REPORT

Redevelopment Plan Amendment
Report to Council

Also serving as:
Report to State Departments

Prepared for:

CITY OF
Fremont

Redevelopment Agency

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I. Overview and Background

A. Introduction

The Redevelopment Agency of the City of Fremont (Agency) is preparing an interrelated set of proposed redevelopment plan amendments (collectively, the Plan Amendment) to the constituent redevelopment plans (Constituent Redevelopment Plans) for the constituent Irvington, Niles, Centerville and Industrial redevelopment project areas (Constituent Project Areas) that together comprise the Fremont Merged Redevelopment Project Area (Merged Project Area). The Constituent Redevelopment Plans were each amended in 1998 to merge the Constituent Project Areas into the Merged Project Area. The Agency is preparing the current Plan Amendment for consideration by the City Council of the City of Fremont (City) in early 2010.

The fundamental purpose of the proposed Plan Amendment is to provide the Agency with the necessary financial and legal resources and tools to complete the needed program of redevelopment in the Merged Project Area in order to:

- Eliminate the remaining identified blight in various portions of the Merged Project Area;
- Facilitate the economic development of the Merged Project Area including the provision of additional job opportunities for residents of the Merged Project Area; and
- Provide additional quality affordable housing for residents of the Merged Project Area and the entire Fremont community.

This Report serves as the Report to Council for the Plan Amendment (Report to Council or Report), as required by Section 33352 of the California Community Redevelopment Law (CRL), a part of the California Health and Safety Code.[1] The Report to Council is an integral step in the process leading to consideration of the Plan Amendment for the Constituent Redevelopment Plans. It is the public document designed to provide the comprehensive information, analyses and evidence the City Council must consider when determining whether or not to adopt the Plan Amendment. The Report to Council is of value to all participants in the Plan Amendment process, as a statement of program needs, goals, activities, and costs.

This Report also serves as the report required by Section 33451.5(c), (Report to State Departments), which must be transmitted to the California Department of Finance (DOF) and Department of Housing and Community Development (HCD) 45 days prior to the joint public hearing on the Plan Amendment.

1. Chapter Organization

This chapter is organized into the following sections:

A. Introduction

B. Background on the Plan Amendment

[1] Health and Safety Code Section 33000 et seq. All Code Section references used in the Report to Council refer to the Health and Safety Code unless otherwise specified.

C. Background on the Merged Project Area
D. Conformity with the General Plan
E. CRL Requirements for the Report to Council and Report to State Departments
F. Overview of the Plan Amendment Process and Public Agency Actions to Date

2. Report Organization

This Report describes the reasons for the Plan Amendment, documents blighting conditions remaining in the Merged Project Area, and summarizes the projects and activities of the Redevelopment Program for the Merged Project Area (Merged Redevelopment Program). This Report also provides the assessment of financing methods and economic feasibility of the Plan Amendment.

This Report is organized into the following chapters:

- Chapter I presents a general overview and background of the existing Constituent Redevelopment Plans, the Merged Project Area and the proposed Plan Amendment, summarizes the reasons for the Plan Amendment, describes the goals of the Plan Amendment, outlines the CRL requirements, and presents the process for the Plan Amendment.
- Chapter II documents adverse physical and economic conditions remaining in the Merged Project Area.
- Chapter III presents the Merged Redevelopment Program and the goals and objectives for the Merged Project Area. It also describes how the Merged Redevelopment Program will alleviate the adverse conditions described in Chapter II and summarizes the anticipated cost of the Merged Redevelopment Program.
- Chapter IV analyzes the financial feasibility of the Plan Amendment. It describes the alternative funding resources available to the Agency to accomplish the Merged Redevelopment Program, details tax increment financing, and presents projections of the tax increment revenue that will be generated in the Merged Project Area under the Plan Amendment. It also demonstrates the need for the proposed increased tax increment financing limits contained in the Plan Amendment, in order to sufficiently fund the Merged Redevelopment Program described in Chapter III and alleviate the remaining adverse physical and economic conditions of the Merged Project Area documented in Chapter II.
- Chapter V discusses the Implementation Plan requirement, and refers to the Merged Project Area Implementation Plan, which is included in Appendix K. The Implementation Plan outlines statutory requirements for non-housing as well as affordable housing activities. It sets forth the Agency's goals, objectives, programs, and expenditures for the Agency's five year Implementation Plan period, including program priorities and expenditure estimates over the five year period.
- Chapter VI describes the requirement for a plan for relocation of persons or businesses that may be displaced due to redevelopment activities.
- Chapter VII provides an analysis of the Preliminary Plan.
- Chapter VIII discusses the Planning Commission report and recommendations for the Plan Amendment.
- Chapter IX summarizes opportunities for public review of and comment on the Plan Amendment.

- Chapter X contains, by reference, the Subsequent Environmental Impact Report (SEIR) prepared in accordance with the California Environmental Quality Act (CEQA) for the Plan Amendment.
- Chapter XI includes the analysis of the Report of the County Fiscal Officer.
- Chapter XII includes a summary of the consultations with affected taxing agencies.
- Chapter XIII includes the Neighborhood Impact Report.

The appendices include supporting documentation and background information on the Plan Amendment, as follows:

- Appendix A provides a list of sources and definitions of key words and terms used throughout this Report.
- Appendix B describes the urbanization of the Merged Project Area at the time of the adoption or previous amendment of the Constituent Project Areas.
- Appendix C includes the survey form used for the existing conditions survey that informs the existing conditions documentation presented in Chapter II.
- Appendix D contains photographic documentation of the adverse physical and economic conditions presented in Chapter II.
- Appendix E includes the Draft Merged Redevelopment Plan, described briefly below.
- Appendix F contains a detailed explanation of the manner in which the various projects and activities comprising the Merged Redevelopment Program will alleviate documented remaining blight throughout the Merged Project Area.
- Appendix G summarizes the calculation methodology and results supporting the proposed bonded indebtedness limit.
- Appendix H lists the public and private funding sources other than tax increment revenues that may be available to finance the Merged Redevelopment Program.
- Appendix I contains the supporting tables for the tax increment revenue projections used in the financial feasibility analysis in Chapter IV.
- Appendix J includes tables presenting the impact of the Plan Amendment on the pass-through payment amounts received by the three Education Entities.[2]
- Appendix K contains the Implementation Plan.
- Appendix L contains the Amendments to the Preliminary Plan for each Constituent Project Area.
- Appendix M presents the Community Participation Documents.
- Appendix N presents the Documentation of Consultations with Taxing Entities.
- Appendix O presents the Report and Recommendations of the Planning Commission regarding the Plan Amendment.

This Report has been prepared pursuant to the requirements of the CRL.

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[2] Three Education Entities are Ohlone Community College District, Fremont Unified School District and Alameda County Office of Education, as defined in Appendix A.

B. Background on the Plan Amendment

1. Summary of the Plan Amendment

The Plan Amendment would achieve the following:

- Amend, restate, and consolidate the current Constituent Redevelopment Plans into the form of a single "Consolidated Redevelopment Plan for the Fremont Merged Redevelopment Project Area (including the Irvington, Niles, Centerville, and Industrial Areas)." This Merged Redevelopment Plan (or Merged Plan) would incorporate the applicable provisions from each of the current Constituent Redevelopment Plans;
- Increase the limit on the amount of tax increment revenue from the Industrial Area portion (as further described below) of the Merged Project Area that may be claimed by the Agency from the current limit of $400 million to a revised limit of $1.5 billion;
- Increase the limit on the principal amount of bonded indebtedness secured by tax increment revenue that may be outstanding at any time from the current combined Merged Project Area limit of $200 million to a revised combined limit of $550 million;
- Update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area; and
- Update various text provisions to conform to the current requirements of the CRL.

As noted above, the proposed Plan Amendment would be embodied in the form of the Merged Plan. If adopted by the City Council, the Merged Plan would amend, restate and supersede in their entirety the previously existing Constituent Redevelopment Plans.

2. Time and Fiscal Limits

The Plan Amendment would increase the limit on tax increment collection from the Industrial Area portion of the Merged Project Area and increase the limit on outstanding bonded indebtedness for the combined Merged Project Area. All other time and fiscal limits for the constituent portions of the Merged Project Area will remain unchanged. Table I-1 summarizes the current and proposed limits.

Table I-1
Summary of Existing and Proposed Time and Fiscal Limits
Fremont Merged Project Area

	Fremont Merged Project Area					
	Niles		Irvington			
	Original	Added	Original	Added	Centerville	Industrial
Background Information						
Date of Adoption	7.5.1977	7.7.1998	7.5.1977	7.7.1998	7.8.1997	11.22.1983
Base Year	FY 1976/77	FY 1997/98	FY 1976/77	FY 1997/98	FY 1996/97	FY 1983/84
Time Limits						
Debt Issuance	Eliminated[a]	7.7.2018	Eliminated[a]	7.7.2018	7.8.2017	Eliminated[a]
Plan Effectiveness	7.5.2018	7.7.2029	7.5.2018	7.7.2029	7.8.2028	11.22.2024
Receipt of Tax Increment	7.5.2028	7.7.2044	7.5.2028	7.7.2044	7.8.2043	11.22.2034
Eminent Domain	7.7.2010	7.7.2010	7.7.2010	7.7.2010	7.8.2009	7.7.2010
Existing Fiscal Limits						
Tax Increment Collection	$55 Million		$180 Million		No Limit	$400 Million
Outstanding Bonded Indebtedness	$200 Million Combined					
Proposed Fiscal Limits						
Tax Increment Collection	$55 Million		$180 Million		No Limit	$1.5 Billion
Outstanding Bonded Indebtedness	$550 Million Combined					

a. The debt issuance time limits for the Niles Original, Irvington Original and Industrial Areas were eliminated in 2006 as authorized by the CRL. As a result, the last date for debt issuance has become the same as the last date of Plan effectiveness.

Source: Fremont Redevelopment Agency, Goldfarb & Lipman LLP, Seifel Consulting Inc.

3. Reasons for the Plan Amendment

Since 1998, the Agency has participated in numerous redevelopment efforts in the Niles, Irvington and Centerville Areas (referred to collectively as the Historic Areas) and has completed or appropriated all necessary funds for the four freeway interchanges in the Industrial Area. Completed or ongoing catalyst projects in the Historic Areas include the environmental clean up and construction of the Niles Town Plaza in Niles, the construction of the Bay Street Streetscape and Washington Grade Separation projects in Irvington, and acquisition and environmental clean up of the Centerville Unified Site in Centerville. Chapters II and III highlight these accomplishments in more detail.

However, the costs of the I-880 interchanges and the Washington Grade Separation were much higher than projected, due in part to rising materials and labor costs, design improvements and environmental issues. For example, the final cost of the I-880 Interchanges at Dixon Landing and Mission Boulevard will be over three times that estimated in 1998, with the Agency contribution nearly doubling from $31 million to $59 million.[3] The Washington Grade Separation will also cost almost three times the 1998 estimate, and the Agency contribution increased from $15 million to $36 million.[4] As a result of the Agency's obligation to fund these significant infrastructure improvements, the anticipated sharing of revenues from the Industrial Area to the Historic Areas has not occurred nearly to the extent anticipated at the time of the 1998 Plan Amendments and Merger. Therefore, many of the projects intended for the Historic Areas have not been sufficiently funded and have been placed on hold or are progressing more slowly than anticipated.

Furthermore, some regional transit improvements authorized in 1998 did not have an identified source of funding at that time, and no sources have become available since then. Specifically, the Agency has been unable to move forward with the proposed construction of an Irvington BART station, which would enhance the planned BART extension to Warm Springs and San Jose. The Agency's participation in the Warm Springs extension through the construction of an Irvington station would strengthen the regional transportation network and provide economic development benefits throughout the area. Additional regional transit improvements that were planned in 1998 but have not yet been implemented due to a lack of funds include a rail station and multimodal transit facility in the Industrial Area and improvements to the Centerville Depot in the Centerville Area that would enhance connections to local, regional and national transportation systems.

Without the Plan Amendment, only limited ongoing redevelopment activities will be able to be funded under the current Industrial Area tax increment limit of $400 million ($400 Million Cap) and under the current Merged Project Area limit of $200 million on outstanding bonded indebtedness. Chapter III describes these activities, which generally include completion of projects such as the Centerville Unified Site and the Niles Town Plaza, planning and financial assistance for the redevelopment of a handful of small sites, small-scale investments in neighborhood infrastructure and businesses, and several affordable housing developments. These

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[3] The total cost of the Dixon Landing and Mission Boulevard interchanges will be $307 million, up from an estimated $82 million in 1998. The Auto Mall Parkway and Fremont Boulevard interchanges were completed prior to 1998 and thus did not impact other Agency activities during the past 10 years.

[4] The total cost of the Washington Grade Separation will be $111 million, up from an estimated $38 million in 1998.

activities will not be sufficient to eliminate the remaining blight throughout the Merged Project Area described in Chapter II.

The Plan Amendment would increase the limit on the amount of tax increment revenue that may be claimed by the Agency from the Industrial Area to $1.5 billion ($1.5 Billion Cap) as well as increase the limit on outstanding bonded indebtedness for the Merged Project Area. These increases will allow the Agency to secure sufficient resources to alleviate the identified remaining blight through the complete Merged Redevelopment Program. As described in Chapter III, the complete Merged Redevelopment Program includes significant investments in economic development and infrastructure projects in the Historic Areas, critical hazardous materials remediation, support for local businesses and property owners for building rehabilitation and business attraction, funding for major regional transit improvements, and greatly expanded affordable housing activities. The Plan Amendment would also increase the limit on outstanding bonded indebtedness so that the Agency can capitalize on the expected future income stream and invest in key projects sooner than would otherwise be possible.

As described above and detailed in the rest of this Report, the remaining blighting conditions in the Merged Project Area are substantial and prevalent and continue to represent a significant burden on the community that cannot be eliminated under the current $400 Million Cap on tax increment generated by the Industrial Area or under the current $200 Million Cap on outstanding bonded indebtedness for the Merged Project Area. Therefore, the Plan Amendment would increase the limits on tax increment collection and outstanding bonded indebtedness to provide sufficient financial resources to allow the Agency to complete the regional transportation improvements and Historic Area revitalization envisioned in the existing plans. In addition, the Plan Amendment would update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area to better meet the evolving needs of the community.

Finally, the Plan Amendment would amend and restate the existing Constituent Redevelopment Plans in the form of the consolidated Merged Plan, thereby simplifying the redevelopment documentation in an accessible single document for use by the Agency, the City Council, and the Fremont community.

In summary, the primary reasons for the proposed Plan Amendment are to:

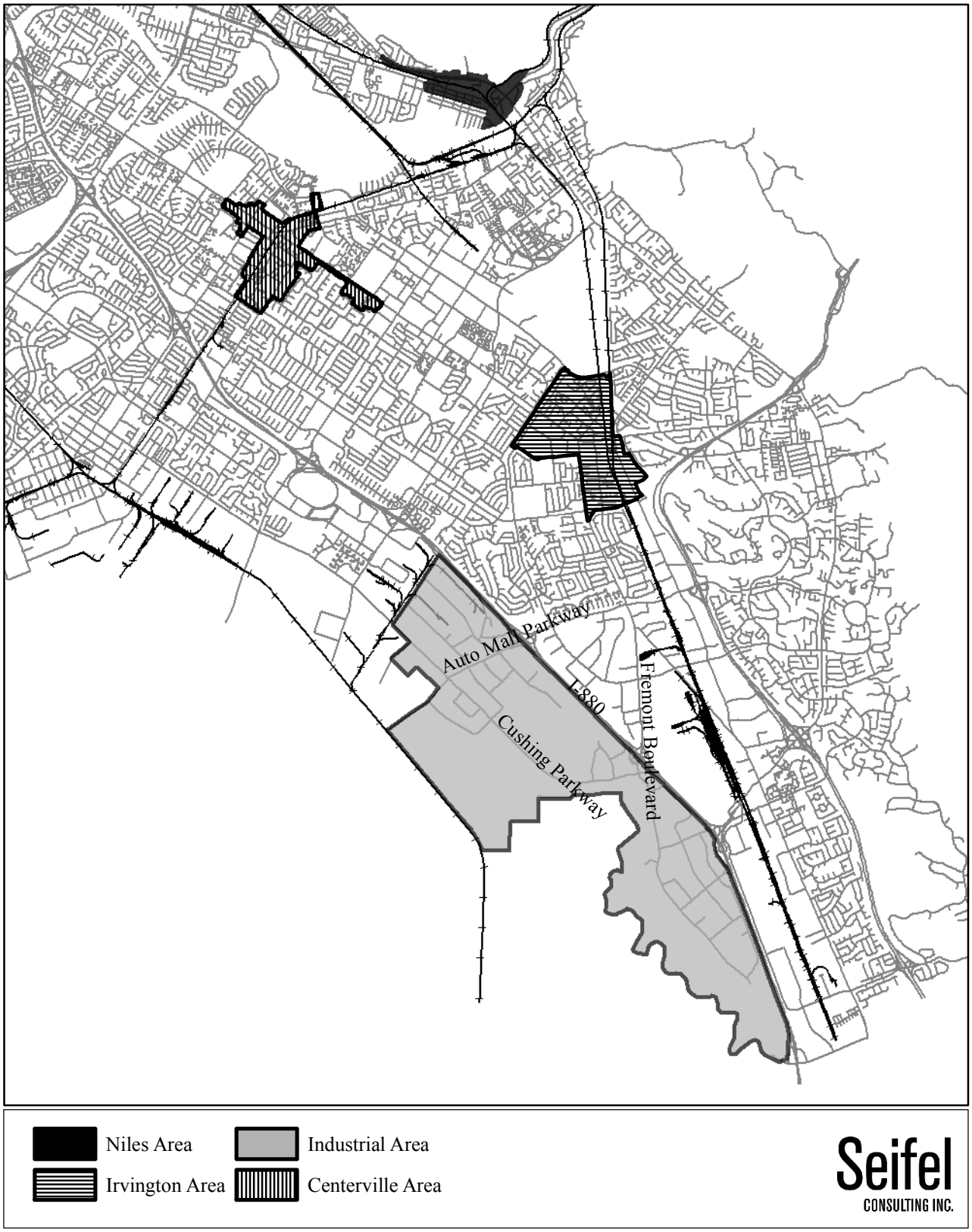
- Alleviate the significant and prevalent economic and physical blighting conditions that continue to exist in the Merged Project Area;
- Achieve the goals of the Constituent Redevelopment Plans and the Merged Redevelopment Plan; and
- Allow the Agency to undertake additional projects of local and regional significance to eliminate the documented remaining blight throughout the Merged Project Area.

