



# **REPLACEMENT HOUSING PLAN**

## **RELATIVE TO**

### **The 'Orbisonia Heights' Project**

**Prepared for**

**Contra Costa County  
Redevelopment Agency**

**By**

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**September, 2008**

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## **I. INTRODUCTION**

The Contra Costa County Redevelopment Agency (the 'Agency') has identified thirty five (35) parcels of land located within the Orbisonia Heights neighborhood of the Bay Point Redevelopment Project Area for acquisition, consolidation and redevelopment into a mixed-use residential, transit-oriented development consistent with both the General, and Specific Plans for the area and, the Bay Point Redevelopment Plan (the 'Project'). To achieve its goals, the Agency will raze the existing structures, thereupon, and redevelop the site consistent with the General, Specific and Redevelopment Plans.

The real property that has been, and is proposed to be acquired results in the displacement of forty-two (42) households

The residential premises which are the subject of this Replacement Housing Plan (the 'Plan') are located in the unincorporated County community of Bay Point, south of State Route 4 and bounded on the north by State Route 4; on the east by Ambrose Park; on the south by West Leland Road; and, on the west by Bailey Road. Bailey Road is the nearest north/south collector to and from State Route 4, and in close proximity to the Pittsburgh/Bay Point BART Station. The specific seven, and six-tenths acre (7 6/10<sup>th</sup> ac.) site consists *primarily* of single-family homes and existing public rights-of-way.

Section **33413.5** of California Community Redevelopment Law (Health and Safety Code Section 33000 et. seq.) requires a redevelopment agency to adopt a 'Replacement Housing Plan' (the 'Plan') whenever the agency executes an agreement for acquisition of real property, *or* an agreement for the disposition and development of real property; *either* of which will lead to the clearance, or removal of dwelling units from the low- and moderate-income housing market within the community.

The Plan should identify the impacts that a particular project will have on the community's supply of low and moderate income housing and detail the measures that the agency will take to ensure that appropriate replacement housing is produced within four (4) years of the loss of said units from the municipality's real estate market. In this regard, the Agency has retained Overland, Pacific & Cutler, Inc. ('OPC' or 'Consultant'), to prepare this Plan. Agencies have two (2) options for pursuing replacement housing either pursuant to Section **33413(a)** or, Section **33413(f)** of the California Redevelopment Law.

Section **33413(a)** of the California Redevelopment Law requires that whenever dwelling units housing persons or families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project the agency shall rehabilitate, develop, or construct or *cause to be* rehabilitated, developed, or constructed, for rental or sale to persons and families of low to moderate income, *an equal number* of replacement dwelling *units* at affordable housing cost within the Redevelopment Project Area *or* within the territorial jurisdiction of the agency.

Inasmuch as the units are being removed post-January 01, 2002, one hundred percent (100%) of the replacement dwelling units shall be available at affordable housing cost *to*, and *occupied by* persons in either the *same* or a *lower* income category (i.e., 'Very Low', 'Lower' and 'Moderate') as the persons *displaced* from those units destroyed, or otherwise removed (e.g., a conversion from rental, to condominium ownership, for example).

Section **33413(a)** notwithstanding, Section **33413(f)** states that an agency may replace dwelling units destroyed, or otherwise removed from the municipality's inventory with a *fewer* number of replacement dwelling *units* *if* the replacement units meet *both* of the following criteria:

1. the total number of *bedrooms* in the replacement dwelling units *equals* or *exceeds* the number of *bedrooms* in the destroyed or removed units;  
*and*,

2. the replacement units are *affordable* to the *same* income category of the *households* which occupied the *destroyed* or *removed* units.

The units must be within the agency's "jurisdiction", in standard condition and designed to remain affordable to very low, lower and moderate income households, respectively, for a *minimum* of the longest feasible time, as determined by the agency, *but for no less than* the period of land use controls established in the applicable Redevelopment Plan, *unless a longer* time period is applicable pursuant to California Health & Safety Code Section **33413(c)**.

