal landscaping on APIP properties.
- Infrastructure that does not meet current standards - Then need for new infrastructure, which is necessary to revitalize the 1,700 plus acre complex, is overwhelming to a city the size of Alameda. Specifically, the cost for infrastructure improvements is estimated to be \$300 million.

V. ALLEVIATION OF BLIGHT

This section of the Implementation Plan describes how the planned projects are intended to alleviate the physical, social or economic blight in the Project Area. As set forth in Section III-3 the CIC's housing goals, objectives, programs and expenditures will implement the affordable housing requirements of Sections 33334.2, 33334.4, 33334.6 and 33413. Provided below is a summary of the major existing blighting conditions observed in the APIP and the projects and expenditures proposed to alleviate the blight. The table on the following page correlates to the proposed projects.

V-1 Alleviation of Structural Blight

Structures that are unfit or unsafe to occupy because of: defective design or age, obsolescence, deterioration, dilapidation, toxic contamination, mixed character or shifting uses. In the APIP, catalyst private-sector residential and commercial projects and development of design improvements and design standards will help alleviate structural blight by facilitating projects that spur an increase in economic activity and private sector investment in nearby properties. Investment has begun in the existing buildings at Alameda Point that are part of the interim leasing program. Only those buildings and grounds that do not require environmental remediation are involved in the interim leasing program. The PDC identifies particular historic structures that will receive significant investment and remain part of the historic district as well as others that are functionally obsolete and will be replaced with new development.

V-2 Alleviation of Physical Non-Structural Blight

Non-structural blight is characterized by properties that suffer from economic dislocation, deterioration, or disuse because of various physical, social, and economic conditions. Blighting physical conditions present in the Project Area include: inadequate public improvements, facilities, and utilities and major environmental contamination. Catalyst residential and commercial projects, design and construction of streetscape improvements and development of coordinated design standards are all intended to help improve inadequate physical conditions by directly providing public improvements, facilities, and utilities or by providing revenues for public improvements, facilities, and utilities. The PDC includes extensive plans for infrastructure improvements that will support reinvestment as well as environmental remediation strategies that will enable residential, commercial and public uses at Alameda Point.

V-3 Alleviation of Social Non-Structural Blight

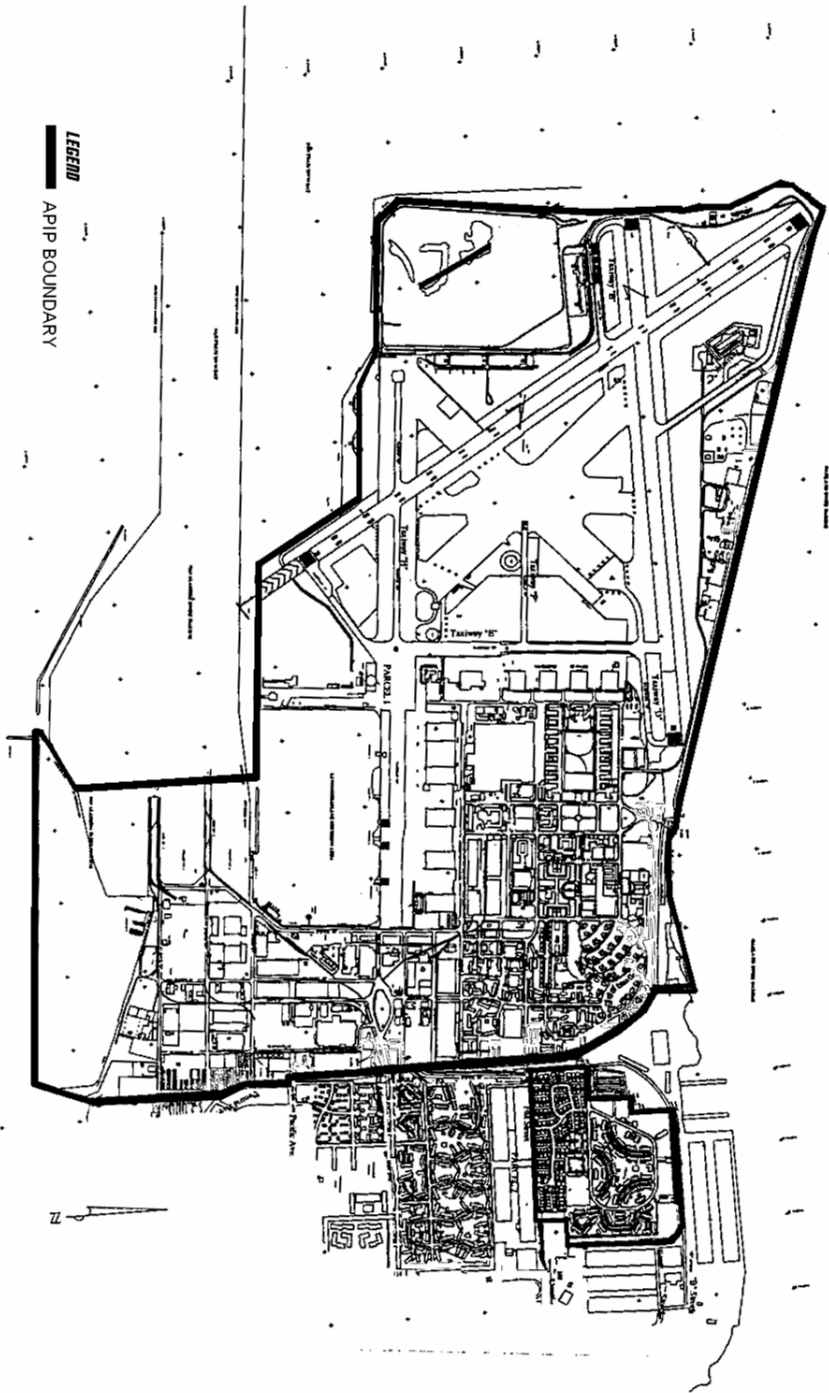
Social conditions that result in non-structural blight include inadequate open spaces and recreational facilities, and the prevalence of social maladjustment. Many recreational facilities are available at Alameda Point including the O'Club facility, skateboard park, soccer fields and open spaces. Social non-structural blight will be addressed by providing open space and recreational facilities and mitigating burden and detriment to other taxing entities that provide recreational and educational facilities. The extensive public infrastructure improvements identified in the PDC will also help alleviate these social conditions. The PDC includes plans for a new Golf Course, Sports Complex, and extensive bike and pedestrian routes.

V-4 Alleviation of Economic Non-Structural Blight

Depreciated values, impaired investments, and economic maladjustments are economic conditions that lead to non-structural blight. In the APIP the support for business retention and attraction efforts has the primary objective of easing these conditions by increasing the demand for existing commercial, industrial and residential structures within the Project Area. In addition, future commercial, industrial and residential development will help alleviate the economic non-structural blight, as will the removal of existing environmental and other development constraints.

Table 8				
APIP: Alleviation of Blight				
	Structural Blight	Non-Structural Blight		
		Physical	Social	Economic
Recommended Regulatory Refinements	*			*
Catalyst Projects	**	**		*
Business Retention/Attraction				**
Streetscape Improvements		**		*
Traffic Circulation/Access		*		*
Public Infrastructure/Facilities		**	**	
Design Improvements	**			*
Administrative/Personnel Costs	*	*	*	*

** Primary Linkage
* Secondary Linkage



Boundary Map
Alameda Point Improvement Project
Redevelopment Project
City of Alameda