Taken together, resources made available by the Plan Amendment would alleviate remaining blight in the Merged Project Area, promote economic development throughout the Fremont community, and encourage transit-oriented infill development that will create housing opportunities for residents of all income levels and reduce automobile dependency in the region.

C. Background on the Merged Project Area

The Merged Project Area consists of four Constituent Project Areas that were originally adopted between 1977 and 1997. In 1998, the City amended the Constituent Redevelopment Plans to, among other items, expand the territory of some of the Constituent Project Areas and merge the four Constituent Project Areas to enable the pooling of tax increment revenue among them (1998 Plan Amendments and Merger). Figure I-1 shows the location of the Merged Project Area and the four Constituent Project Areas. Since the Plan Amendment would create a Merged Plan for the entire Merged Project Area, this report refers to the Constituent Project Areas as "Areas" rather than "Project Areas" when discussing the existing conditions of each unique location and the redevelopment activities proposed for each Area under the Merged Plan. The remainder of this section describes the history of each Area and the 1998 Plan Amendments and Merger in more detail.

Figure I-1
Location of Merged and Constituent Project Areas
Fremont Merged Project Area



1. Niles Area

The Niles Area contains approximately 138 acres and is located at the foot of the Niles Hills, around Niles and Mission Boulevards. The plan for the original portion of the Niles Area (Niles Original Area) was adopted in 1977 and amended in 1994. The 1998 Plan Amendments and Merger added 70 acres to the project area (Niles Added Area) and extended various financial and legal limits for the entire Niles Project Area (now referred to as the Niles Area). Figure I-2 shows the boundaries of the current Niles Area, as amended.

Niles is one of five communities that were incorporated in 1956 to form the City of Fremont. The physical form and character of Niles was established with the advent of the railroad development in the early 1900's. Over time, a commercial district emerged to serve the railroad workers and local farmers and ranchers.

Located mostly on flat to gently sloping land around the rail lines, Niles was an enclave separated from the surrounding area geographically by Alameda Creek and the railroad. Informal subdivision practices and the establishment of railroad, road and street rights-of-way resulted in haphazard parcelization, fragmented property ownership, and an irregular street pattern that restricted accessibility to many parts of the area.

Niles Boulevard forms the historic commercial core of Niles. The south side of the street consists of small parcels and buildings constructed in the early 1900s. The former Union Pacific railyard dominates the north side of the street.

2. Irvington Area

The Irvington Area contains approximately 473 acres and is located in the central part of Fremont. The plan for the original portion of the Irvington Area (Irvington Original Area) was adopted in 1977 and amended in 1980 and 1994. The 1998 Plan Amendments and Merger added 323 acres to the project area (Irvington Added Area) and extended various financial and legal limits for the entire Irvington Project Area (now referred to as the Irvington Area).
Figure I-3 shows the boundaries of the current Irvington Area, as amended.

Irvington is also one of five communities that were incorporated in 1956 to form the City of Fremont. The center of Irvington is the “Five Corners” intersection of Washington and Fremont Boulevards. This business district developed to serve the farming and ranching community that established itself in Irvington in the mid-19th Century. The area around the business district has become largely residential and mixed commercial through a series of subdivisions of the original land holdings. Two Union Pacific railroad tracks also run through the Irvington Area, one of which is currently active. Washington Boulevard serves as the only crossing of these tracks within the boundaries of the Irvington Area.

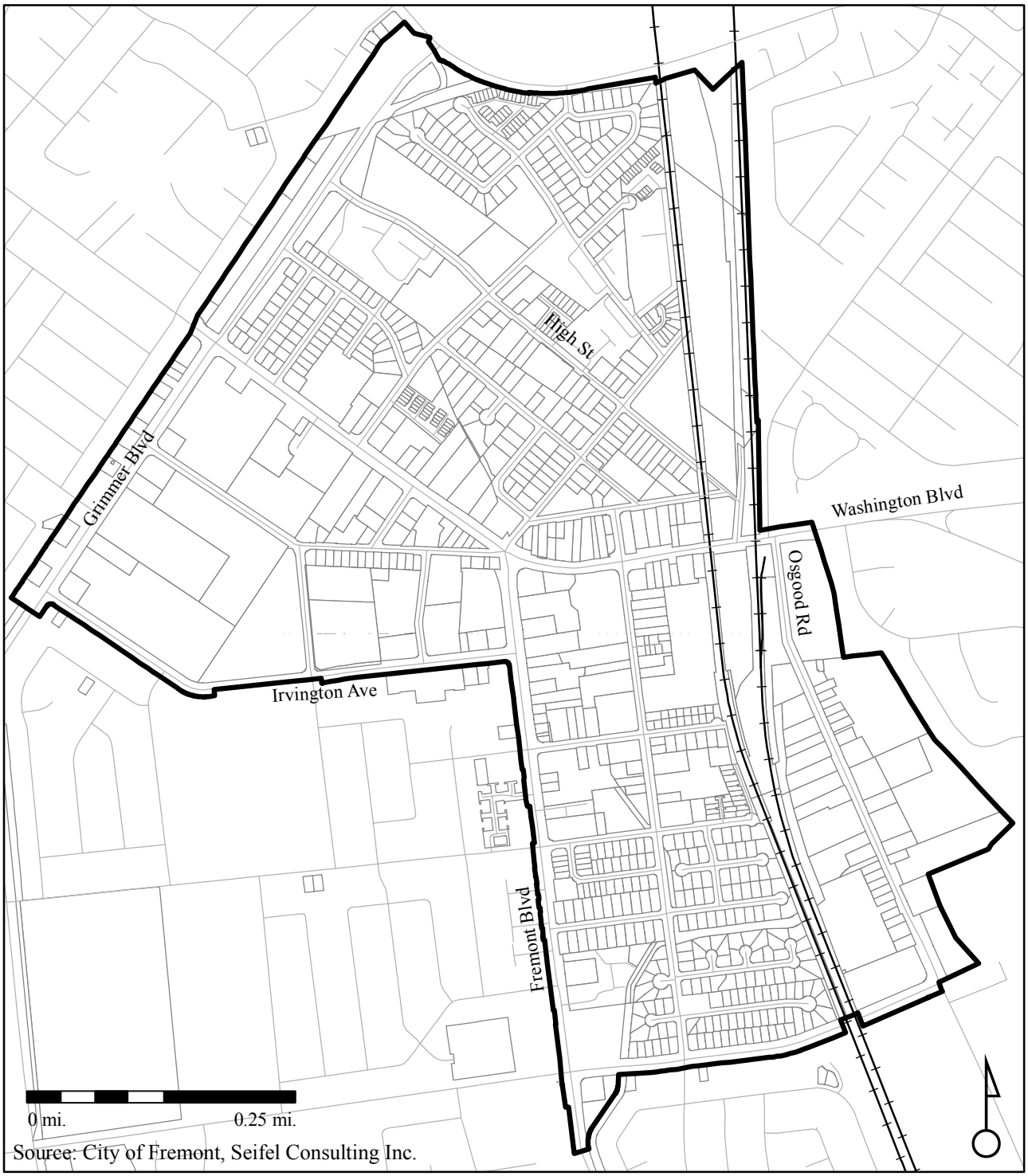
Figure I-2
Niles Area Boundary
Fremont Merged Project Area

Source: City of Fremont, Seifel Consulting Inc.

Niles Area Boundary

Seifel CONSULTING INC.

Figure I-3
Irvington Area Boundary
Fremont Merged Project Area



Source: City of Fremont, Seifel Consulting Inc.

Irvington Area Boundary

Seifel CONSULTING INC.

3. Industrial Area

The 3,000 acre Industrial Area is located in the southwestern part of Fremont, to the west of I-880 in the vicinity of the Auto Mall Parkway, Fremont Boulevard, Mission Boulevard, and Dixon Landing Road freeway interchanges. The Industrial Redevelopment Plan was originally adopted in 1983 to fund the improvement of four I-880 interchanges serving the Industrial Project Area (now referred to as the Industrial Area) and surrounding industrial land. In 1993, the Agency reaffirmed the blighting conditions in the Industrial Project Area and undertook a major plan amendment to increase the amount of tax increment revenue available to fund the blight-alleviating interchange improvements. The 1998 Plan Amendments and Merger expanded the authority of the Agency to participate in blight alleviating activities beyond the four freeway interchange improvements, specifically the funding and development of a Business and Learning Center, the widening of Fremont Boulevard and the construction of a rail/transit center. The 1998 Plan Amendments and Merger did not modify the tax increment limit or change the boundaries of the Industrial Area. Figure I-4 shows the boundaries of the Industrial Area.

4. Centerville Area

The Centerville Area contains approximately 302 acres and is located in the northern part of Fremont. The Centerville Redevelopment Plan was adopted in 1997, and the Centerville Project Area (now referred to as the Centerville Area) was included in the 1998 Merger. Figure I-5 shows the boundaries of the Centerville Area.

Centerville is also one of five communities that was incorporated into the City of Fremont in 1956. The gold rush of the 1850's established Centerville as an agricultural and commerce center, built around the intersection of Fremont and Peralta Boulevards. A railroad line was extended between Centerville and Newark to ship goods to market. After World War II, Centerville developed into a center for new auto dealers and for automobile-related businesses, but these dealerships began to relocate away from Centerville near the end of the 20th Century. The area currently consists of a mix of small businesses, automobile-related uses, and both older and newer homes.

Figure I-4
Industrial Area
Fremont Merged Project Area

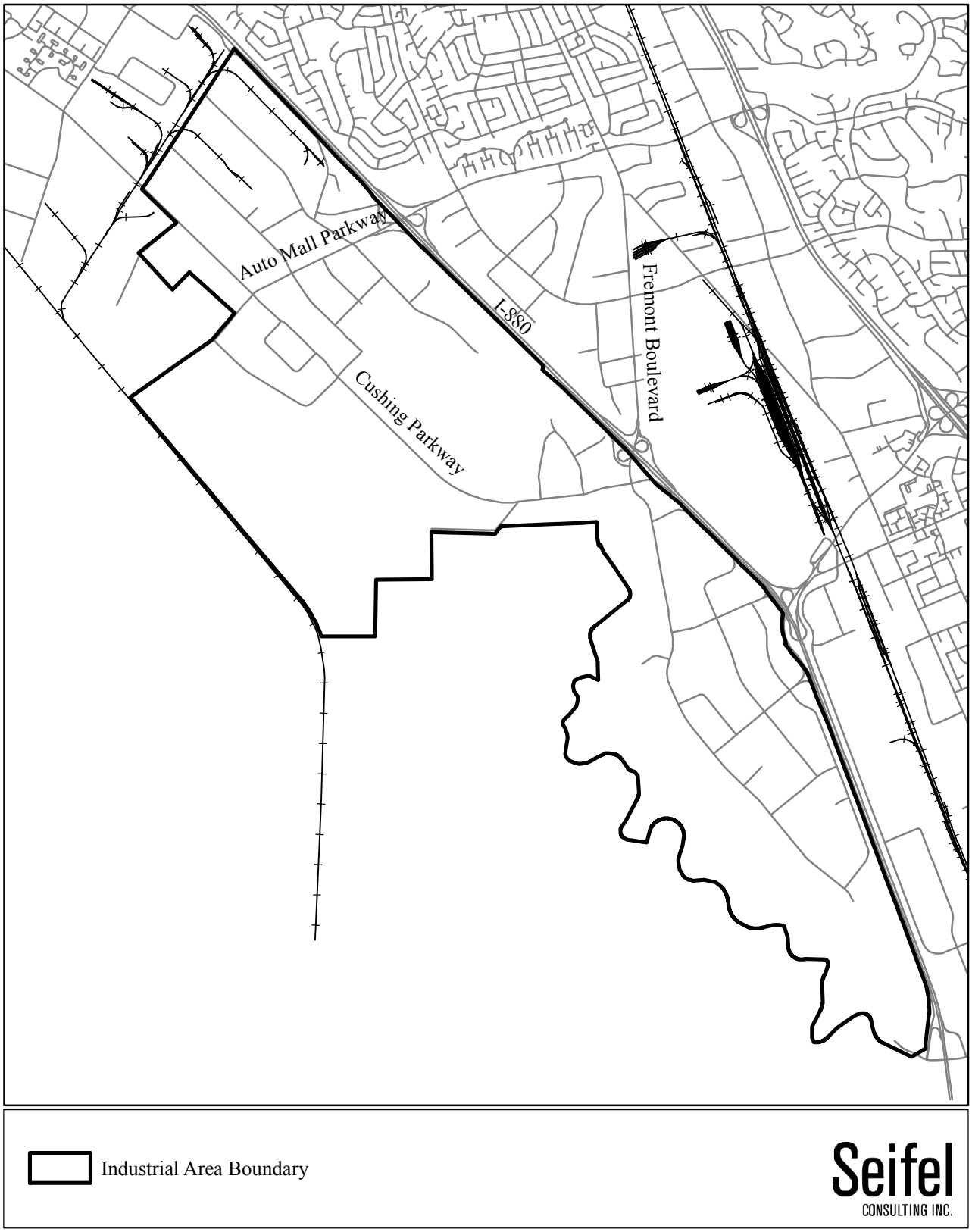
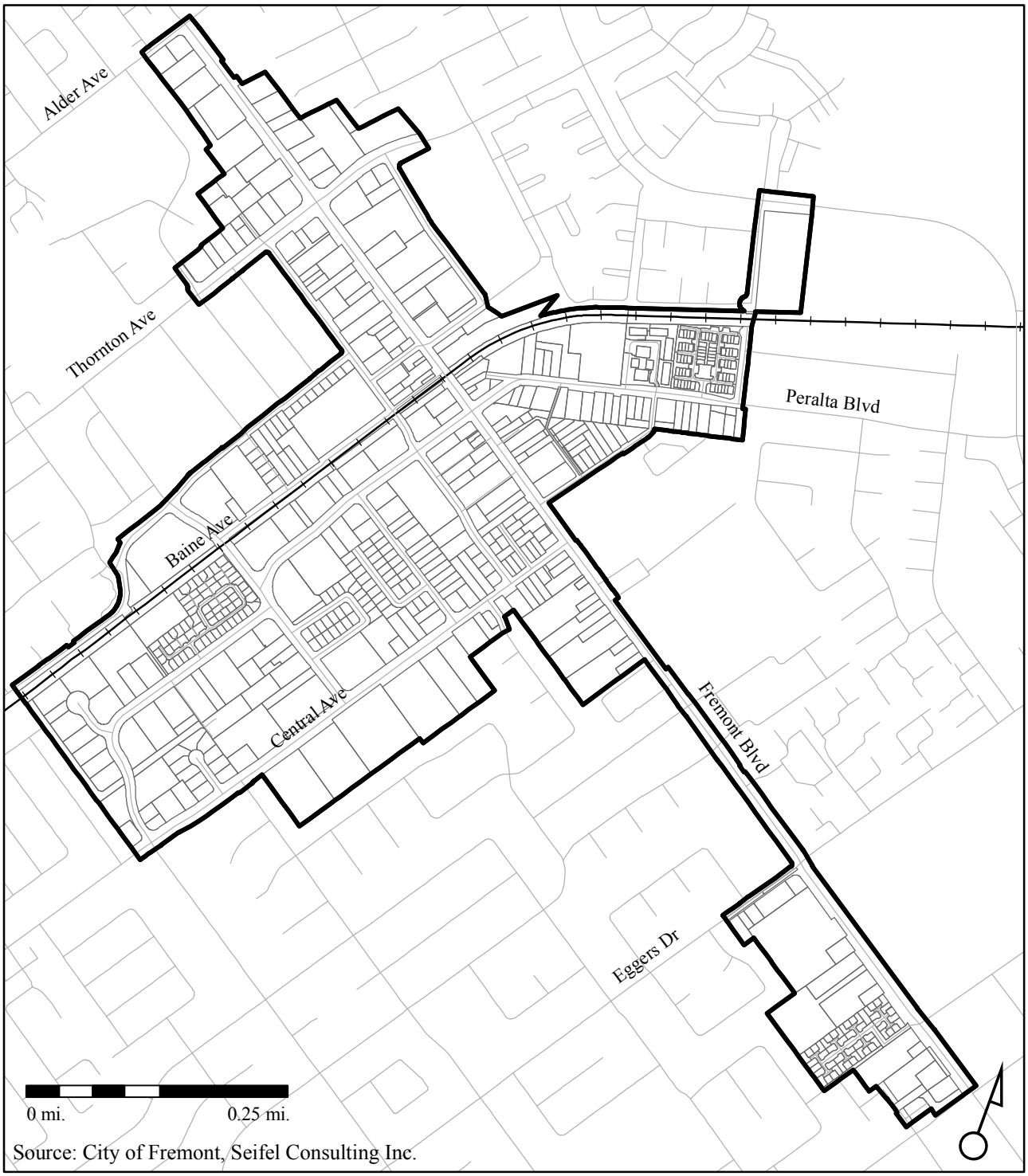


Figure I-5
Centerville Area Boundary
Fremont Merged Project Area



Source: City of Fremont, Seifel Consulting Inc.

Centerville Area Boundary

Seifel CONSULTING INC.

5. Merged Project Area

In 1998, the Agency merged the four Constituent Project Areas to enable the sharing of tax increment revenue among them. The merger gave the Agency the flexibility to combine and focus revenues from any or all of the Constituent Project Areas on the redevelopment program for a particular Area, and to adjust that focus over time so that the community's overall redevelopment needs could be addressed in a more efficient and effective manner. Specifically, the Industrial Area was expected to generate tax increment in excess of that required to fund its proposed redevelopment activities, while the redevelopment programs for the Niles, Irvington and Centerville Areas were expected to require more tax increment than they were projected to generate in the short term. The 1998 Plan Amendments and Merger allow the sharing of tax increment revenue from the Industrial Area with the Niles, Irvington and Centerville Areas.

The 1998 merger was achieved through amendments to the separate redevelopment plans of each of the four Constituent Project Areas. Under the current proposed Plan Amendment, the four Constituent Redevelopment Plans would be consolidated into a single Merged Redevelopment Plan for the Merged Project Area.

Through the additional financial resources that will be made possible by the proposed Plan Amendment, the Agency will be able to continue to implement coordinated redevelopment activities for the Niles, Irvington, Industrial, and Centerville Areas to address each Area's remaining blighting conditions and particular needs while strengthening the overall Merged Project Area.