In compliance with the Community Redevelopment Law Reform Act of 1993 – commonly referred to as AB1290 – redevelopment agencies were required to adopt a five (5)-year 'Implementation Plan' for each redevelopment project area by December 31, 2004. In accordance with that provision, Consultant is advised that the Agency adopted an Implementation Plan which identifies the obligation established by the subject Project.

This **Replacement Housing Plan** (the 'Plan') has been prepared by the Agency as a result of the prospective elimination of residential property for the 'Orbisonia Heights' Project and, to satisfy the requirements for replacement housing contemplated pursuant to California Redevelopment Law.

This Plan describes the following:

- a) The proposed Project;
- b) The general location of the very-low, lower and moderate income dwelling units which will or may be removed or destroyed as a result of the Project;
- c) The general location and intentions for the development of the replacement housing units;
- d) The means proposed for financing such development;
- e) An anticipated schedule for the construction of the replacement housing;

- f) The period for which the replacement units will remain affordable;  
and,
- g) The non-applicability of California Constitution Article XXXIV.

## **II. PROJECT DESCRIPTION AND LOCATION**

The Agency has initiated a Project in the Orbisonia Heights neighborhood, of the Bay Point Redevelopment Project Area to develop a mixed-use, residential transit-oriented development south of State Route 4 on a 7.6 acre parcel bounded by State Route 4 to the north; Ambrose Park to the east; West Leland Road to the south; and, Bailey Road to the west. The Project includes the acquisition of 35 parcels of property and clearance of the existing structures.

The clearance of the site which is the subject of this Plan will result in the permanent displacement of thirty-nine (39) residential households of very low to moderate income levels.

Figures 1., 2., and 3. following provide graphic representation as to the Regional, Site-specific and, an Aerial view of the Project site.