D. Conformity with the General Plan

Section 33331 of the CRL requires all redevelopment plans and plan amendments to be consistent with the General Plan, and Section 33367(d)(4) of the CRL requires that the ordinance adopting the Plan Amendment contain findings and determinations that the Plan Amendment is consistent with the General Plan, including the Housing Element.

The redevelopment of the Merged Project Area will be in conformance with the General Plan of the City of Fremont. The draft Merged Plan states:

> *…the Plan adopts the land uses set forth in the General Plan as the permitted land uses within the Merged Project Area. It is intended that the land uses set forth in the General Plan shall be the land uses governing this Plan.*

Further, the Merged Plan will implement various goals, objectives, and policies of the General Plan regarding the provision of affordable housing and public infrastructure and the economic revitalization of the Merged Project Area.

Chapter 16 of the Draft SEIR contains additional analysis and evidence regarding the conformity of the Plan Amendment with the City's General Plan.

Chapter VIII and Appendix O of this Report discuss and provide the Planning Commission's report and recommendations concerning the Plan Amendment, including the report on the conformity of the Plan Amendment with the City's General Plan.

E. CRL Requirements for the Report to Council and Report to State Departments

This Report has been prepared to comply with several CRL requirements, which are described below.

1. Requirements for the Report to Council

Pursuant to CRL Section 33352, the report to the legislative body (Report to Council) must demonstrate how a proposed redevelopment plan (or amended plan) meets several criteria. This section includes a summary of the reporting requirements and a description of how this Report is organized to meet these requirements. Excerpts from the CRL are referenced and italicized.

a. Reasons for the Plan Amendment

The reasons for the selection of the project area. [Section 33352(a)]

The reasons for amending the Constituent Redevelopment Plan are described in Section C.3 above, and are supported by detailed analysis in Chapters II, III, and IV.

b. Physical and Economic Conditions in the Project Area

A description of the physical and economic conditions specified in Section 33031 that exist in the area that cause the project area to be blighted. The description shall include a list of the physical and economic conditions described in Section 33031 that exist within the project area and a map showing where in the project the conditions exist. [Section 33352(b)]

This Report documents the remaining adverse conditions in the Merged Project Area. This information is provided in Chapter II and Appendix D.

The evidence provided in this Report demonstrates that sufficient physical and economic blighting conditions remain in the Merged Project Area to support a finding of significant blight.

c. Proposed Projects and Blight Alleviation

A description of the specific project or projects then proposed by the agency, a description of how the project or projects to be pursued by the agency in the project area will improve or alleviate the conditions described in subdivision (b). [Section 33352(a)]

Chapter III provides descriptions and cost estimates of the Merged Redevelopment Program projects and activities to be undertaken by the Agency under the Plan Amendment as a means to alleviate the remaining blighting conditions within the Merged Project Area. Chapter III and Appendix F demonstrate how the redevelopment activities will help alleviate adverse conditions in the Merged Project Area by linking specific Merged Redevelopment Program components with identified adverse blight conditions.

d. Proposed Method of Financing and Feasibility

An explanation of why the elimination of blight and the redevelopment of the project area cannot reasonably be expected to be accomplished by private enterprise acting alone or by

the legislative body's use of financing alternatives other than tax increment financing. [Section 33352(d)]

The proposed method of financing the redevelopment of the project area in sufficient detail so that the legislative body may determine the economic feasibility of the plan. [Section 33352(e)]

Chapter IV describes the proposed methods of financing for the proposed projects and activities planned for the Merged Project Area. It demonstrates the financial feasibility of the Merged Redevelopment Program by comparing available funding sources with projected costs of the Merged Redevelopment Program. It also demonstrates the need for the proposed increased tax increment financing and outstanding bonded indebtedness limits contained in the Plan Amendment, in order to fund the Merged Redevelopment Program described in Chapter III and alleviate the remaining adverse physical and economic conditions of the Merged Project Area documented in Chapter II.

e. Implementation Plan

An implementation plan that describes specific goals and objectives of the agency, specific projects then proposed by the agency, including a program of actions and expenditures proposed to be made within the first five years of the plan, and a description of how these projects will improve or alleviate the conditions described in Section 33031. [Section 33352(c)]

Chapter V refers to the Amended Implementation Plan for the Fremont Merged Redevelopment Project, which is included as Appendix K. The non-housing and housing program priorities and expenditures for the Implementation Plan period are included in the Amended Implementation Plan. For the purposes of this Report, the Initial Implementation Plan approved in June 2008, has been revised with minor changes to address the Plan Amendment process. As stated in the Amended Implementation Plan, the Agency will have an opportunity to update the Implementation Plan, as well as the proposed programs and estimated expenditures, during the Midterm Review process, which will be conducted before June 30, 2011.

f. Method or Plan for Relocation

A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which method or plan shall include the provision required by Section 33411.1 that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement. [Section 33352(f)]

Chapter VI sets forth the Agency's relocation plan.

g. Analysis of the Preliminary Plan

An analysis of the preliminary plan. [Section 33352(g)]

Chapter VII provides an analysis of the Amendments to the Preliminary Plans for the Constituent Project Areas and Appendix L contains the Amendments to the Preliminary Plans.

h. Planning Commission Actions

The report and recommendations of the planning commission. [Section 33352(h)]

The report required by Section 65402 of the Government Code. [Section 33352(j)]

Chapter VIII discusses the Planning Commission actions and Appendix O contains the report and recommendations of the Planning Commission regarding the Plan Amendment.

i. Summary of Public Review of the Plan Amendment

The summary referred to in Section 33387. [Section 33352(i)]

A summary of the public review of the Plan Amendment is contained in Chapter IX. This chapter also discusses the Agency's outreach efforts to several community groups to keep them advised of the progress of the Plan Amendment, and contains information on the joint public hearings on the Plan Amendment.

Appendix M includes a summary of the Redevelopment Advisory Committee (RAC) meetings, as well as a list of the RAC members.

j. Environmental Review

The report required by Section 21151 of the Public Resources Code. [Section 33352(k)]

Chapter X discusses the environmental review requirements that apply to the Plan Amendment and incorporates by reference the SEIR into this Report.

k. Analysis of the Report of the County Fiscal Officer

The report of the county fiscal officer as required by Section 33328. [Section 33352(l)]

An analysis by the agency of the report submitted by the county as required by Section 33328,… [Section 33352(n)]

Chapter XI explains why a County Fiscal Officer's Report is not required for the Plan Amendment.

l. Summary of Consultations with Taxing Entities

…a summary of the consultation of the agency, or attempts to consult by the agency, with each of the affected taxing entities as required by Section 33328. If any of the affected taxing entities have expressed written objections or concerns with the proposed project area as part of these consultations, the agency shall include a response to these concerns, additional information if any, and, at the discretion of the agency, proposed or adopted mitigation measures. [Section 33352(n)]

A summary of consultations with affected taxing entities is contained in Chapter XII. Appendix N includes copies of correspondence the Agency has had with the taxing entities concerning the Plan Amendment.

m. Neighborhood Impact Report

If the project area contains low- or moderate-income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of Project Area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments an taxes, and other matters affecting the physical and social quality of the neighborhood…. [Section 33352(m)]

Chapter XIII of this Report includes the Neighborhood Impact Report.

2. Specific Requirements for the Report to Council for Redevelopment Plans Amending the Tax Increment Cap

When an agency proposes to increase the limitation on the number of dollars to be allocated to the redevelopment agency, it shall describe and identify, in the report required by Section 33352, the remaining blight within the project area, identify the portion, if any, that is no longer blighted, the projects that are required to be completed to eradicate the remaining blight and the relationship between the costs of those projects and the amount of increase in the limitation on the number of dollars to be allocated to the agency. [Section 33354.6(b)]

Chapter II of this Report addresses the remaining blight within the Merged Project Area and identifies the areas that are no longer blighted. Chapter III of this Report summarizes the projects that will be undertaken and costs incurred by the Agency to alleviate the remaining blight in the Merged Project Area, and Chapter IV of this Report discusses the relationship between the costs of those projects and the proposed amendment to the tax increment cap for the Industrial Area.

3. Requirements for the Report to State Departments

This Report is also designed to comply with CRL Section 33451.5(c), which requires the Agency to submit a report to the DOF and HCD (Report to State Departments).[5] This report must contain specific elements, which Table I-2 delineates. Table I-2 also references the sections in this Report that satisfy the specific CRL requirements for the Report to State Departments.

[5] Section 33451.5(c) applies to Plan Amendments that would (1) change the limitation on the number of dollars of taxes which may be divided and allocated to the redevelopment agency; (2) change the limit on the amount of bonded indebtedness that can be outstanding at one time; (3) change the time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670; (4) change the time limit on the effectiveness of the redevelopment plan, (5) change the boundaries of the project area, and (6) merge existing project areas.

Table I-2
CRL Requirements for the Report to State Departments

CRL Section 33451.5(c) [Excerpted CRL language in italics]	Report Sections
(1) *A map of the project area that identifies the portion, if any, of the project area that is no longer blighted, the portion of the project area that is blighted, and the portion of the project area that contains necessary and essential parcels for the elimination of the remaining blight.*	Ch. II (Figures II-21, II-46, II-71)
(2) *A description of the remaining blight.*	Ch. II, Appendix D
(3) *A description of the projects or programs proposed to eliminate any remaining blight.*	Ch. III (Sections C, E-G)
(4) *A description of how these projects or programs will improve the conditions of blight*	Ch. III (Section D), Appendix F
(5) *The reasons why the projects or programs cannot be completed without the plan amendment.*	Ch. I (Section B), Ch. IV (Sections A, D, H)
(6) *The proposed method of financing these programs or projects. This description shall include the amount of tax increment revenues that is projected to be generated as a result of the proposed plan amendment, including amounts projected to be deposited into the Low and Moderate Income Housing Fund and amounts to be paid to the affecting taxing entities. This description shall also include sources and amounts of moneys other than tax increment revenues that are available to finance these projects or programs. This description shall also include the reasons that the remaining blight cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without the use of the tax increment revenues available to the agency because of the proposed amendment.*	Ch. IV, Appendices H & I
(7) *An amendment to the agency's implementation plan that includes, but is not limited to, the agency's housing responsibilities pursuant to Section 33490. However, the agency shall not be required to hold a separate public hearing on the implementation plan pursuant to subdivision (d) of Section 33490 in addition to the public hearing on the amendment to the redevelopment plan.*	Ch. V, Appendix K
(8) *A new neighborhood impact report if required by subdivision (m) of Section 33352.*	Ch. XIII

F. Overview of the Plan Amendment Process and Public Agency Actions to Date

The Plan Amendment is considered a “major” amendment, which requires an adoption process that parallels the adoption of a new redevelopment plan (CRL Section 33354.6). This process includes the preparation of the Preliminary Report and the report to the legislative body (this Report to Council). In addition, pursuant to the recent addition of Section 33451.5(c) of the CRL, when considering certain amendments to existing redevelopment plans, the Agency must also prepare and submit the Report to State Departments. This Report will be submitted to the State Departments (Department of Finance and Department of Housing and Community Development) in compliance with the new requirement.

Amending a redevelopment plan involves a complex statutorily-mandated process designed to provide a community's legislative body with the necessary analysis and input to make informed decisions about the purpose, scope and content of the Plan Amendment and, ultimately, about

whether to adopt the Plan Amendment. The following briefly describes the reports and steps in the process:

- Amended Preliminary Plans
  In cooperation with the Agency, the Planning Commission amends the Preliminary Plans for the Constituent Project Areas. The Preliminary Plans, which provide a general description of land uses, redevelopment goals and objectives, and a map and legal description for each respective Constituent Project Areas.

  The Planning Commission adopted the Amendments to the Preliminary Plans on January 10, 2008 (Resolution No. PC-2210). (Please refer to Appendix L.)
- Statement of Plan Amendment Preparation
  The Agency transmits to the State Board of Equalization (SBE), County officials and affected taxing entities a statement of preparation of the Plan Amendment. Because the Plan Amendment does not include additional territory for the Merged Project Area, the statement of Plan Amendment preparation does not need to contain any new legal descriptions or boundary maps.

  On January 11, 2008, Agency staff transmitted to the State Board of Equalization (SBE), County officials and affected taxing entities a statement of preparation of the Plan Amendment indicating that no change in the legal description of the boundaries of the Merged Project Area is proposed as part of the Plan Amendment.
- Preliminary Report
  The Preliminary Report is the first major background document in the process to approve the Plan Amendment. It is required to be prepared and sent to affected taxing entities to inform them of the purpose and impact of the proposed Plan Amendment. The Preliminary Report also provides members of the City Council, other governmental bodies, affected taxing entities, community leaders, and interested citizens with an early statement of comprehensive background information on the proposed Plan Amendment.

  This Preliminary Report was transmitted to the City Council, Planning Commission, Agency Board and the affected taxing entities on August 19, 2009.
- Environmental Review
  The adoption of the Plan Amendment requires California Environmental Quality Act (CEQA) compliance. A Subsequent Environmental Impact Report (SEIR) has been prepared on the Plan Amendment.

  The Agency delivered the Draft Subsequent Environmental Impact Report (Draft SEIR) for the Plan Amendment to the City Council, Agency Board and the affected taxing entities on August 19, 2009. The Final SEIR has been completed concurrently with this Report.
- Amended Redevelopment Plan
  The Plan Amendment proposes to consolidate the Constituent Redevelopment Plans into a single Merged Plan. The Merged Plan is the legal document setting forth the basic goals, powers and limitations with which the Agency must conduct its activities over the life of the Merged Project Area. Toward the conclusion of the consultation with taxing entities, environmental review and community participation process, the Agency submits the Merged Plan to the Planning Commission and the City Council in preparation for the joint public hearing and consideration of the Plan Amendment.

  The Amended Redevelopment Plan was delivered to the City Council, Planning Commission, Agency Board and the affected taxing entities on August 19, 2009.

- Taxing Entity Consultation
  Agency staff consults with affected taxing entities.

  The Agency has engaged in consultations with the affected taxing entities from August 2007 through the present, and intends to continue such consultations. (Please refer to Chapter XII and Appendix N of this report.)
- Report to Council
  The Report to Council is a report to the legislative body that describes the proposed Plan Amendment and presents the updated information from the Preliminary Report, the Five Year Implementation Plan and additional chapters addressing specific requirements of the CRL.

  This document constitutes the Report to Council.
- Report to State Departments
  A report on the Plan Amendment, containing information similar to the Report to Council plus certain additional information, is submitted by the Agency to the DOF and HCD.

  This document also constitutes the Report to State Departments.
- Redevelopment Agency Authorization and Transmittal
  The Redevelopment Agency Board authorizes transmittal of the Plan Amendment to the Planning Commission for its report and recommendation and authorizes transmittal of the Plan Amendment and the Report to the City Council.
  The Agency anticipates that it will transmit the Plan Amendment to the Planning Commission on December 1, 2009.
- General Plan Conformity
  The Planning Commission considers the Plan Amendment for its conformance with the General Plan and makes a recommendation on approval and adoption of the Plan Amendment. The Planning Commission also conducts a hearing on the Draft Subsequent Environmental Impact Report (SEIR).
  The Planning Commission considered its report and recommendations on December 10, 2009. (Please refer to Chapter VIII and Appendix O of this Report.)
- Redevelopment Agency and City Council Hearing
  The Redevelopment Agency Board and City Council will conduct a duly noticed joint public hearing on the Plan Amendment at which those bodies will consider the documents described above, any recommendations of the Planning Commission and public testimony. Following the public hearing, the City Council will consider certification of the final SEIR and adoption of an ordinance adopting the Plan Amendment.
  The joint public hearing is anticipated to be held in early February 2010.
- Ordinance Adoption
  Following the joint public hearing on the Plan Amendment, the City Council considers, in its policy judgment, the making of required CRL findings and the adoption of an ordinance amending the Constituent Redevelopment Plans in the form of the proposed Merged Plan. The City Council's findings and adoption of the Plan Amendment is anticipated to be considered in March 2010.

II. Existing Conditions

A. Introduction

This chapter describes existing conditions in each of the Constituent Project Areas (Niles Area, Irvington Area, Industrial Area, and Centerville Area) of the Merged Project Area. It presents documentation, in accordance with California Community Redevelopment Law (CRL), that significant adverse physical and economic conditions ("blight") remain in the Merged Project Area. While certain general conditions and deficiencies are found throughout much of the Merged Project Area (particularly the three Historic Areas), the detailed conditions and deficiencies of each Constituent Project Area are unique, and therefore this chapter documents blighting factors separately for each Constituent Project Area. Collectively, the analyses contained in this chapter provide substantial evidence for findings necessary for the Plan Amendment, which are further described in Section A.2 below.

1. Chapter Organization

This chapter is organized into the following sections:

A. Introduction
B. Methodology
C. General Analysis of Blighting Conditions
D. Niles Area Conditions
E. Irvington Area Conditions
F. Industrial Area Conditions
G. Centerville Area Conditions
H. Conclusions for Blight Findings

2. Relevant Provisions of the CRL

As discussed in Chapter I, the proposed Plan Amendment for the Fremont Merged Project Area is a major amendment. Under CRL Section 33354.6(a), the Agency must follow similar procedures to a new plan adoption. Under CRL Section 33354.6(b), the ordinance adopting the Plan Amendment must contain a finding that significant blight remains in the Merged Project Area and that blight cannot be eliminated without an increase in the tax increment cap. This subsection addresses some of the specific CRL provisions for the Plan Amendment and this Report to Council (excerpts from the CRL are italicized).

a. CRL Definitions of a "Blighted Area"

CRL Section 33352(b) requires that the Report to Council include a description of the adverse physical and economic conditions (blight) in the Merged Project Area. The definitions of blight in the CRL, upon which the documentation must be based, have been modified several times since the Constituent Redevelopment Plans for the Constituent Project Areas comprising the Merged

Project Area were adopted and previously amended. Key legislative changes in the blight definitions occurred in 1984, 1994 and 2007.

The current (2007) blight definitions require an area to exhibit both adverse physical and economic conditions. Inadequate public improvements may be a contributing factor to blight.

CRL Section 33030 describes the standards for and characteristics of blighted areas. The current language states the following:

(a) It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.

(b) A blighted area is one that contains both of the following:

(1) An area that is predominately urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

(2) An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(c) A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of inadequate public improvements or inadequate water or sewer utilities.

b. CRL Definitions of Adverse Physical and Economic Conditions

CRL Section 33031 describes the adverse physical and economic conditions that can be used as evidence of blight. Table II-1A and II-1B list the two most recent sets of blight definitions, those effective since 2007 and those effective 1994 through 2006.

Reports prepared in support of the 1998 Plan Amendments and Merger documented significant blight in the Niles, Irvington and Centerville Areas in accordance with the definitions in effect at that time (1994–2006 definitions). This report documents remaining blight in these Historic Areas in terms of current (2007) blight definitions.[1]

The Industrial Area was originally created primarily to fund improvements to four interchanges along I-880. The blight definitions in effect in 1983 at the time of plan adoption allowed a redevelopment project area to be established due to a lack of adequate public improvements alone. Section F discusses the Industrial Area in relation to this blight factor, as well as in relation to an additional economic blight factor identified and documented in 1998.

[1] The Original portions of the Niles and Irvington Areas were adopted in 1977 under even earlier blight definitions. However, redevelopment planning since 1998 has considered the Original and Added Areas as a whole. Therefore, this report does not address pre-1994 blight definitions with respect to Niles and Irvington.

The financial resources made possible through the Plan Amendment will enable the Agency to complete the program of public improvements and economic enhancement for the Industrial Area previously documented and justified in connection with the 1998 Plan Amendments and Merger but which have not yet been funded. The Merged Redevelopment Program made possible by the Plan Amendment and described in the Merged Plan and in Chapter III of this Report to Council does not include any new non-housing redevelopment activities for the Industrial Area, only the completion of funding for the public improvements and economic enhancement project previously documented, justified and incorporated in the 1998 Plan Amendments and Merger.

While the Industrial Area does not exhibit any new conditions of blight recognized in the current (2007) CRL blight definitions, the three Historic Areas of the Merged Project Area continue to exhibit significant and pervasive blighting conditions recognized in the current (2007) CRL blight definitions. These conditions are detailed throughout this Chapter II and support the required blight findings for the Plan Amendment set forth in Section 33354.6(a) of the CRL and summarized above in this Section A.2.

Table II-1A
CRL Blight Definitions: 2007 – Present

Blight Characteristic		Definition Under CRL as Amended by SB 1206 Effective January 1, 2007
A. Physical Conditions [CRL Section 33031(a)]		
(1)	***Unsafe or Unhealthy Buildings***	Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
(2)	***Conditions Hindering Viable Use of Buildings or Lots***	Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
(3)	***Adjacent or Nearby Incompatible Uses***	Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
(4)	***Irregular Lots in Multiple Ownership***	The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.
B. Economic Conditions [CRL Section 33031(b)]		
(1)	***Depreciated or Stagnant Property Values***	Depreciated or stagnant property values.
(2)	***Impaired Property Values Due to Hazardous Wastes***	Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
(3)	***Indicators of Economically Distressed Buildings***	Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
(4)	***Serious Lack of Neighborhood Commercial Facilities***	A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
(5)	***Serious Residential Overcrowding***	Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the the California Code of Regulations.
(6)	***Excess of Problem Businesses***	An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
(7)	***High Crime Rates***	A high crime rate that constitutes a serious threat to the public safety and welfare.
C. Inadequate Public Improvements [CRL Section 33030(c)]		
		A blighted area ... may also be characterized by the existence of inadequate public improvements or inadequate water or sewer utilities.

Source: California Community Redevelopment Law.

Table II-1B
CRL Blight Definitions: 1994 - 2006

Blight Characteristic		Definition Under CRL as Amended by AB 1290 Effective January 1, 1994 – December 31, 2006
A. Physical Conditions [CRL Section 33031(a)]		
(1)	***Unsafe Buildings***	Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
(2)	***Conditions Hindering Development***	Factors that prevent or substantially hinder the economically viable use or capacity of building or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
(3)	***Incompatible Uses***	Adjacent or nearby uses that are incompatible with each other and which prevent economic development of those parcels or other portions of the project area.
(4)	***Irregular Lots in Multiple Ownership***	The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
B. Economic Conditions [CRL Section 33031(b)]		
(1)	***Depreciated Values and Impaired Investments***	Depreciated or stagnant property values or impaired investments, including, but not limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
(2)	***Economic Indicators of Distressed Property***	Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
(3)	***Lack of Commercial Facilities***	A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
(4)	***Overcrowding & Problem Businesses***	Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare.
(5)	***High Crime Rates***	A high crime rate constituting a serious threat to public safety and welfare.
C. Inadequate Public Improvements [CRL Section 33030(c)]		
		A blighted area also may be ... characterized by the existence of inadequate public improvements, parking facilities, or utilities.

Source: California Community Redevelopment Law

c. CRL Urbanization Requirement

The current CRL requires that at least 80 percent of the area in a redevelopment project area be predominantly urbanized. The CRL, however, does not require an assessment of the extent of urbanization for an amendment to a project area where no territory is being added. Therefore, this report does not include a detailed assessment of the extent of urbanization for the Merged Project Area, since the Plan Amendment is not proposing to add territory.[2] Appendix B summarizes the urbanization information relevant to previous adoptions and amendments of the Constituent Project Areas.

d. CRL Requirement of Areas No Longer Blighted

CRL Section 33354.6(b) states that plan amendments pursued for the purpose of increasing the limit on the number of dollars to be allocated to the redevelopment agency must identify the areas no longer blighted. The existing conditions documentation for each Constituent Project Area within the Merged Project Area contains a description and map of the portions that are no longer blighted.

3. Maps and Photographs

The figures throughout this chapter summarize and locate (or map) blighting conditions that are remaining in the Merged Project Area. The map of blighting conditions has been broken into separate figures for ease of reading and reference. The individual figures, taken together, demonstrate that significant blighting conditions remain and affect properties throughout the Merged Project Area.[3]

Appendix D presents photographs documenting adverse physical and economic conditions in the Merged Project Area. These photographs were taken by the consultants between June 2007 and April 2008.

B. Methodology

The methodology for assessing existing conditions and remaining blight in the Merged Project Area includes a review of past conditions and projects, extensive field surveys, analysis of public records and economic data, and discussions with relevant professionals. This section describes the sources and methods in detail.

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[2] The Original Niles and Irvington Areas, as well as the Industrial Area, were adopted prior to 1984 before the CRL required a determination that a new project area or area added to an existing project area be predominately urbanized. The Centerville Area and the Niles and Irvington Added Areas were adopted in 1997 and 1998, respectively, and were found to be predominately urbanized at that time.

[3] The Report to Council must include a map showing where the blighting conditions exist, as required by CRL Section 33352(b).

1. Review of Past Conditions and Redevelopment Activities

Prior existing conditions analyses and reports on redevelopment activities to date were reviewed to establish the relevant history of the Merged Project Area and identify likely areas of remaining blight. Documents prepared for the 1998 Plan Amendments and Merger provided evidence of past blighting conditions and initial efforts to remediate blight in the Merged Project Area. City and Agency staff provided information on projects completed since that time, as well as projects that are ongoing or planned for the immediate future. This existing conditions assessment focuses on the status of blighting conditions previously identified, blight that has been remediated by past redevelopment activities, and remaining blight that may not be fully addressed within the financial constraints of the current redevelopment plans.

2. Field Surveys

City and Agency staff and staff from Seifel Consulting Inc., redevelopment consultants, conducted field reconnaissance surveys in 2007, 2008 and 2009. The primary purpose of these surveys was to document existing conditions in the Constituent Project Areas, including areas no longer blighted and areas with substantial remaining blight. During multiple visits to each Constituent Project Area within the Merged Project Area, the surveyors observed adverse physical and economic conditions from automobiles ("windshield survey") and on foot. Photographs taken during these surveys illustrate these conditions, and are included in Appendix D.

a. Parcel-by-Parcel Survey

For the significant portions of the Niles, Irvington and Centerville Areas that continue to evidence blighting conditions, the redevelopment consultants conducted a parcel-by-parcel building and lot conditions survey. These surveys occurred in November 2007 (Niles) and March 2008 (Irvington and Centerville). Data collected during these surveys was used to evaluate unsafe and unhealthy buildings and document several other adverse physical and economic blighting conditions included in the CRL. Sections D, E and G, below, cite results from these surveys in assessing remaining blight in the Historic Areas.

Specifically, the consultants conducted a parcel-by-parcel survey of those portions of each Historic Area where initial field surveys indicated blight was likely to remain. Sections D, E and G discuss the relationship between the surveyed parcels and the blight findings.

b. Building Conditions Survey

The Building Conditions Survey was conducted on foot and included a comprehensive examination of building exteriors in the Historic Areas. The consultants evaluated the physical condition of the buildings, as observed from adjacent parcels or sidewalks. The surveyors rated each parcel's primary building (generally the largest facing the street) and, if applicable, major freestanding and apparently permanent ancillary buildings. Small detached garages or storage sheds were not rated. Interior inspections of buildings were generally not conducted. However, in some cases where access to the interior was open to the public, informal interior inspections were conducted. See Appendix C for the survey form used.

To ensure the survey's accuracy, the consultants conducted a thorough quality assurance (QA) process to check the survey data. This process included both internal checking of the survey results in electronic form and resurveying a randomly sampled selection of survey records. Some buildings required a second examination. Appropriate changes were made to ratings when warranted.[4]

The consultants rated the condition of every surveyed building on a five-level scale, from dilapidated to excellent. Table II-2 summarizes the criteria used in assessing the physical condition of buildings. Note that these building ratings are used to document the prevalence of remaining blight in the Merged Project Area and are not intended to identify individual properties for potential City or Agency action beyond informing the proposed Plan Amendment.

Table II-2
Building Conditions Rating Criteria
Fremont Redevelopment Plan Amendment

Building Condition Rating	General Condition	Likely Cost of Correcting Deficiencies
1 Dilapidated	Very extensive physical/structural deficiencies (dilapidated)	Very high
2 Deteriorated	Extensive physical/structural deficiencies	High
3 Deferred Maintenance	Fair condition, some deficiencies present	Significant
4 Sound	Relatively few deficiencies present	Low to moderate
5 Excellent	Generally excellent condition	Minor to low

c. Other Parcel Conditions

The parcel-by-parcel field survey also recorded the conditions of the lots in the Historic Areas independent of building conditions and including lots without buildings. The surveyors recorded

[4] Changes were made to less than 2 percent of the initial survey results. Seifel Consulting Inc. has nearly 20 years of experience conducting building conditions surveys, and the direct supervisor for this effort has over 7 years of experience in this field. Seifel provides extensive training and quality assurance for all staff who participate in the Building Conditions Survey.

information on vacant and underutilized lots, infrastructure deficiencies, and other adverse site conditions.

d. Building and Parcel Conditions Survey Update

The consultants conducted a supplementary field survey in May 2009 to assess any changes in conditions in the Merged Project Area that may have occurred since the comprehensive parcel-by-parcel surveys were completed in late 2007 and early 2008. This survey was a windshield survey, whereby the consultants drove by and observed every building and parcel that was previously surveyed. The consultants noted minor changes, both positive and negative, from the results of the analysis presented in Sections D, E and G, below. This supplementary survey indicated that conditions have generally remained the same as they were in 2007 and 2008. Therefore, results reported in Sections D, E and G use the data collected and analyzed during the comprehensive surveys.

The fact that physical and economic conditions in the Merged Project Area have not changed is consistent with the severe economic downturn that began in 2008. The ongoing recession has been characterized by high unemployment, declines in household income, and a sharp contraction of personal wealth as housing and stock prices have collapsed. For example, the median sales price of a single-family home in Fremont decreased 29 percent between April 2008 and April 2009.[5] The unemployment rate in Alameda County more than doubled from 5.0 percent to 10.3 percent during this same period.[6] Although statistics are not available for the Merged Project Area alone, these indicators are likely similar if not worse within the Merged Project Area as compared to the rest of Fremont or Alameda County.

These economic factors have likely limited the ability of property owners to invest in their properties and have contributed to the lack of change in physical conditions. Furthermore, these same factors have likely reduced demand for commercial services offered in the Merged Project Area, and thus economic conditions such as business vacancies and lease rates may be worse than 2007 and 2008 data show. To be conservative, however, the results presented in this chapter rely on data collected and analyzed during the same period as the comprehensive field surveys.

3. Other Data and Sources

Other data and sources used in the existing conditions analysis include:

- Discussions with City, Agency and County staff in meetings, by telephone and by e-mail between 2006 and 2009.
- Reviews of available documents including reports, studies, maps, and aerial photographs provided by City and Agency staff, as well as technical reports, analyses and maps prepared by other consultants, experts and engineers. (Refer to Appendix A.)
- Analyses of economic and other data from various sources. (Refer to Appendix A.)
- Surveys of real estate professionals.
- Extensive photographic documentation. (Refer to Appendix D.)

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[5] The Real Estate Reports, http://www.rereport.com/alc.

[6] California Employment Development Department, http://www.labormarketinfo.edd.ca.gov.

C. General Analysis of Blighting Conditions

This section presents in general terms the indicators of blight that are consistent with the blight definitions in the CRL. It provides background for the analysis of observed existing conditions in the Merged Project Area. The blight factors discussed in this section are present in all of the Historic Areas, unless otherwise noted. Sections D–G below document specific evidence for each Constituent Project Area.

1. Physical Blighting Conditions

a. Unsafe and Unhealthy Buildings [33031(a)(1)]

A number of indicators of unsafe and unhealthy buildings are evident in the Historic Areas.

Dilapidation and Deterioration

A strong relationship exists between the deteriorated or dilapidated condition of buildings documented in the Building Conditions Survey and problems in these same buildings that make them unsafe or unhealthy to occupy. Adverse conditions such as weak foundation, poor alignment, water damage, and dry rot result in structural vulnerability, especially in earthquakes (see discussion below). Deteriorated roofs, windows and walls promote mold growth in wet conditions, and a recent study sponsored by the U.S. Centers for Disease Control and Prevention (CDC) has linked indoor mold to asthma and other respiratory problems. According to the Asthma and Allergy Foundation, over half of Americans with asthma suffer from the allergic form of the disease, which is triggered by exposure to allergens such as mold.[7] In addition, faulty wiring is an adverse condition that puts buildings at risk for fires.

Buildings rated in category 1 and 2 (see Table II-2) above exhibit a combination of these adverse conditions that make them unsafe or unhealthy to occupy. Buildings rated in category 1 are characterized by serious dilapidation from long-term neglect or abandonment, potentially hazardous structural problems (deteriorated, sagging or failing wood, concrete, or brick walls, for example), or a combination of problems that, taken in their totality, provide strong evidence of physical blight and the presence of hazards that make the buildings unsafe or unhealthy to occupy. Buildings rated in category 2 are seriously deteriorated and generally have at least one of these serious problems, making them unsafe and unhealthy as well.

In addition, older buildings are more likely than newer buildings to exhibit poor conditions that result in health and safety problems. These poor conditions are often the result of long-term neglect on the part of property owners.

[7] National Academies Institute of Medicine, "Indoor Mold, Building Dampness Linked to Respiratory Problems and Require Better Prevention," May 25, 2004.

Seismically Vulnerable Construction

Significant earthquake hazards affect the Merged Project Area, including nearby earthquake faults and a high probability of future earthquakes. The Merged Project Area is susceptible to earthquake-related ground shaking that would be strong enough to damage existing buildings and infrastructure and possibly result in loss of life. The age, construction types and current conditions of buildings in the Merged Project Area make them particularly vulnerable to ground shaking. In addition, portions of the Merged Project Area are at risk for liquefaction, when the ground liquefies during an earthquake, causing ground failure that can damage roads, pipelines, underground cables, and buildings with shallow foundations. Areas with unconsolidated and sandy soils that are near existing and filled stream channels and flood plains are most susceptible to liquefaction.[8]

The 1997 Uniform Building Code locates Fremont and the entire Bay Area in Seismic Risk Zone 4, an area expected to experience maximum magnitudes and damage in the event of an earthquake. According to the April 2008 U.S. Geological Survey Fact Sheet, the probability of at least one major 6.7 magnitude or greater earthquake capable of causing widespread damage striking somewhere in the San Francisco Bay Area before 2037 is 63 percent.[9] Figure II-1 shows the known earthquake faults located near the Merged Project Area and also indicates earthquake probabilities.

Within the next 30 years, there is a 31 percent chance of a 6.7 magnitude earthquake along the Hayward–Rogers Creek Fault, which runs through or within several miles of the Merged Project Area.[10] The sections below discuss the Hayward fault in more detail as it relates to each Constituent Project Area. In addition, there is a 6 percent chance of a magnitude 6.7 earthquake on the San Andreas Fault, located approximately 20 miles west of the Merged Project Area. Other major active faults that could cause significant shaking in the Merged Project Area are the Calaveras, Concord and San Gregorio Faults. All of these faults are within a 35-mile radius of the site.

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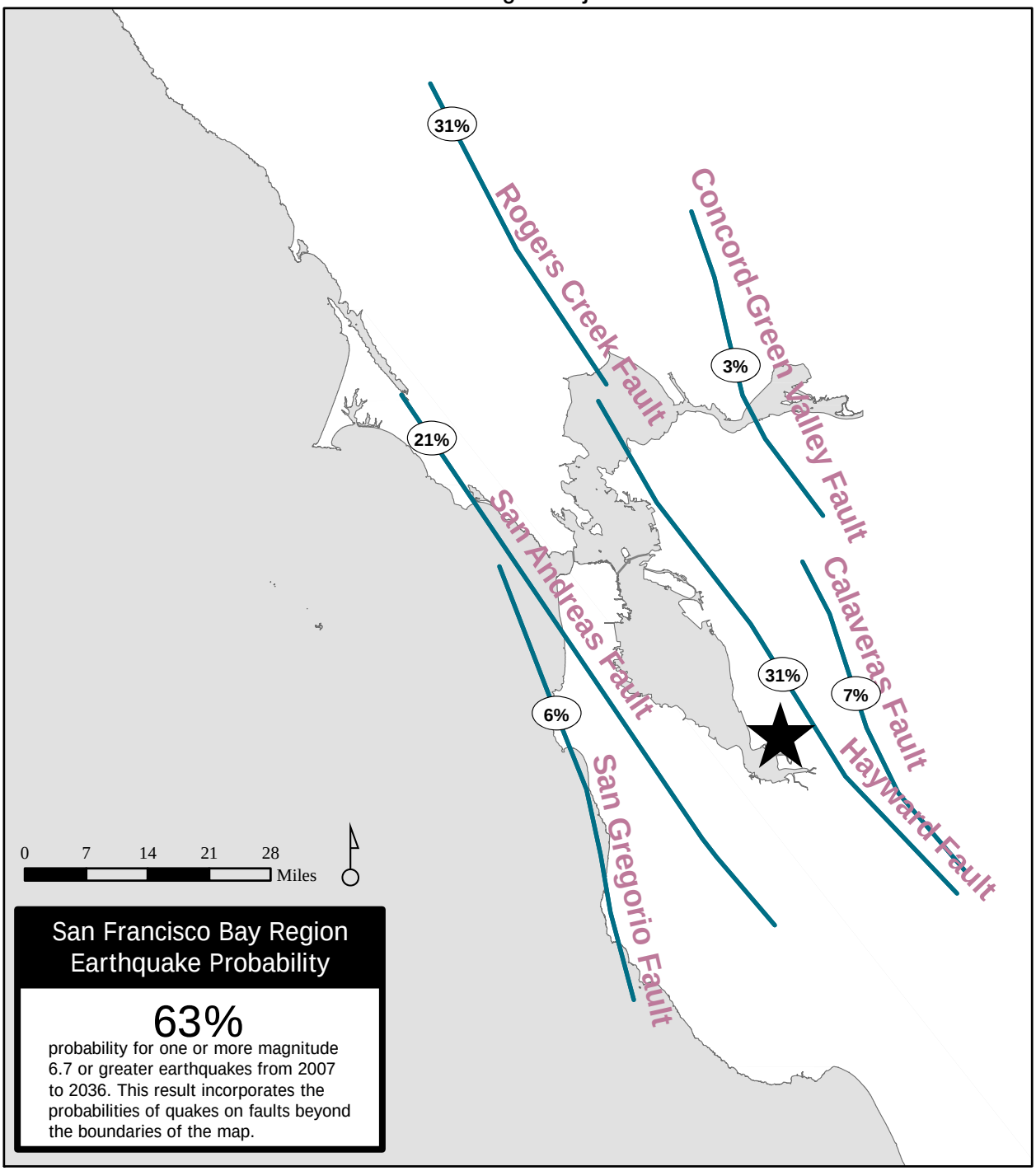
[8] ABAG website, http://www.abag.ca.gov/bayarea/eqmaps/liquefac/introduc.html.