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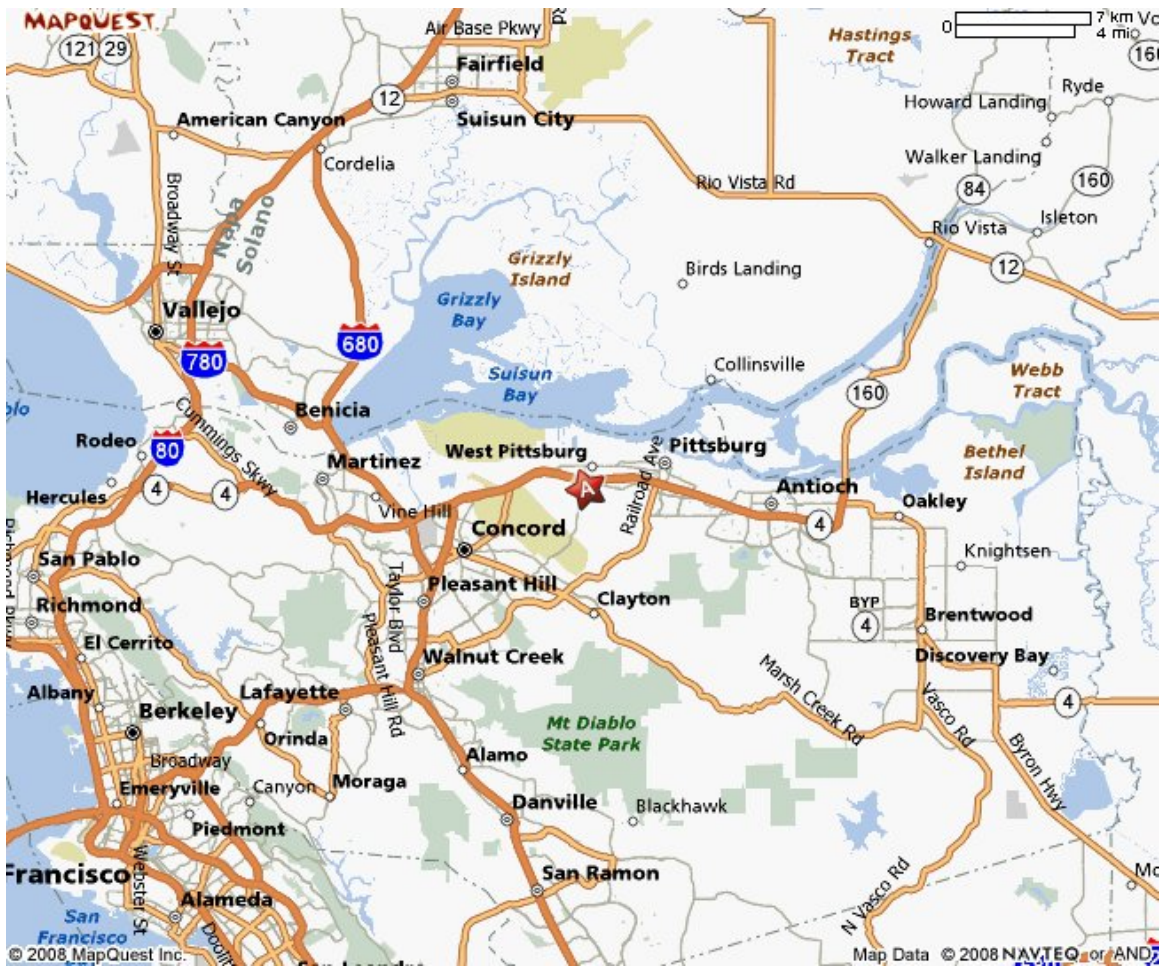
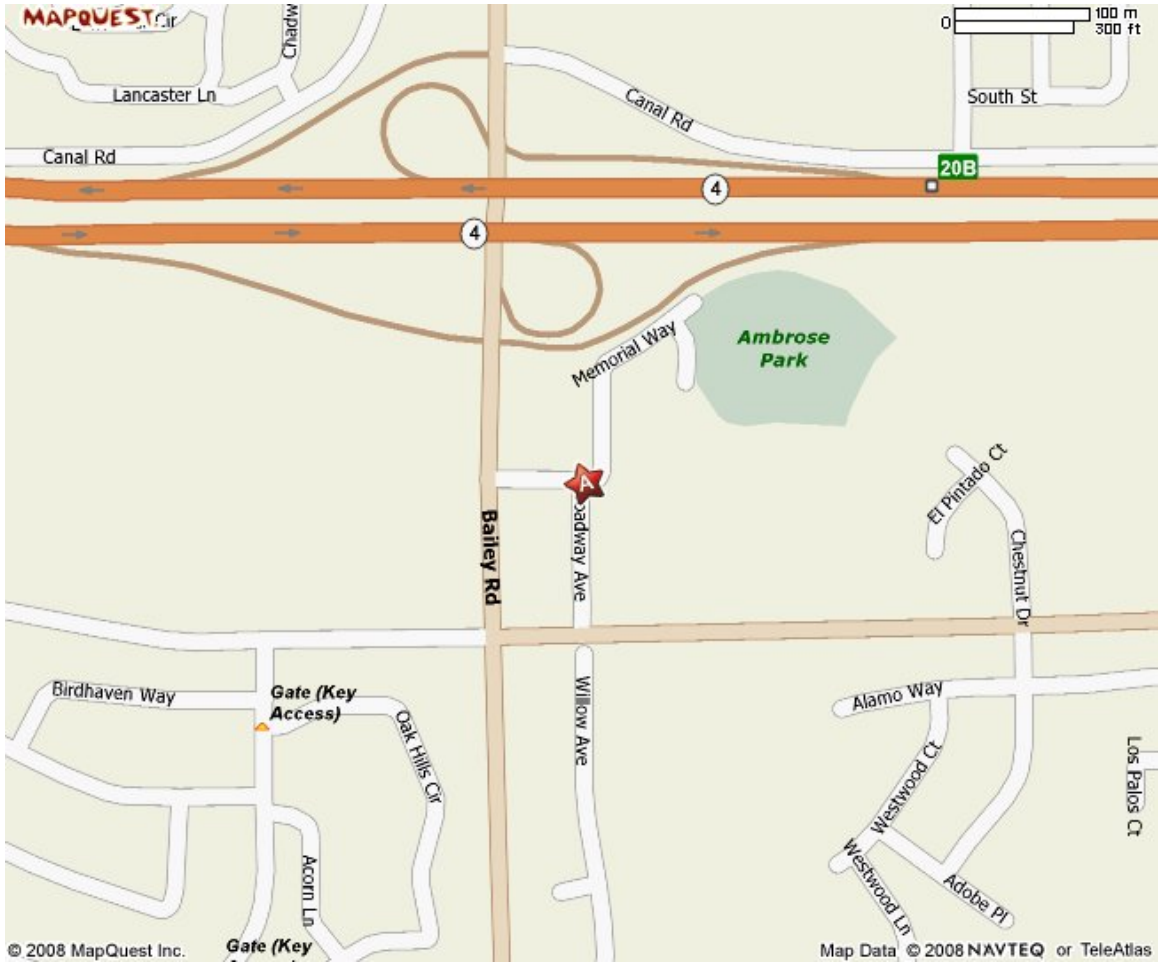