[9] U.S. Geological Survey website, http://pubs.usgs.gov/fs/2008/3027.

[10] U.S. Geological Survey website, http://pubs.usgs.gov/of/2007/1437.

Figure II-2
San Francisco Bay Region Earthquake Faults and Probabilities
Fremont Merged Project Area



Project Area Location

Bay Area Faults

Seifel CONSULTING INC.

The design and construction of older buildings make them more susceptible to severe earthquake damage. Buildings constructed in the early to mid-1900s are expected to incur the greatest structural damage during an earthquake. According to the Association of Bay Area Governments (ABAG), changes in construction practices and building codes to reflect earthquake risk generally occurred after World War II.[11] Therefore, ABAG uses 1940 as the break year to classify and analyze the seismic susceptibility of various building types. Between 1940 and 1960, seismological data collected from a series of California earthquakes helped engineers recognize the need to update building codes to reflect expected ground shaking and different building types. This work resulted in the Structural Engineers Association of California (SEAOC) producing "Recommended Lateral Force Requirements," which were included in the Universal Building Code (UBC) in 1961, further revised after the 1971 San Fernando earthquake and incorporated in the 1973 and 1976 editions of the UBC.[12] The enhanced code contained higher lateral force requirements based on various factors, including the increased risks in an area prone to earthquake activity.[13] The analyses for each Historic Area assess the proportion of buildings in each seismic risk category based on year of construction.

Masonry and older poured concrete buildings are particularly vulnerable to earthquakes. Although no unreinforced masonry (URM) buildings remain on the City of Fremont's official list, many buildings have been only partially reinforced using outdated technology. Older steel reinforcements were weaker and nonductile, meaning that they are unable to withstand significant stress without fracture. Therefore, such structures are collapse hazards when subjected to ground shaking from a large magnitude earthquake, especially those built prior to 1976.[14]

Wood frame, single-family and multifamily homes and mixed-use buildings are also seismically vulnerable, especially those built before 1940. Houses built during this era typically lack steel bolts or any other types of connection between the foundation and the wood frame. Since they were built before the widespread use of plywood, they also typically lack appropriate shear reinforcing of the cripple walls (short walls below the first floor and above the foundation that create a crawl space). Some of these older houses may only have brick foundations with weakly cemented joints.[15] Typical earthquake damage to older wood-frame homes includes the wood frame coming off its foundation, cracking of the cripple walls and the foundation itself cracking. ABAG estimates that 19 percent of pre-1940 wood-frame single-family homes that experience violent shaking in an earthquake will be uninhabitable.[16]

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[11] Association of Bay Area Governments, "Shaken Awake," 2003. The first construction legislation that addressed earthquake standards was the 1927 Uniform Building Code (which included a seismic appendix) and the Field and Riley Acts in 1933 (which enhanced lateral force design standards for masonry buildings). However, changes in construction practices, particularly in wood-frame housing construction, did not take place until after World War II.

[12] Stephen H. Cutcliffe, "Earthquake Resistant Building Design Codes and Safety Standards: The California Experience," *GeoJournal* 51: 259–262, 2000.

[13] Ibid.

[14] Raymond Lui, San Francisco Department of Building Inspection, Technical Memo on Building Construction and Earthquake Susceptibility, February 7, 2007.

[15] Association of Bay Area Governments, "Shaken Awake," 2003.

[16] Ibid.

Alignment and foundation problems are strong indicators of seismic risk. In addition, poor building maintenance and deteriorated conditions exacerbate risks to existing structures. For example, dry rot weakens structural wood supports, regardless of any retrofitting to enhance lateral strength. General deferred maintenance and poor conditions are also associated with seismic susceptibility. Buildings that have not been maintained are unlikely to have been retrofitted. Finally, informal buildings constructed without permits are unlikely to have benefited from ongoing building code improvements and are potentially unsafe. The analyses for each Constituent Project Area within the Merged Project Area discuss the observed construction practices and existing conditions in relationship to seismic risk factors.

Building Code Violations

Serious building code violations are further evidence of unsafe and unhealthy buildings in the Merged Project Area. The City of Fremont Community Preservation Section, also known as "Code Enforcement," investigates citizen complaints and addresses violations of the Fremont Municipal Code such as building code violations. Common code violations reported include garage conversion/habitation, substandard housing, unsafe commercial buildings, and construction without the use of a permit, among others. All of the violations reported in the Merged Project Area pose a health hazard to the people who live and work in these buildings. In addition, illegal conversions and nonpermitted work often occur together and reflect construction activities without oversight from the Fremont Building and Safety Division.

Building code violation data for the five-year period between 2002 and 2007 was gathered and analyzed. The number of buildings with reported violations during this period provides a snapshot of the interior, as well as exterior, building conditions in the Merged Project Area. The violations analyzed include cases that have been abated and those cases that are in the process of being abated as many of these cases are found to incur violations repeatedly over time. Complaints that were deemed unfounded or withdrawn by the reporting party were not included in the analysis.

The building code complaints and violations found in the dataset provided by the Community Preservation Section and used in this analysis likely do not reflect the full extent or severity of building code problems in the Merged Project Area. The complaint-based system of inspections and data tracking tends to underreport problems to the extent that residents are reluctant to report potential violations by their landlords or neighbors. Given budget constraints, enforcement officers usually inspect a building only when a complaint is received, and the department does not have the resources to actively seek out dangerous building conditions.

b. Conditions Hindering the Viable Use of Buildings or Lots [33031(a)(2)]

Evolving community needs and development practices often hinder the continuing viability of buildings constructed to conform to outdated standards. Older structures may contain features inconsistent with current development standards, such as fire and safety codes. Buildings constructed prior to the adoption of the latest general plan or zoning map may be out of conformance with these community standards and thus limited in their capacity for reuse. Furthermore, deteriorated physical conditions often make the cost of addressing these types of obsolescence prohibitive. Following are examples of conditions found in major portions of the Merged Project Area that hinder or prevent the viable use of building or lots. Specific instances of these conditions in each of the Historic Areas are documented in subsequent sections of this Chapter II.

Substandard, Defective, or Obsolete Buildings

Obsolete design and amenities are the main hindrance to commercial development in the Historic Areas.[17] A large proportion of the commercial stock, specifically that which was built before new Americans with Disabilities Act (ADA) requirements were instituted in the 1980s, possesses inadequate plumbing and electrical installation, obsolete building sizes and layouts, and poor or absent HVAC systems. These deficiencies render much commercial space in the Historic Areas less functional than in other areas.

Other examples of obsolescence in older buildings include wiring without the capacity to sustain the number of appliances typically used today in homes and nonresidential buildings. These wires may overheat and create a fire hazard. Older pipes may contain lead and suffer from corrosion or sediment buildup.[18]

Buildings Inconsistent with Intended Use or Current Lot Zoning

Use conversions also hinder the capacity of existing buildings. When buildings are being used for purposes for which they were not originally constructed, they usually lack features normally found in appropriately-designed buildings. Examples include single-family homes converted to commercial uses, which often lack sufficient space for retail displays or multi-tenant offices, and retail storefronts converted to residential uses, which often lack appropriate windows and doors. Zoning designations may compound this problem, such as when older homes constructed near a commercial area are zoned commercial despite their inappropriate design.

Buildings Inconsistent with Other Current Development Standards

Modern commercial buildings require a certain minimum amount of rentable commercial space in order to attract viable businesses. Buildings constructed to outdated standards may be too small to meet the current needs of the community. Different types of retail and other commercial businesses have different space requirements. For example, a coffee shop needs a certain quantity of space, which differs from a restaurant, supermarket or furniture store. However, a viable commercial neighborhood cannot contain solely one type of business, such as only coffee shops. A neighborhood with a substantial number of buildings with rentable spaces that are smaller than is required for commercial uses in general or specific types of uses will not attract new businesses that provide amenities and contribute to the neighborhood's economic growth.

c. Incompatible Uses [33031(a)(3)]

Incompatible land uses can prevent development due to undesirable influences of one land use on the other. For example, industrial uses and major transportation corridors are often incompatible with residential uses because they produce pollution, noise and vibrations that adversely affect people in their homes. Older residential areas near industrial zones are often stagnant as a result.

d. Irregular Lots [33031(a)(4)]

Early subdivision practices and the creation of public rights-of-way often resulted in lots of irregular size and shape, including "landlocked" lots that are blocked on all sides by other parcels.

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[17] Leigh Boyd, City of Fremont Retail Development Manager.

[18] Leonard Powell, City of Fremont Community Preservation Section

Small and irregularly shaped lots can prevent the development of property because the shape of the parcel dictates the size and shape of the buildings that can be constructed on it, and building size and shape impact the feasible uses. If such parcels are also owned by multiple parties, it is often prohibitively expensive to combine those lots into a developable parcel. Irregular lots often remain vacant or underutilized with old, poorly maintained or poorly functioning buildings.

2. Economic Blighting Conditions

a. Impaired Property Values Due to Hazardous Wastes [33031(b)(2)]

The presence or potential presence of hazardous wastes on a property typically impairs property values, as investigation, remediation, monitoring, and ongoing liability for environmental contamination are both costly and uncertain. Under federal laws, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), and others, property owners may be held liable for past chemical releases, even though they were not directly responsible for the conditions that gave rise to the liability. Therefore, prior to purchasing or entering into contract to develop a site, a developer must undertake extensive environmental investigations to determine whether hazardous wastes are present. The cost of conducting any potential remediation is uncertain, and delays are often associated with obtaining governmental approvals before development of contaminated or remediated sites may begin.

Given added costs and risks, the presence of hazardous wastes on properties often serves as a disincentive to redevelop the properties and depresses their values. Since major development efforts often trigger the need for environmental testing, property owners that suspect but have not confirmed the presence of hazardous wastes may not wish to undertake such improvement efforts. A lack of investment in properties due to potential or confirmed hazardous wastes impairs property values.

Leaking Underground Fuel Tanks (LUFTs)

Leaking Underground Fuel Tanks (LUFTs) are one of the most common sources of hazardous wastes in the Merged Project Area. These fuel storage tanks are commonly located on the site of current or former automotive uses. The San Francisco Bay Regional Water Quality Control Board (WQCB) maintains a list of LUFTs. According to the WQCB, underground storage tanks are the principal source of groundwater contamination. Most underground storage tanks hold fuel and additives, and by state law, local agencies must monitor them for leaks. Historic toxic additives include lead and Methyl tert-butyl ether (MTBE). MTBE is a fuel oxygenate that is significantly associated with water contamination. According to the University of California Toxic Substances Research and Training Program, "MTBE is highly soluble in water and will transfer readily to groundwater from gasoline leaking from underground storage tanks…."[19] While MTBE additives have been phased out since December 2003, many older LUFTs cause ongoing MTBE contamination.

Some LUFTs on the WQCB list are categorized as "Closed," meaning that clean up work is no longer required since known levels of contamination are not high enough to impact public health.

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[19] University of California Toxic Substances Research & Teaching Program website, http://www.tsrtp.ucdavis.edu/.

However, each closed case has a unique closure agreement with the regional board with different target level goals, and the WQCB reserves the right to reopen files when necessary. Additionally, the closed sites are not necessarily "clean" and often, especially on industrial sites, other contaminants are in the soil or leaking into the groundwater. Furthermore, LUFT sites closed prior to MTBE testing will likely be reopened for further testing and remediation. Health risks associated with closed LUFT sites are still possible and the State Water Resources Control Board advises that prior to redevelopment, developers review the files for all cases to ensure that no new information has surfaced about possible risks to human health, safety or the environment.

Spills, Leaks, Investigations, and Cleanups (SLIC) Sites

The WQCB also maintains a list of SLIC sites. The SLIC program is designed to cleanup "unauthorized discharges" to groundwater and surface waters or soil sediments when such discharges occur and are reported. The SLIC program orders investigations, sets cleanup and treatment removal standards and provides for further monitoring. SLIC sites are not specifically linked to underground fuel tanks and are in fact likely to be more highly contaminated than LUFT sites. They could be contaminated with any number of toxic materials, including dry cleaning chemicals, percolate, dioxin, etc.

Certified Unified Program Agency (CUPA)

The Fremont Fire Department, as the Certified Unified Program Agency (CUPA) for the City of Fremont, maintains an inventory of active businesses that handle or process hazardous materials through the organization's six environmental programs: Hazardous Materials Business Plan (HMBP); Risk Management Program (RMP); Underground Storage Tank (UST); Spill Prevention, Control and Countermeasure (SPCC) for aboveground petroleum product storage; Hazardous Waste Generators; and On-site Hazardous Waste Treatment.

Sites on the CUPA list include LUFTs, other contaminated automobile-related uses and industrial hazardous materials producers, among others. Petroleum and petroleum byproducts are the most common hazardous substances associated with automobile-related sites. Industrial contamination is varied, and the discussion of hazardous wastes in each Constituent Project Area addresses the nature of these sites in more detail, as applicable.

The CUPA data likely underrepresents the actual number of businesses that handle or process hazardous materials in the city since only those that apply for a business license are added to the database. Therefore, this list does not include hazardous waste producing businesses operating without a license. Furthermore, the CUPA list also does not include vacant or former business sites that may be contaminated.

Railroad Sites

Former rail yards and other areas around railroad lines often contain soils contaminated by years of active use. Rather than stemming from a specific industrial activity, rail yard contamination typically results from dumping, spraying herbicide and the on- and off-loading of polluting materials. Typical contaminants include arsenic, heavy metals and lead. The overall levels of contamination may not be high enough to place these sites on major hazardous waste lists, but developers typically must clean or replace the soil prior to undertaking significant redevelopment. This responsibility depresses the value of former railroad sites for redevelopment relative to other similar properties.

b. Indicators of Economically Distressed Buildings [33031(b)(3)]

Indicators of economically distressed buildings that constitute blight under the CRL include business vacancies, low lease rates and abandoned buildings. Field surveys, data collected from the City's "Focus on Fremont" website, and interviews with local brokers confirmed the presence of higher business vacancies and lower lease rates within portions of the Merged Project Area as compared to the rest of Fremont or comparable commercial areas outside of Fremont.[20] Business vacancies observed in the Merged Project Area include vacant and partially vacant buildings that contain retail, office or industrial spaces. Recorded vacancies include both those with evidence of leasing activity (for example, broker information in the window) and commercial spaces that appear vacant but do not appear to be for lease.

Abandoned buildings are those that exhibit no signs of commercial or residential occupancy and are in states of extreme physical disrepair with no evidence of steps taken toward abatement. They do not exhibit any discernable economic activity or visible attempts to lease or sell the facilities. Characteristics of abandoned buildings observed during the field surveys included dilapidation, boarded doors and windows, broken windows, and extensive deferred maintenance. Additionally, surveyors observed significant trash, overgrown landscaping and noxious odors on many of the properties. These conditions reflect distressed economic conditions in the area and also likely hinder the success of neighboring businesses.

c. Lack of Neighborhood Commercial Facilities [33031(b)(4)]

Economic blight under CRL Section 33031(b)(4) includes a serious lack of necessary commercial facilities that are normally found in neighborhoods, such as grocery stores, drug stores and banks and other lending institutions. Niles is the only Constituent Project Area affected by this blighting condition, and Section D documents this deficiency in detail.

d. High Crime Rates [33031(b)(7)]

Data from the Fremont Police Department (FPD) indicates that crime rates are higher in the Historic Areas of the Merged Project Area than elsewhere in Fremont. Part I crimes are the most serious of those reported to the FPD, and they are the focus of the blight analysis. These offenses consist of homicide, forcible rape, robbery, aggravated assault, burglary, grand theft, auto theft, and arson. The FPD is able to extract from their crime database those crimes that occurred within each Constituent Project Area's boundaries, and this analysis relies on those subsets. Citywide crime statistics were taken from the Department's website to provide a useful comparison of the per capita crime rate.[21] The higher than average rate of Part I crimes constitutes a serious threat to public safety and welfare in the Merged Project Area.

3. Inadequate Public Improvements

Under the current CRL, the presence of inadequate public improvements or inadequate water or sewer utilities cannot be the sole basis for characterization of an area as blighted. However, as

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[20] "Focus on Fremont," www.focusonfremont.com; see Appendix A for a list of brokers contacted.

[21] Citywide statistics for arson were not available at the time of this writing.

specified in CRL Section 33030(c), such conditions may be considered as a contributing factor to blight when both physical and economic blighting conditions are present in a project area.

Public improvement deficiencies were observed during field reconnaissance surveys in each of the Constituent Project Areas of the Merged Project Area and confirmed by City of Fremont staff.

D. Niles Area Conditions

1. Past Blight Findings

Significant physical and economic blighting conditions were present both in 1977, at the time of adoption of the Redevelopment Plan for the Niles Original Area, and in 1998, at the time of the Plan Amendments and Merger that added the Niles Added Area. These conditions included:

- Deficient, deteriorated and obsolete buildings throughout the Niles Area.
- Seismic hazards caused by nearby earthquake faults, poor soil conditions and buildings susceptible to destruction due to their age, structure type or condition.
- Incompatible uses such as small cottages behind commercial buildings that front Niles Boulevard and residences along heavily traveled Mission Boulevard.
- Substandard lots of small size and irregular shape along Vallejo Street and Sycamore Street, between Mission Boulevard and the rail yards by the Sullivan underpass, and by I Street and Iron Horse Lane.
- Stagnant assessed property values, lease rates and retail sales.
- Hazardous materials including LUFTs and potential soil and groundwater contamination from an oil and fuel distribution facility and railroad uses.
- Vacant and underutilized land and property, particularly retail structures.
- A lack of commercial facilities such as supermarkets, drug stores, banks, and gas stations.
- Problem businesses such as bars and liquor stores.
- Substandard and deteriorated public improvements such as missing curbs, gutters, and sidewalks, inadequate storm drainage, inconsistent street widths, unpaved alleys, overhead utilities, inadequate public parking, and underutilized city-owned parks.

2. Redevelopment Activities to Date

Between 1977 and 1998, the Agency leveraged limited financial resources to participate in several redevelopment efforts, including:

- The development of a small neighborhood retail center at the corner of Mission and Niles Boulevards.
- The development of 60 affordable residential units on Essanay Avenue and Essanay Place.
- The installation and improvement of sidewalks, curbs and gutters in the residential portions of the Niles Original Area.

Since the 1998 Plan Amendments and Merger were adopted, the Agency has invested more significant resources into a variety of projects benefiting the Niles Area including:

- Streetscape improvements on Niles Boulevard in conjunction with the undergrounding of utilities along the commercial corridor.
- Lighting and signage upgrades.
- The acquisition of the 5.25 acre former Union Pacific Railroad property on the north side of Niles Boulevard. The Agency completed its first Environmental Oversight Agreement (EOA) with the California Department of Toxic Substances Control (DTSC) for site cleanup. The site is now ready for redevelopment due to the completed cleanup work.
- Design and initial site work for the Niles Town Plaza, a community-gathering place on 1.7 acres of the former Union Pacific site. After completing site work and funding appropriation, construction is set to begin.
- Public improvements at the East Bay Regional Parks' Quarry Lakes Regional Recreation Area and related marketing services to attract visitors to the Niles Area in support of the local commercial district.
- The rehabilitation of the County-owned Niles Veterans Hall.
- Retail marketing, business recruitment and business development resources to commercial property owners, including assistance with marketing strategies, tenant recruitment and leasing techniques.
- Commercial rehabilitation and façade improvements to businesses along Niles Boulevard executed with Agency loans and grants.
- The amendment of commercial zoning standards under the Niles Concept Plan, allowing a more intensive level of development within the Niles business district.
- An agreement with the Niles Essanay Silent Film Museum to provide funding for technical services in connection with the operation of a shuttle service linking the Niles Canyon Railway with the commercial district.
- First-time homebuyer and home improvement loan programs.
- An agreement with the Niles Main Street Association to expand the Association's marketing and promotional activities for the Niles Area.

3. Blighted Areas and No Longer Blighted Areas

Approximately 12 percent of the Niles Area is no longer blighted as a result of both the implementation of the redevelopment program and private investment that has been stimulated, in part by public investment in the area.[22] Figure II-2 highlights the areas no longer blighted. These areas include housing developed on Essanay Place in the mid-1980s and the older, mostly residential neighborhood along Second Street that includes many structures that have been rehabilitated in the past 10 years.[23] Figure II-2 also highlights the areas that remain blighted.

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[22] Percentage is the land area (acreage) of no longer blighted parcels divided by the land area (acreage) of all parcels in the Niles Area.

[23] Although buildings in the nonblighted areas are in generally good condition, the specific condition of each structure varies and some buildings could benefit from redevelopment assistance in the future. The presence of a building in a nonblighted area within the Niles Area does not preclude the property from receiving redevelopment assistance if it meets the criteria established for a particular program.

Figure II-2
Blighted Areas and No Longer Blighted Areas
Niles Area

4. Physical Blighting Conditions

Four physical blighting conditions contribute to remaining blight in the Niles Area. They are:

- Unsafe and unhealthy buildings
- Conditions hindering the viable use of buildings or lots
- Incompatible uses
- Irregular lots

The presence of these conditions, taken together, indicates that significant physical blight remains in the Niles Area.

a. Unsafe and Unhealthy Buildings

A substantial number of unsafe and unhealthy buildings remain in the Niles Area. These include generally dilapidated and deteriorated buildings as well as buildings vulnerable to specific seismic hazards. The advanced age of many buildings in the Niles Area puts them at higher risk for unsafe and unhealthy conditions, and they tend to quickly fall into disrepair when owners neglect to perform constant maintenance. Building code violations have also been consistently reported in the Niles Area. This section documents the prevalence of these unsafe and unhealthy conditions through tables and figures that present the Building Conditions Survey results and analysis of other data sources.

Dilapidation and Deterioration

Building conditions in the Niles Area range from excellent to dilapidated, but approximately one-third of buildings in the portion of the Niles Area that remains blighted suffer from very extensive or extensive deficiencies such that they are unsafe or unhealthy to occupy.[24]

Table II-3 summarizes the overall building conditions observed during the Building Conditions Survey, described in Section B.

[24] The Building Conditions Survey for the Niles Area included all portions of the area that appeared likely to be blighted during initial field surveys. The parcel-by-parcel survey confirmed the presence of remaining blight, and the survey results presented in this Section D are for parcels and buildings located in the portion of the Niles Area that continues to be blighted.

Table II-3
Overall Building Conditions Survey Results
Niles Area

Building Rating Category	# of Buildings	% of Buildings
1 Dilapidated	22	11.5%
2 Deteriorated	39	20.3%
3 Deferred Maintenance	70	36.5%
4 Sound	52	27.1%
5 Excellent	9	4.7%
Total[a]	**192**	**100.0%**

a. Does not include buildings located in areas no longer blighted.

Source: Seifel Building Conditions Survey, November 2007.

Figure II-3 illustrates that seriously deteriorated or seriously dilapidated buildings are located throughout the blighted portions of the Niles Area. Appendix D contains photographic documentation of the observed building conditions.

Of the 192 buildings rated, less than 5 percent have been maintained or rehabilitated to the highest standard. Thirty-two percent, or 61 buildings, were rated in the survey as category 1 or 2, exhibiting severe deterioration or dilapidation including very extensive or extensive physical or structural deficiencies likely resulting in high repair costs. More than one-third of these buildings (11 percent of all buildings surveyed) were rated as a category 1, exhibiting the highest level of physical or structural deficiencies and indicating the ongoing presence of serious building dilapidation in the Niles Area. One of these buildings is the Henkel industrial building, which at over 64,000 square feet is a significant presence in the Niles Area and was partially destroyed by a fire in May 2008. Buildings rated category 1 or 2 are unsafe or unhealthy to occupy as they possess structural vulnerability, disease risk in the case of mold, fire risk in the case of faulty wiring, or some combination of these factors.

Figure II-3
Location of Buildings That Are Unsafe/Unhealthy to Occupy
(Building Condition Rating 1 or 2 and Building Code Violations)
Niles Area

Source: City of Fremont, Seifel Consulting Inc.

Building Condition Rating 1 or 2 (61)
Building Code Violations (17)
Niles Area Boundary
Areas Surveyed

Seifel CONSULTING INC.

The Niles Area consists of mostly residential buildings (66 percent) and a significant number of retail buildings (20 percent). All land use categories include buildings in poor condition. Table II-4 shows the distribution of land uses in the Niles Area.

Table II-4
Buildings Survey by Land Use
Niles Area

	# of Buildings	% of Total
Residential		
Single-Family Detached	98	51.0%
Multifamily	18	9.4%
Duplex	10	5.2%
Subtotal Residential	**126**	**65.6%**
Non Residential		
Retail	39	20.3%
Industrial/Light	8	4.2%
Institutional	3	1.6%
Office	3	1.6%
Other/Unknown	6	3.1%
Subtotal Non Residential	**59**	**30.7%**
Mixed-Use	**7**	**3.6%**
Total[a]	**192**	**100.0%**

a. Does not include buildings located in areas no longer blighted.

Source: Seifel Building Conditions Survey, November 2007.

Retail buildings are the most likely to be in poor condition, with 41 percent (16 buildings) rated in category 1 or 2. Thirty-five residential buildings, or 28 percent of the residential stock, are seriously deteriorated or dilapidated. Among the remaining buildings in the Niles Area, 37 percent (10 buildings) are rated in category 1 or 2. Table II-5 highlights the proportion of buildings in each major category that exhibit seriously deteriorated or dilapidated conditions.

Table II-5
Building Conditions Rating by Land Use
Niles Area

	1 or 2 Rating	Total Buildings	% 1 or 2 Rating
Residential	35	126	27.8%
Retail	16	39	41.0%
Industrial, Office, Other	10	27	37.0%
Total[a]	**61**	**192**	**31.8%**

a. Does not include buildings located in areas no longer blighted.

Source: Seifel Building Conditions Survey, November 2007.

Specific adverse conditions observed during the Building Conditions Survey include foundation or alignment problems (22 percent), dry rot (33 percent), a sagging or otherwise substantially deteriorated roof (42 percent), evidence of water damage such as mold or mildew (45 percent), and faulty wiring (23 percent). As discussed above, each of these conditions is potentially unsafe and unhealthy in several ways. Foundation, alignment and dry rot problems make buildings structurally vulnerable, especially in earthquakes. Water damage also can weaken structures, and mold and mildew can lead to serious health problems such as asthma and other respiratory problems. Deteriorated roofs are more likely to leak and promote mold growth through wet conditions. Faulty wiring puts buildings at risk for fires.

Building Code Violations

In the five-year period between 2002 and 2007, the City of Fremont Community Preservation Section received 17 independent, verifiable complaints of building code violations within the boundaries of the Niles Area. According to the dataset provided by the Community Preservation Section, six cases were categorized as illegal conversions and nonpermitted work. In addition, four instances of substandard housing and seven cases of unsafe nonresidential buildings were reported in the Niles Area. The most common complaints associated with violations categorized as substandard housing entailed abandoned homes; pest infestation; mold; lack of or deficient plumbing, kitchen appliances, heating, and lighting; broken or loose stairs; and water leaks. For unsafe nonresidential buildings, the most frequent reports were of abandoned buildings, water leaks, faulty wiring, and general bad condition. All of the reported conditions constitute serious violations that threaten the health and safety of those who live or work in those buildings.

Figure II-3 locates these reported violations in relation to the dilapidated and deteriorated buildings observed in the Niles Area.[25] These complaints may not reflect all the serious building code violations in the Niles Area. The complaint-based system of inspections and data tracking used by the Community Preservation Section tends to underreport problems to the extent that residents are reluctant to report potential violations of their own property if they are the owners or by their landlords. As shown on the map, the locations of properties with building code violations and building condition rating 1 or 2 indicate the presence of buildings that are unsafe and unhealthy to occupy throughout the Niles Area.

Seismically Vulnerable Construction

The South Hayward Fault passes through the western tip of the Niles Area. As a result of the fault and soil conditions, the Niles Area is at high risk for both very violent ground shaking and liquefaction. The severity of ground shaking is influenced by a number of factors, including the duration and intensity of the earthquake, the proximity of the site to the location of the earthquake and the type of geologic materials underlying the site. According to ABAG, a magnitude 6.7 earthquake on the South Hayward Fault would result in very violent (Category X) shaking in approximately half the Niles Area and violent shaking (Category IX) in the remainder. Figure II-4 indicates these hazard zones. Figure II-5 shows the extent of liquefaction risk for the same magnitude earthquake.

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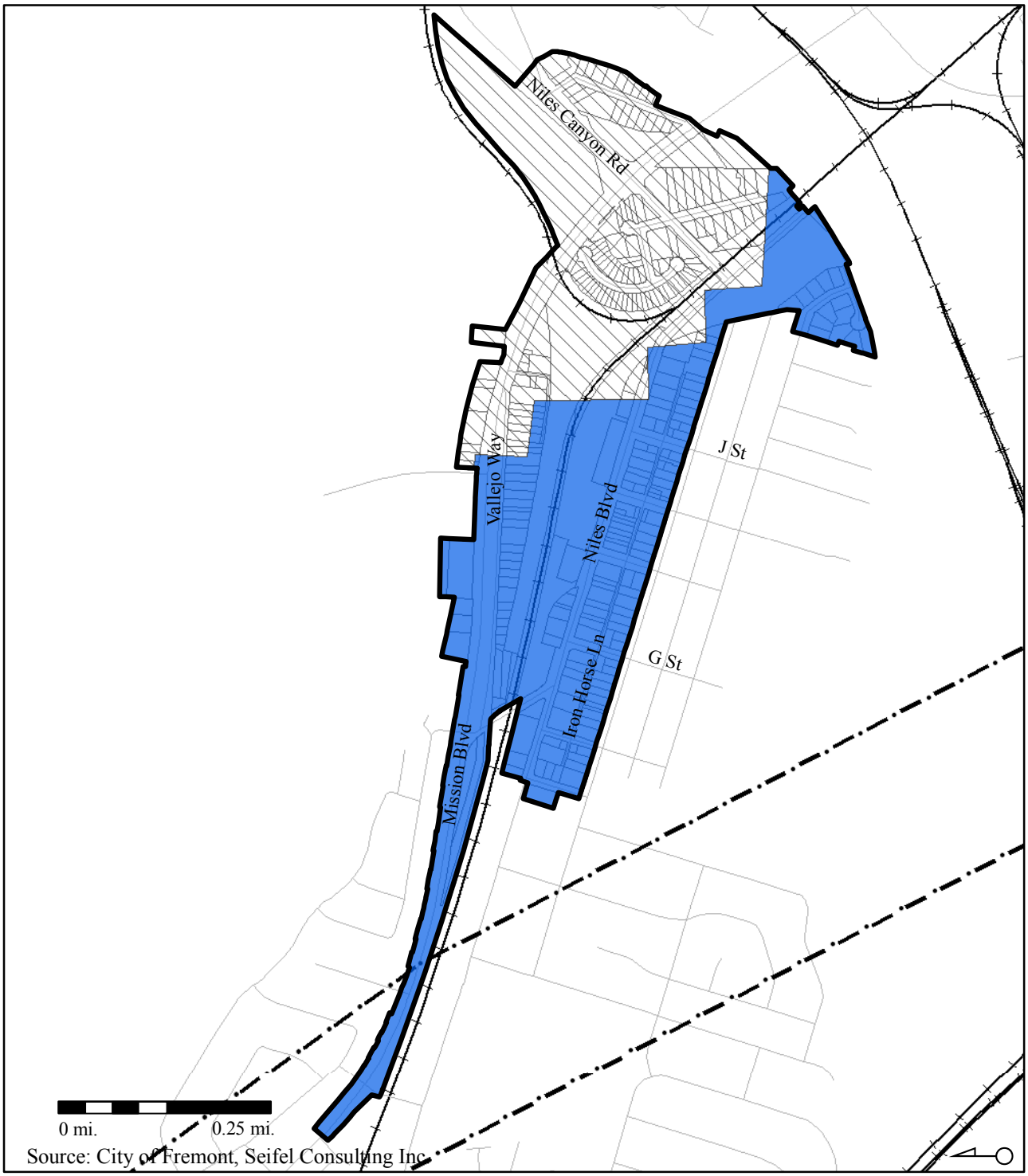
[25] Multiple building code violations were reported for some properties in the Niles Area. Figure II-3 only maps the location of each property, so there are fewer symbols on the map than independent reported violations.

Figure II-4
Earthquake Shaking Scenario: South Hayward Fault, Magnitude 6.7
Niles Area



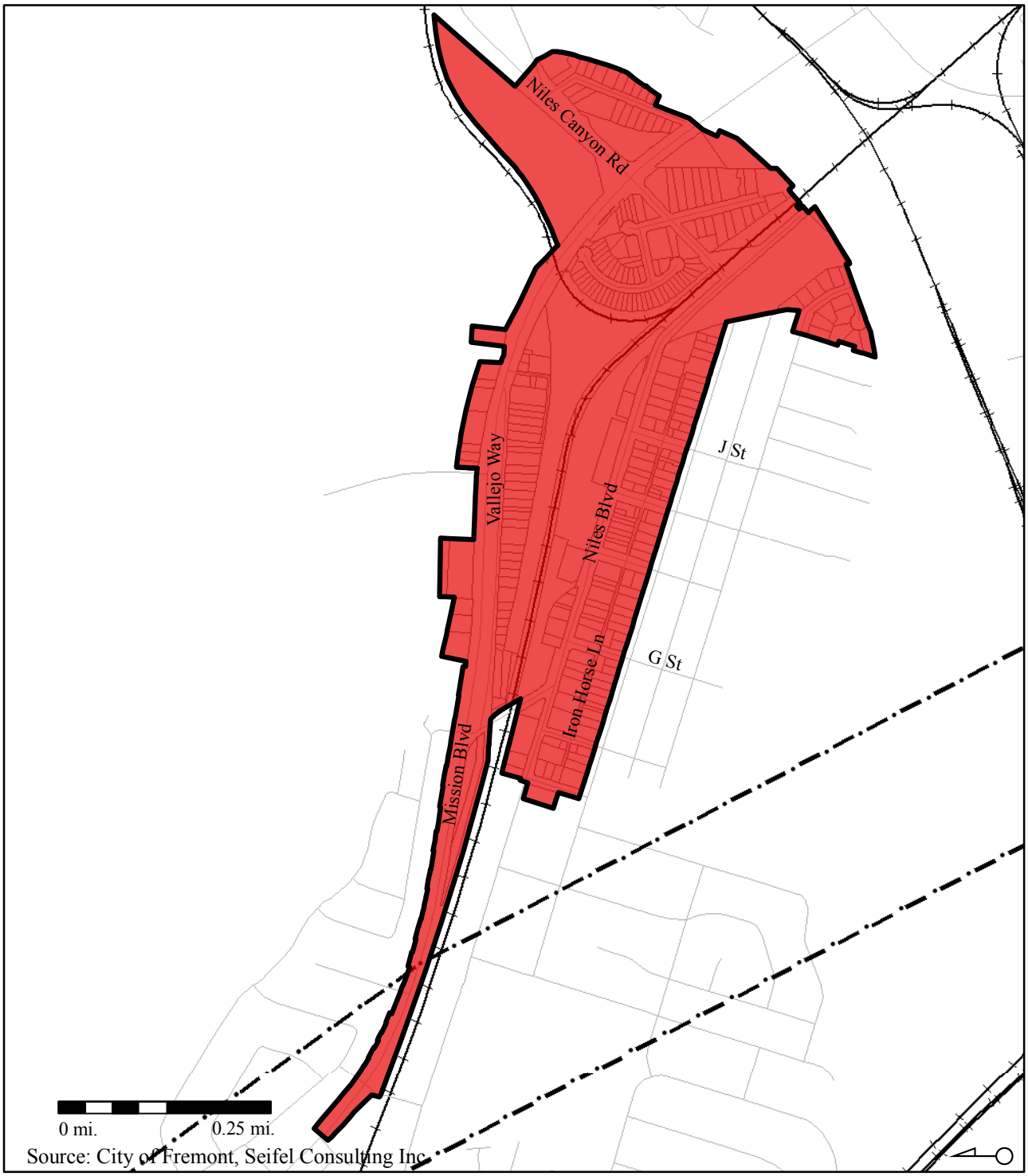
Source: City of Fremont, Seifel Consulting Inc.