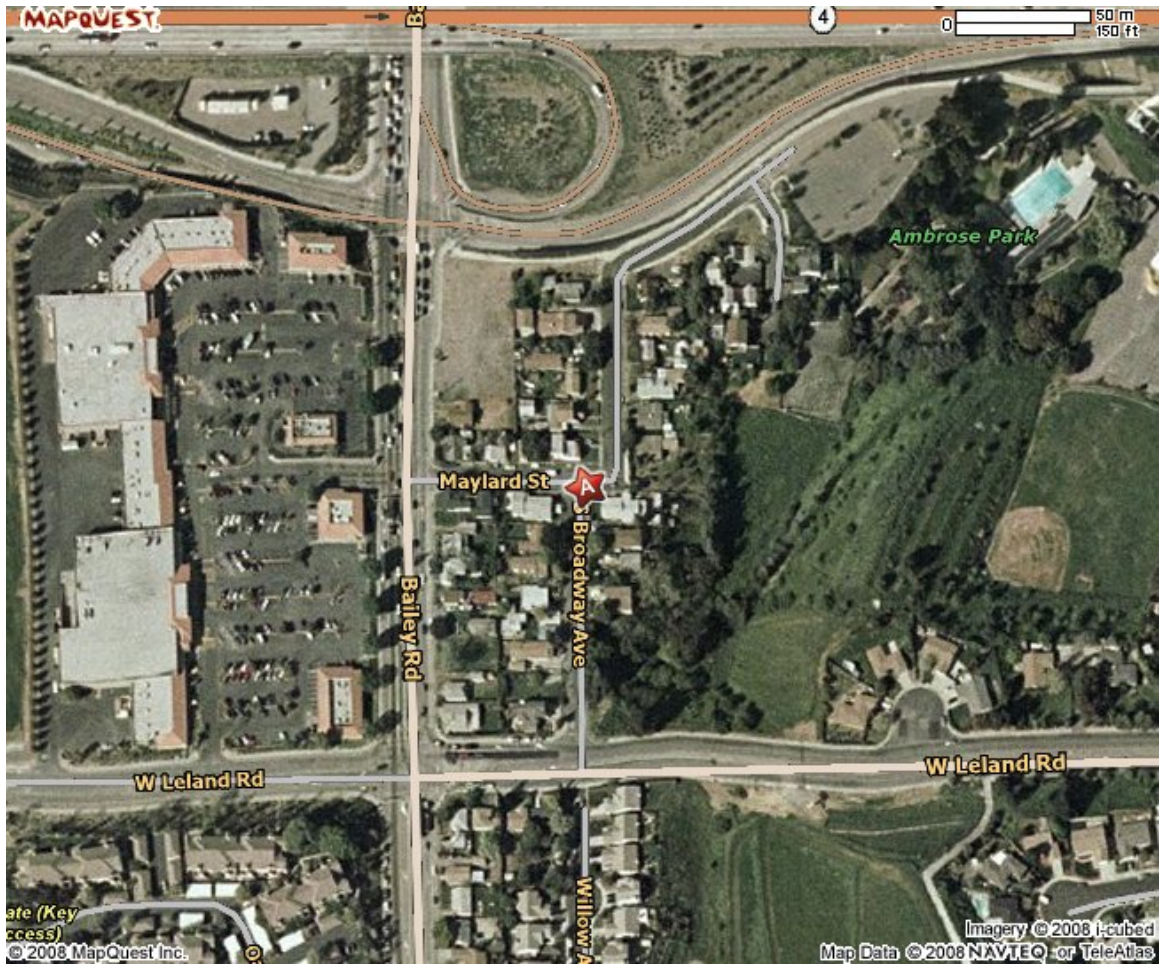
Figure 1. Regional Location

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**Figure 2. Site-specific Location**