Modified Mercalli Intensity Shaking Severity Level

- Very Violent
- Violent
- Fault Zone
- Niles Area Boundary

Seifel CONSULTING INC.

Figure II-5
Liquefaction Hazard Map: South Hayward Fault, Magnitude 6.7
Niles Area



Source: City of Fremont, Seifel Consulting Inc.

Liquefaction Hazard Level
High
Fault Zone
Niles Area Boundary

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As detailed in Section C, the age of buildings is correlated with earthquake risk because older buildings codes, if they existed at all, did not include the extensive earthquake safety standards that exist today. Over 60 percent of buildings in the Niles Area for which the year of construction is available were built before 1940.[26] Almost 30 percent were built between 1940 and 1976, leaving only 10 percent of buildings constructed under modern earthquake safety standards. Graph II-1 illustrates this distribution. Based on the year of construction, 90 percent of Niles Area buildings are highly susceptible to structural earthquake damage unless adequately retrofitted. City officials believe that many commercial buildings have been retrofitted, but retrofit rates for residential buildings (the majority of the Area) are unknown.[27]

In addition, the Building Conditions Survey revealed that a number of buildings in the Niles Area exhibit the characteristics identified in Section C as enhancing seismic vulnerability. Table II-6 summarizes these characteristics. Ten percent of buildings in the Niles Area had a deteriorated or cracked foundation, 17 percent of buildings had alignment problems and 33 percent exhibited dry rot. Sixteen percent of all buildings in the blighted portion of the Niles Area were built with masonry or poured concrete, while 47 percent of the buildings with age information were constructed of wood.

Among the buildings with age information, 22 percent were built before 1940 and were rated in category 1 or 2. These older, dilapidated and severely deteriorated buildings are more likely than well-maintained buildings to suffer serious and potentially life-threatening damage in an earthquake.

Table II-6
Incidence of Seismic Risk Conditions
Niles Area

Building Condition	# of Buildings	% of Buildings
Deteriorated or Cracked Foundation[a]	19	10%
Alignment Problems[a]	32	17%
Dry Rot[a]	64	33%
Masonry or Poured Concrete[a]	30	16%
Pre-1940 Wood Frame[b]	55	47%
Pre-1940 Condition 1 or 2[b]	26	22%

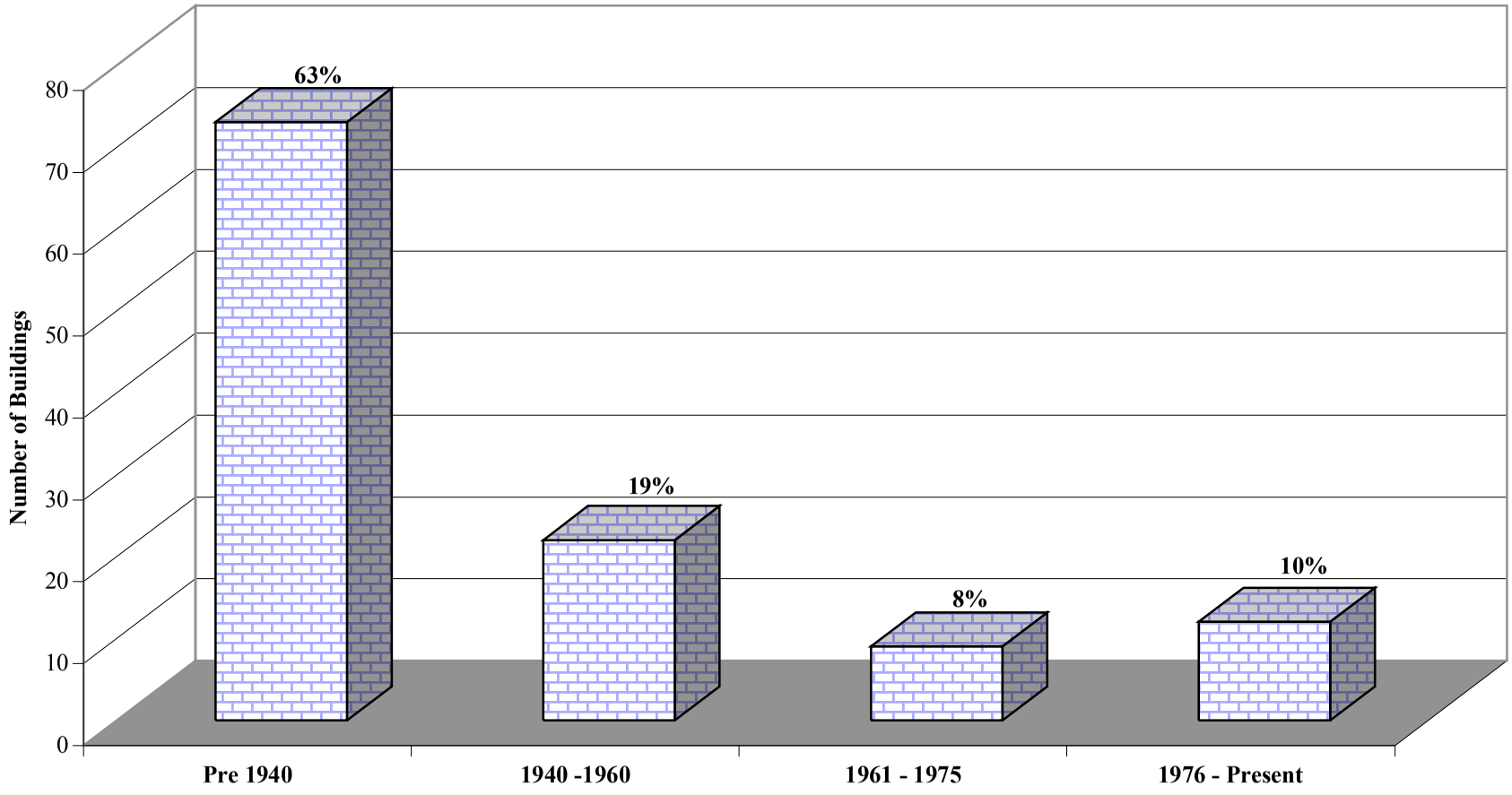
a. Among all buildings in the area with remaining blight (192 buildings).
b. Among buildings with year of construction information in the area with remaining blight (116 buildings).

Source: Seifel Building Conditions Survey, November 2007, Alameda County Assessor.

[26] Of the 192 buildings in the blighted portion of the Niles Area, the Alameda County Assessor data includes year of construction information for 116 buildings, or 60 percent.

[27] Leigh Boyd, City of Fremont Retail Development Manager.

Graph II-1
Age of Building as an Indicator of Seismic Susceptibility
Niles Area



Source: Alameda County Assessor, Seifel Consulting Inc.

b. Conditions Hindering the Viable Use of Buildings or Lots

As discussed above, 63 percent of buildings in the Niles Area were constructed before 1940. Among nonresidential buildings, this figure is 77 percent. While many of these buildings have been adapted to contain a viable use, others are suffering due to a condition, size or physical configuration that is inconsistent with current standards. Lack of HVAC systems is a particularly widespread problem in the Niles Area. Such obsolete conditions render much commercial space less functional than in other areas, significantly hinder the viable use of such commercial space, and result in low lease rates, higher vacancy and underutilized land, discussed further below.

Most commercially zoned lots in Niles are very small and are not suitable or attractive to high-value neighborhood commercial uses. Along Niles Boulevard, these small lots are also long and narrow. Space for deliveries and similar commercial needs are limited to the front main entrance (which disrupts the neighborhood) or the unpaved back alley (which is inconvenient). Small lots also translate to small buildings. As shown in Table II-7, 12 percent of the leasable commercial space in the Niles Area is below 1,100 square feet, which is smaller than the minimum space requirement for most commercial uses.[28] In addition, 35 percent of the leasable space is less than 2,500 square feet, which is less than the minimum amount of space needed for typical convenience stores, pharmacies and banks as well as many other basic services that the Niles Area is currently lacking. These lot and building size constraints further hinder the viable use of these parcels, and low lease rates combined with high maintenance costs often result in poorly maintained buildings.

Table II-7
Size of Leasable Commercial Space
Niles Area

Leasable Square Feet	# of Spaces[a]	% of Spaces	Typical Commercial Uses[b]
Less than 1,100	5	12%	N/A
1,100-1,500	2	5%	Take-out, Pizza, Dry cleaner, Hair salon
1,500-2,500	8	19%	Coffee/Tea, Medical/Dental
2,500-4,000	13	30%	Convenience store, Restaurant, Bank
4,000-10,000	11	26%	Drugstore, Furniture, Women's Clothing
Greater than 10,000	4	9%	Supermarket, Mixed Apparel, Big Box, etc.
Total	**43**	**100%**	

a. Data from County Assessor. Does not include all leasable spaces in the Niles Area.
b. Typical commercial uses for the space size indicated. Based on national data published by the Urban Land Institu
Source: Urban Land Institute "Dollars & Cents of Shopping Centers / The SCORE 2006", Seifel Consulting Inc.

[28] Leasable square footage data is from the Alameda County Assessor's parcel database; not all commercial parcels contained leasable space information. Minimum space requirements are based on national statistics for typical commercial uses.

Figure II-6 highlights the portions of the Niles Area with these conditions, as well as incidences of incompatible uses and other irregular lots.

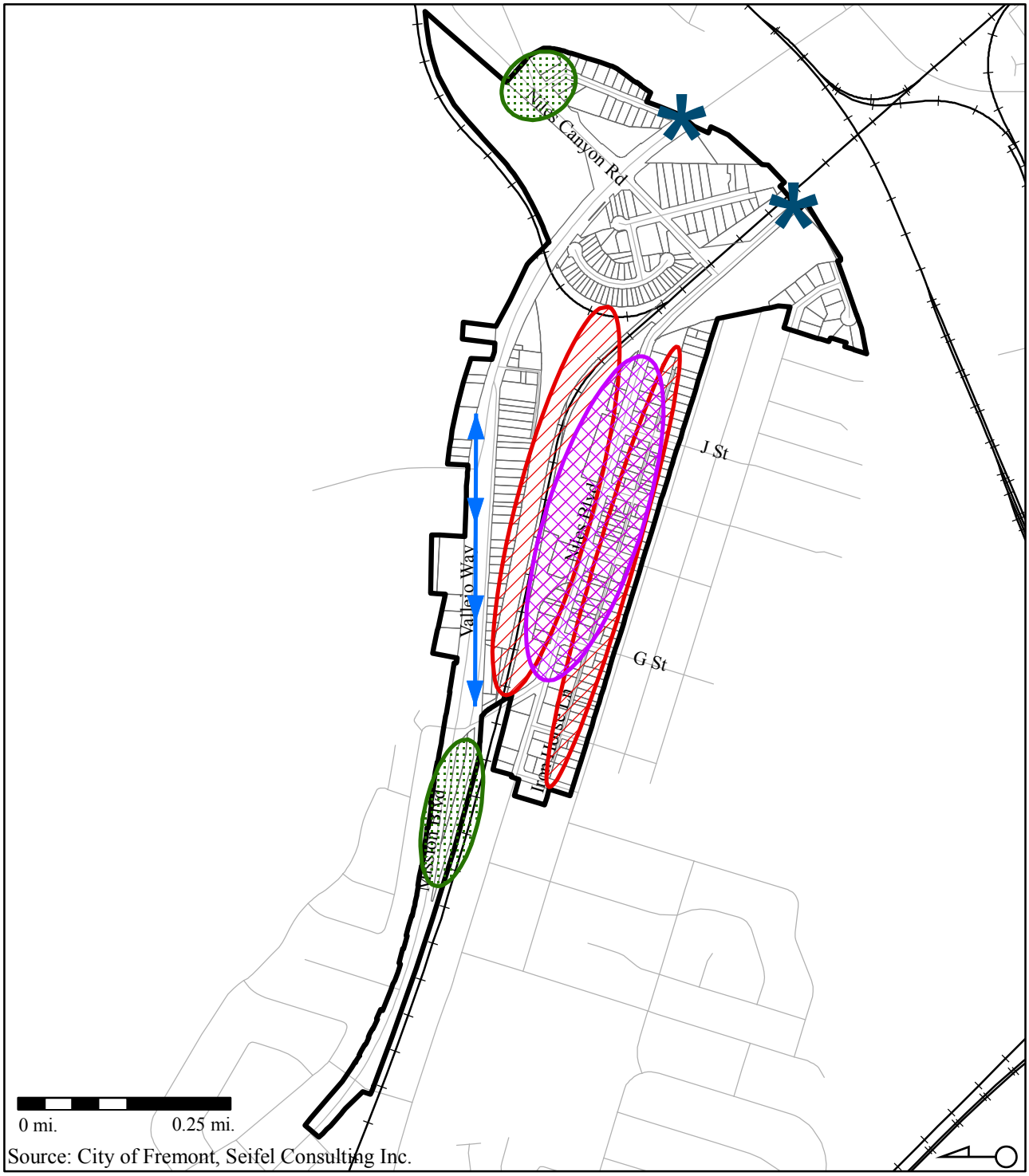
c. Incompatible Uses

Incompatible uses continue to exist in the Niles Area. Houses along Mission Boulevard are located between a heavily traveled road and a railroad line, resulting in noise, pollution and vibrations emanating through the houses. The average building condition rating of these structures is lower than for the Niles Area as a whole, and parcels on both the west and east ends of this strip remain undeveloped. On Iron Horse Lane, small cottages remain behind commercial buildings along Niles Boulevard. These residential uses can conflict with delivery and other needs of commercial users, creating inconveniences and preventing the full development of the area as either a thriving commercial zone or an attractive residential community.

d. Irregular Lots

Early subdivision practices and the presence of railroad and street rights-of-way resulted in lots of irregular size and shape in multiple ownership. As discussed in Section C, acquisition and development of such parcels is often challenging. Little development activity has occurred along Mission Boulevard, Vallejo Street, and Sycamore Street, and some scattered vacant lots remain adjacent to the railroad and other barriers.

Figure II-6
Conditions Hindering the Viable Use of Buildings and Lots, Incompatible Uses and Irregular Lots
Niles Area



Source: City of Fremont, Seifel Consulting Inc.

Inadquately Sized Commercial Lots and Spaces
Incompatible Uses
Irregular Lots
Noise/Lack of Barrier
Inadequate Access/Circulation
Niles Area

Seifel CONSULTING INC.

5. Economic Blighting Conditions

Four economic blighting conditions contribute to remaining blight in the Niles Area. They are:

- Impaired property values due to hazardous wastes
- Economic indicators of distressed buildings
- Lack of neighborhood commercial facilities
- High crime rates

The presence of these conditions, taken together, indicates that significant economic blight remains in the Niles Area.

a. Impaired Property Values due to Hazardous Wastes

Hazardous wastes in the Niles Area are largely due to automobile-related land uses (sales, service, repair, gasoline), past industrial activities and railroad uses. Figure II-7 maps the location of hazardous wastes in the Niles Area. As discussed above, these hazardous wastes likely impair property values both on those sites and the sites immediately surrounding them, due to the risks associated with liability and cleanup.