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**Figure 3. Aerial View**

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### III. UNITS TO BE REPLACED

Interviews of the occupants of the Project site residing in the dwelling units which were, prospectively, to be razed were conducted during late April through May of 2007. Information obtained from the occupants was used to determine the number of bedrooms per dwelling unit occupied, and gross household income of each household to be displaced by the Project. A total of four (4) households – two (2), each, of tenants and homeowners – did not provide income information during the interview process.

Based upon the median annual income of *respondent* households residing on the premises, an income has been imputed for the four (4) units – two (2) tenant-occupied and two (2) owner-occupied – for which income information was not available. In addition, incomes were imputed for two (2) occupied, three (3)-bedroom residential dwelling units, both on South Broadway Avenue, which were acquired and razed in 2005 and 2006.

#### Replacement Housing Requirements

Pursuant to California Redevelopment Law as discussed in Section I. **INTRODUCTION**, the Agency shall make available one hundred percent (100%) of the replacement dwelling units at affordable housing cost to, and to be occupied by households in the same, or a lower income category as/than the households displaced from the units removed from the community's inventory.

**Table 1.**, following, defines the number of dwelling *units*, with the corresponding number of *bedrooms* that will be displaced, and the one hundred percent (100%) requirement for replacement dwelling units by number of bedrooms and income level.

**TABLE 1:  
DISPLACED DWELLINGS & BEDROOMS  
BY DWELLING UNIT SIZE & HOUSEHOLD INCOME LEVEL (100% Requirement)**

Unit Size by Bedroom Count	Very Low Income Units/Beds	Lower Income Units/Beds	Moderate Income Units/Beds	Above Moderate Income Units/Beds*	Total Units/Beds to be Replaced*
One Bedroom	13/13**	1/1	0/0	1/1	<b>14/14</b>
Two Bedroom	7/14	4/8	0/0	0/0	<b>11/22</b>
Three Bedroom	3/9	7/21	1/3	0/0	<b>11/33</b>
Four Bedroom	0/0	2/8	1/4	2/8	<b>3/12</b>
<b>Total Units/Bedrooms Displaced</b>	<b>23/36</b>	<b>14/38</b>	<b>2/7</b>	<b>3/9</b>	<b>39/81</b>

- ‘Above-moderate’ income dwelling units/bedrooms are not considered for replacement housing purposes and, therefore, totals in column seven do not include units/bedrooms occupied by above-moderate income households.
- \*\*Youth Homes counted as 12 units/12 beds.

The above results indicate that thirty-nine (39) residential dwelling units, comprising a total of eighty-one (81) bedrooms need to be rehabilitated, developed or otherwise constructed pursuant to Section **33413(a)** of the Community Redevelopment Law. The above-moderate dwelling units shown in the table 1 above shall not be considered further in this Plan as they are not subject to a replacement housing obligation.

Based on the criteria of replacing all *bedrooms* by income level, thirty-three (36) bedrooms should be made affordable to households of ‘Very Low’ income; thirty eight (38) bedrooms should be made affordable to households of ‘Lower’ income; and, seven (7) bedrooms should be made affordable to households of ‘Moderate’ income.

#### IV. ANNUAL INCOME RESTRICTIONS

California Health and Safety Code Sections **50079.5** and **50105** provide that the Extremely Low, Very Low, Lower and Moderate income limits established by the U.S. Department of Housing and Urban Development (HUD) are the State limits for those same income categories. Sections **50079.5** and **50105** direct the Department of Housing and Community Development (HCD) to publish the income limits. Accordingly, HCD has filed with the Office of Administrative Law, amendments to Section **6932** of Title 25 of the California Code of Regulations. The amendments contain the new HUD income limits prepared by HCD pursuant to Health and Safety Code Section **50093**.

The following figures, shown in **Table 2**, are approved for use in Contra Costa County to define and determine housing eligibility by income level:

<b>TABLE 2: HUD ANNUAL INCOME CATEGORIES, CONTRA COSTA COUNTY, CALIFORNIA MEDIAN FOUR-PERSON HOUSEHOLD INCOME: \$86,100.</b>					
<b>Household Size</b>	<b>Extremely Low Income</b>	<b>Very Low Income</b>	<b>Lower Income</b>	<b>Median Income</b>	<b>Moderate Income</b>
<b>1 Person</b>	\$18,100.	\$30,150.	\$46,350.	\$60,300.	\$72,300.
<b>2 Person</b>	\$20,700.	\$34,450.	\$53,000.	\$68,900.	\$82,600.
<b>3 Person</b>	\$23,250.	\$38,750.	\$59,600.	\$77,500.	\$93,000.
<b>4 Person</b>	\$25,850.	\$43,050.	\$66,250.	<b>\$86,100.</b>	\$103,300.
<b>5 Person</b>	\$27,900.	\$46,500.	\$71,550.	\$93,000.	\$111,600.
<b>6 Person</b>	\$30,000.	\$49,950.	\$76,850.	\$99,900.	\$119,800.
<b>7 Person</b>	\$32,050.	\$53,400.	\$82,150.	\$106,800.	\$128,100.
<b>8 Person</b>	\$34,100.	\$56,850.	\$87,450.	\$113,700.	\$136,400.

Effective February 28, 2008

## **V. LOCATION OF REPLACEMENT HOUSING**

The Agency has two (2) options available to provide replacement housing/bedrooms relative to the Orbisonia Heights project at hand, including: the acquisition and rehabilitation of existing units and/or the development of entirely new units.

It is the intent of the Agency that all replacement housing/bedrooms subsequently developed in response to the loss of the units/bedrooms in **Table 1**, above, will be located within the boundary of the Bay Point Redevelopment Project Area, within four (4) years of the loss of these units/bedrooms. The replacement housing will be provided on-site through the development of the Project itself, and in future off-site developments as shown on **Table 3** below. Pursuant to recorded affordability restrictions the Agency will require that the replacement housing units be made available for occupancy for at least the required time period described in **Section I** above, and at the required sizes and income levels, to meet the Agency's replacement housing obligation with respect to the Project. If the replacement units are not being developed within the time allowed, the Agency shall identify other replacement units in order to meet the replacement housing requirements.

**TABLE 3:  
CONTRA COSTA COUNTY REDEVELOPMENT AGENCY  
BAY POINT PROJECT AREA  
POTENTIAL NEW DEVELOPMENT**

	Very Low Income Units/Beds	Lower Income Units/Beds	Moderate Income Units/Beds	Total Replacement Units
<b>Marina Townhomes</b>	12/24	68/136	320/640	<b>400/800</b>
<b>Orbisonia Townhomes/Apartments</b>	18/36	27/54	255/510	<b>300/600</b>
<b>Canal Road Townhomes</b>		1/2	9/18	<b>10/20</b>
<b>Canal Road/Mims Townhomes</b>		4/8	21/42	<b>25/50</b>
<b>Driftwood - Denova SFR</b>		5/10	28/56	<b>33/66</b>
<b>Driftwood - Denova SFR - Phase 2</b>		2/4	10/20	<b>1224</b>
<b>Clearland Mixed Use</b>	5/10	12/24	36/72	<b>53/106</b>
<b>Habitat-Inglewood Street</b>		9/18		<b>9/18</b>
<b>Youth Homes</b>	12/12*			<b>12/12</b>
<b>TOTAL</b>	<b>47/82</b>	<b>128/256</b>	<b>679/1358</b>	<b>854/1696</b>

\*Youth Homes counted as 12 units/12 beds.

## **VI. FINANCING THE REPLACEMENT HOUSING**

The Agency’s Redevelopment Plan for the Project Area authorizes the Agency to finance its activities with assistance from primary sources, including the County of Contra Costa, the State of California, the United States Government, property Tax Increment (T.I.) revenues, interest income, Agency bonds or, other sources available to public agencies.

In the acquisition, construction and/or rehabilitation of affordable replacement housing units identified in the preceding Sections of this Plan, the Agency may utilize a variety of funding sources to finance these activities. Sources which may be utilized include: State and/or Federal grants and loans including, but not limited to: HUD Community Development Block Grant (CDBG) funds; HOME grants; various mortgage subsidy or guarantee programs and instruments, including Section 202 and programs offered by the California Housing Finance

Agency (CHFA); Redevelopment Tax Increment funds, including Redevelopment twenty percent (20%) housing “set-aside” funds; below-market rate financing through the sale of tax exempt Mortgage Revenue bonds; and, developer equity and/or financing. Specific funding for future replacement housing units may be through the use of one or any combination of the above-described methods and sources.

## **VII. NON-APPLICABILITY OF ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION**

The development of the replacement housing does not require approval of the voters pursuant to Article **XXXIV** of the California Constitution for the following reasons. First, Article **XXXIV** requires approval of the electorate only when a state public body develops, constructs or acquires a low-rent housing project. The Legislature has enacted the Public Housing Implementation Law (Health & Safety Code Section **37000 et seq.**) to interpret and implement Article **XXXIV**. Health and Safety Code Section **37001(f)** states that the term "low-rent housing project" in Article **XXXIV** does not apply to any development that consists of rehabilitation, reconstruction, improvement, or replacement of dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by households with incomes at or below 80% of the area median income.

Second, the Agency may structure its requirement for the provision of affordable housing in a manner that complies with the provisions of Health and Safety Code Section **37001(a)**, which will also mean that the election requirements of Article **XXXIV** will expressly not apply to the replacement housing. The above cited section provides an exclusion from the requirements of Article **XXXIV** when

*"(1) the development is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivisions (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities; and (2) not more than 49 percent of the dwellings, apartments, or other living accommodations of the development may be occupied by persons of low income."*

## VIII. TIME TABLE FOR REPLACEMENT HOUSING

The Agency commits to complete the development of the requisite replacement housing units necessary to fulfill the commitment to affordable dwelling units/bedrooms discussed in this Plan. Based on the schedule of assembly and removal of units, all housing created as replacement housing units/bedrooms will be completed within four (4) years of the clearance of the subject site. The planned units will remain income restricted for the period of the land use controls established in the County's Redevelopment Plan, as required by law or, for a period of fifty-five (55) years for rental units and forty-five (45) years for owner-occupied units from the date of completion; whichever period of time is *greater*.

## IX. SUMMARY

In summary, eighty-one (81) bedrooms, within thirty-nine (39) dwelling units of very low to moderate income housing will be removed from the community's inventory as a result of the development of the Project.

Based upon the dwelling units' *bedrooms* razed for the proposed Project, and the income categories of the occupant households of the units containing those bedrooms, the Agency will commit to develop, within four (4) years of the loss of said bedrooms, residential dwelling units providing *no fewer than* thirty-six (36) bedrooms for households of 'Very Low' income; thirty eight (38) bedrooms of housing for households of 'Lower' income; and, seven (7) bedrooms of housing for households of 'Moderate' income.

The Agency commits to the development, either through new construction and/or rehabilitation, of the replacement housing units/bedrooms, by income category as identified in this Plan. The resultant replacement bedrooms may, however, be located within a fewer *number* of dwelling *units* than those razed or otherwise removed from the community's inventory however, the total number of *bedrooms* within their respective income categories shall be no less than maintained or, shall be provided in an even lower income category.

The above actions will yield the required number of replacement dwelling units/bedrooms as mandated pursuant to California Redevelopment Law.

The Agency recognizes both its legally-mandated, and community responsibilities in this matter and shall make a sincere, good faith effort to accomplish these goals. The Agency retains its options to use other approaches and strategies not discussed, herein, to fulfill its replacement housing obligations in a timely manner.