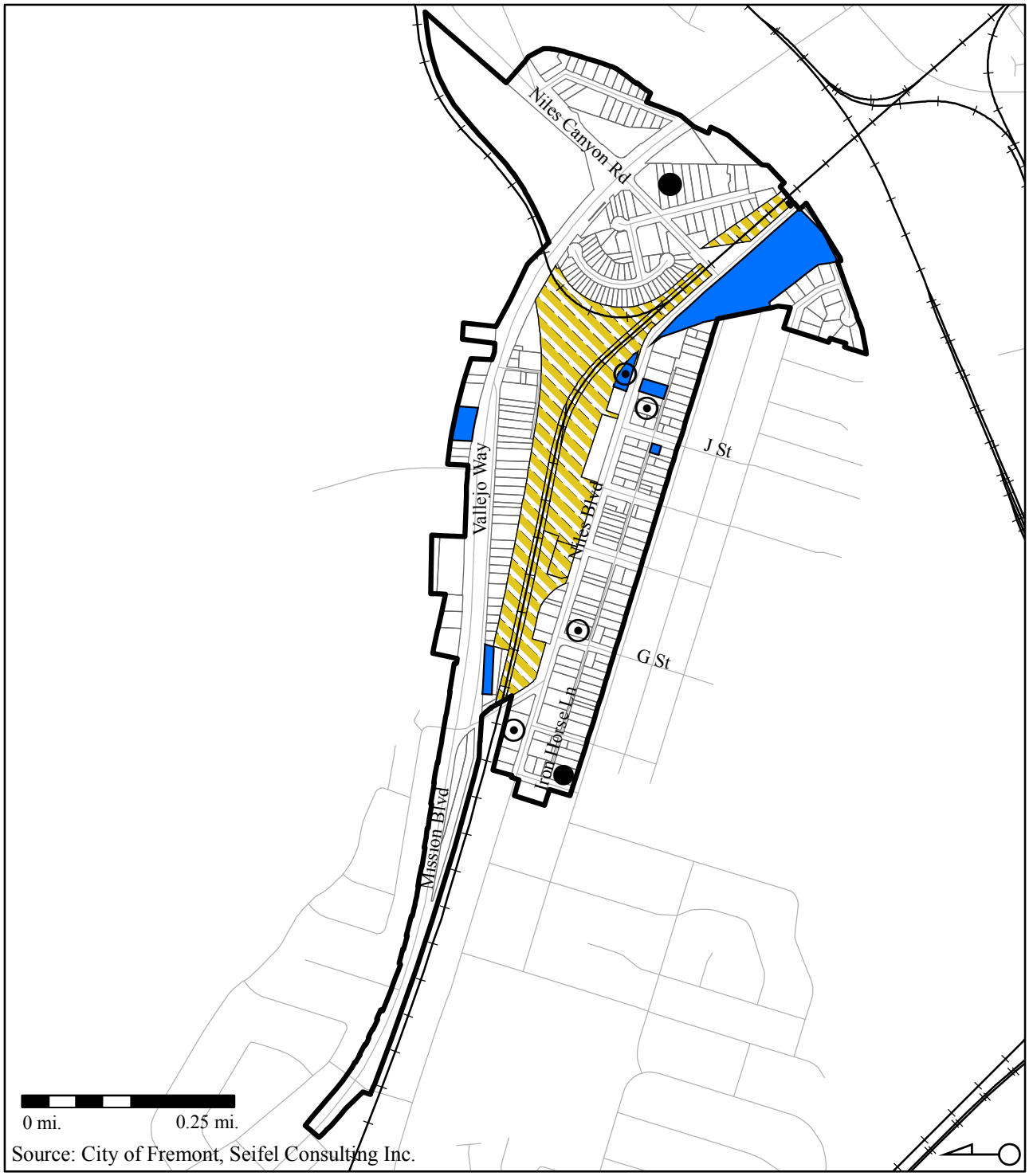
Leaking Underground Fuel Tanks (LUFTs)

According to the WQCB's database, six known LUFTs exist in the Niles Area. Of these, four are open cases that have not been sufficiently investigated and/or remediated. The remaining two LUFT cases are categorized as closed. Both open and closed LUFTs may pose heath risks and constitute a potential liability to property values. As discussed above, closed sites are not necessarily clean and often contain other contaminants that are in the soil or leaking into the groundwater, especially on industrial sites. Health risks associated with closed LUFT sites are still possible and the State Water Resources Control Board advises that prior to redevelopment, developers review the files for all cases to ensure that no new information has surfaced about possible risks to human health, safety or the environment.

City of Fremont Hazardous Materials Site List

Six sites in the Niles Area are on the City of Fremont's CUPA list. Four of the sites are automobile-related uses and are located along Niles and Mission Boulevards. One of these automobile-related properties is also a LUFT case. One of the remaining CUPA sites is the Henkel property, discussed separately below, and the other site is a retail site along Niles Boulevard for which the specific nature of the contamination is unknown.

Figure II-7
Hazardous Materials Sites
Niles Area



Source: City of Fremont, Seifel Consulting Inc.

LUFT Site - Closed Case (2)
LUFT Site - Open Case (4)
Current or Former Railroad Property
City of Fremont Hazardous Materials Sites List (6)
Niles Area Boundary

Seifel CONSULTING INC.

Henkel Property

The Henkel site was originally developed in the 1940s as a cannery but has been used for several different manufacturing and industrial uses since then. The current property owner, Henkel Surface Technologies, manufactured acid-based and alkaline-based compounds and metal cleaning solutions on the site from 1980 to 2002. The building was vacant from 2002 until it was demolished in 2009; however, the basement slab still remains in place as a cap for hazardous materials beneath. Some environmental remediation has occurred. The property owner is currently working with the Water Quality Board on a plan to complete the remediation process. According to the Assessor's database, the Henkel property's land value of $0.47 per square foot is much lower than the average land value in the Niles Area, which is $1.34 per square foot. The Henkel property's land value is also much lower than the average market value for industrial land in Fremont, which is $20 per square foot.[29]

Railroad Property

The former Union Pacific rail yard lies between the railroad tracks and Niles Boulevard. The Agency is in the process of redeveloping a large portion of the site into the Niles Town Plaza, scheduled for completion in December 2009. The Agency is currently planning the second phase of the environmental remediation, which will be completed in summer 2010 and will clean the remainder of the site to a state suitable for commercial or residential development.

b. Indicators of Economically Distressed Buildings

The Niles Area contains vacant businesses and abandoned buildings located throughout the portion with remaining blight. Figure II-8 maps these conditions. Lease rates for retail space in Niles are also low, which helps reduce the number of observed vacancies but also indicates economic distress.

Business Vacancies

The primary field survey identified seven vacant business spaces in the Niles Area at the time of the survey. These vacant business spaces are primarily retail storefronts along Niles Boulevard.

[29] Based on Fremont Comprehensive Development Impact Fee Report (January 2008).

Figure II-8
Vacant Businesses and Abandoned Buildings
Niles Area

Source: City of Fremont, Seifel Consulting Inc.

■ Business Vacancies (7)

▲ Abandoned Buildings (6)

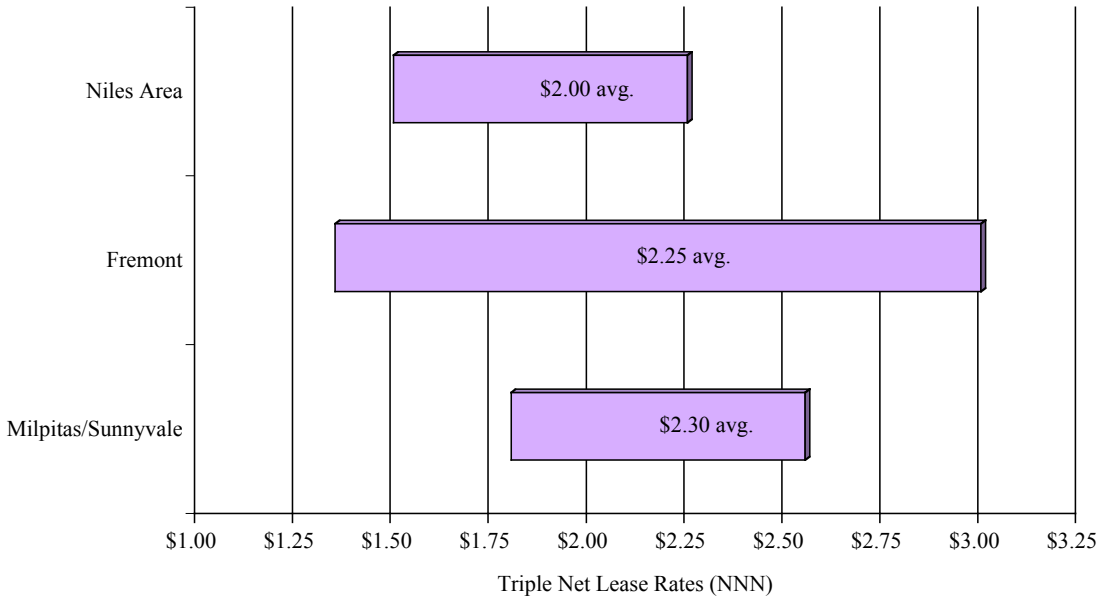
Niles Area Boundary

Seifel CONSULTING INC.

Low Lease Rates

Lease rates for commercial spaces in the Niles Area are low relative to other parts of Fremont. According to local brokers and property owners, current vacancies are listing for about $2.00 per square foot per month triple net lease (NNN). Existing tenants are paying between $1.50 and $2.25 per square foot, with an average of around $2.00 per square foot.[30] In Fremont as a whole, stand-alone retail stores' asking rents cover a wide range from $1.35 to $3.00 per square foot, but the average is higher than in Niles, at around $2.25 per square foot. Lease rates in comparable demographic areas of the neighboring cities of Milpitas and Sunnyvale also exceed those in Niles by about $0.25–$0.50 per square foot. Graph II-2 illustrates this comparison.

Graph II-2
Stand-Alone Retail Lease Rates
Niles Area and Comparable Areas



Source: focusonfremont.com, ccarey.com, local brokers, Seifel Consulting Inc.

According to area brokers, the main reason for these low commercial lease rates is low average daily traffic (ADT), due to geographic isolation, poor road access and little diversity of attractions. The commercial market in the Niles Area is predominantly composed of antique shops run in very old and often deteriorating or dilapidated buildings, so rent tends to be low. Store owners have little incentive to remodel or expand in order to attain higher paying tenants because non–antique store tenants, notably restaurants, are moving out instead of in, due to minimal traffic and therefore minimal business. These factors contribute to an ongoing cycle

[30] Broker-reported lease rates are consistent with those listed on the "Focus on Fremont" website. See Appendix A for a list of brokers contacted.

where new business tenants are unwilling to move in, so that retail diversity, and therefore traffic, remains low, exerting downward pressure on lease rates.

Abandoned Buildings

Six buildings in the Niles Area are vacant and in extreme disrepair and are apparently abandoned. These include four buildings on two different properties along Mission Boulevard and a building on Sycamore Street. A 64,100 square foot building located on the Henkel Property, which is prominently located at the eastern entrance to the Niles Boulevard historic area, was recently demolished. A concrete slab remains in place as a cap on the hazardous materials beneath.

c. Lack of Neighborhood Commercial Facilities

The Niles Area lacks a full-service grocery store, pharmacy and bank as well as many basic services usually located in neighborhood commercial districts such as a gas station, a dry cleaner and a hardware store.[31] The Niles commercial district currently contains only a few small convenience stores and a handful of eat-in locales. One local deli-mart and a 7-Eleven are located within the Niles Area. As a whole, these stores do not provide the full range of items found in a full-service grocery store and fall short of meeting the residents' needs. Furthermore, national and regional studies on food choices indicate that small grocery stores tend to offer a much less healthy food selection and have prices that are 10 to 50 percent higher than those in supermarkets.[32]

Figure II-9 shows the distribution of the neighborhood commercial facilities and their relationship to the roads and AC Transit lines that pass through the Niles Area. The map illustrates that the nearest full-service grocery store is in Union City, about 2.5 miles from the Niles Area's center (approximately Niles Boulevard and F Street). This distance requires residents to either drive or take public transportation to access healthy and economically priced food or any pharmaceutical items. The nearest full-service pharmacy and bank are also the same distance away. Full-service facilities are also clustered around the Fremont BART station, which is 3.6 miles by road from the Niles Area's center.[33] These neighborhood facility clusters around both BART stations are serviced by buses that run only once an hour from either of the two bus stops near the Niles Area, which are as great as a 0.8 mile walk away from the periphery of the Niles Area. Total travel time includes walking and a 7–12 minute bus ride.[34]

This availability and distribution of neighborhood facilities is lower in Niles than in other Fremont neighborhoods. The travel times and distances to services may be prohibitive for Niles residents with limited mobility. The requirement to drive to fill a prescription or access

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[31] According to "Supermarket Facts," published by the Food Marketing Institute in 2005, a full service grocery store, or "conventional supermarket," offers a full line of groceries, meat and produce. They typically carry approximately 15,000 items, offer a service deli and frequently offer a service bakery.

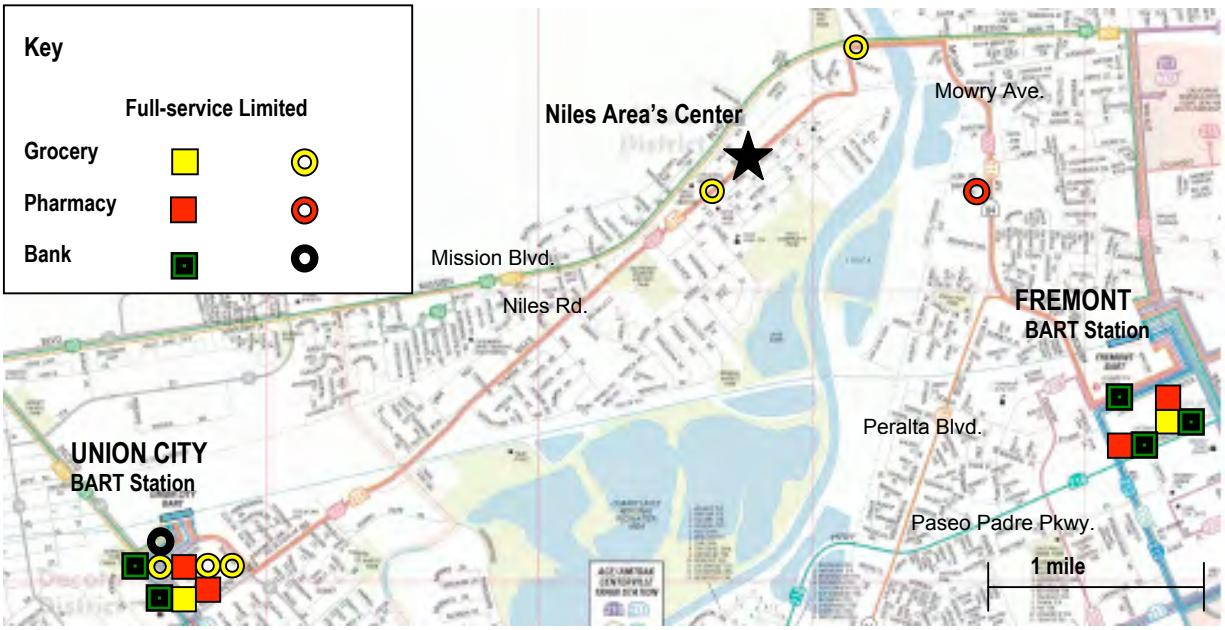
[32] PolicyLink website, "Healthy Food, Healthy Communities: Improving Access and Opportunities Through Food Retailing," http://policylink.org/Research/HealthyFood/, 2005.

[33] No direct road access exists between the Niles Area and the Fremont BART Station, due to Alameda Creek and the Quarry Lakes Regional Recreation Area.

[34] Travel time estimated by the schedule provided by AC Transit. Actual travel time depends on time of day and whether the system is experiencing any significant delays. Walking distance is calculated by Google Map directions from the southeast corner of the Niles Area to the closest bus stop, at Niles Boulevard and Rock Avenue.

affordable, healthy food burdens residents who may have difficulty driving due to aging or other physical limitations. While physical space constraints may limit the opportunities to obtain a full service grocery store or pharmacy in the Niles Area, various redevelopment activities described in Chapter III of this Report could help address the shortage of local commercial facilities currently affecting the Niles Area.

Figure II-9
Location of Neighborhood Commercial Facilities within 3 Miles
Niles Area



Source: AC Transit, Google Maps, Seifel Consulting Inc.

d. High Crime Rates

Part I crimes, the most serious category of crimes in the police reporting system, occur with greater frequency in the Niles Area than in the rest of Fremont. Table II-8 summarizes the per capita crime rate for Part I crimes in the Niles Area compared to the City of Fremont as a whole.[35] The total per capita crime rate in the Niles Area was 38 per 1,000 residents, compared to 27 per 1,000 residents citywide. The most common serious crimes in the Niles Area are burglary and grand theft, followed by auto theft. These crimes threaten the safety of both residents and visitors to the Niles Area and work against the neighborhood's efforts to promote an economically vibrant community.

[35] Population data for the City and the Niles Area were gathered from the City of Fremont and Claritas, respectively.

Table II-8
Part I Crimes per 1,000 Residents in 2007
Niles Area Compared to Fremont

	Niles	Fremont
Grand Theft	17.03	14.68
Burglary	14.34	5.21
Auto Theft	5.38	3.65
Aggravated Assault	0.00	1.58
Robbery	0.90	1.10
Forcible Rape	0.00	0.17
Arson	0.00	0.08
Homicide	0.00	0.02
Total	**37.63**	**26.49**

Source: Fremont Police Department, Claritas, Seifel Consulting, Inc.

6. Inadequate Public Improvements

Public infrastructure inadequacies in the Niles Area include unpaved alleys, missing and deteriorated curbs and sidewalks, pedestrian-vehicle conflicts, overhead utility wires, and an unimproved and under-utilized city-owned park. In addition, drainage problems stemming from inadequate water and sewer utilities affect the Niles Area.

a. Unpaved Alleys

Iron Horse Lane is an alley in the Niles Area that extends east and west throughout the blocks between Niles Boulevard and Second Street.[36] The narrow alley is unpaved and contains many potholes that contribute to unsafe driving and water ponding. Iron Horse Lane is the primary access point for several residences that front Iron Horse Lane and a delivery access point for commercial buildings on Niles Boulevard.

b. Missing and Deteriorated Curbs and Sidewalks

Some curbs and sidewalks in the Niles Area are missing, badly damaged or deteriorated. Such deficiencies, particularly along Mission Boulevard and H, I and J Streets, create pedestrian hazards and limit pedestrian movement and accessibility.

c. Streets, Circulation and Transit

The current relationship between major streets such as Niles and Mission Boulevards and pedestrian areas such as the Niles Boulevard shopping district and the Niles Canyon Railroad Depot leads to potentially dangerous pedestrian-vehicle conflicts. Inconsistent street widths remain throughout the area creating unsafe conditions for vehicles and pedestrians. Finally, access and public transport are limited, particularly for the Niles commercial district.

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[36] While privately owned, Iron House Lane functions as part of the public circulation system for the Niles Area.

d. Overhead Utility Wires

Utility wires have not been placed underground in certain parts of the Niles Area, particularly along Mission Boulevard, Vallejo Street, Sycamore Street, G Street, and H Street. Overhead utility wiring is susceptible to damage in high winds and thus creates a potential safety hazard in the event of downed wires or broken poles. Overhead wiring is also more costly to maintain due to its vulnerability, and it detracts from a street's overall appearance.

e. Underutilized and Insufficient Public Spaces

Vallejo Mills Park is underutilized and the historic mill within the park requires reconstruction because only its foundation remains. Open space and other public amenities in existing residential neighborhoods are insufficient to retain the attractiveness of these areas. Potential exists for further development of regional park and open space facilities in the immediate vicinity of the Niles Area (e.g. Quarry Lakes Regional Recreation Area, Alameda Creek Trail, and the new Vargas Plateau Regional Park that could be accessed from Niles Canyon) that could help to overcome the areas lack of open space, provide needed recreational opportunities, and attract visitors who could patronize Niles Area businesses and attractions. As further discussed in Chapter IV, however, there are inadequate public funding sources to accomplish such park and open space development and to achieve the resulting neighborhood revitalization benefits for the Niles Area.

f. Water, Combined Sewer and Stormwater Drainage

Standing water pools in portions of the Niles Area after heavy rains. This problem is particularly acute on Iron Horse Lane and along H Street, where flooding on the sidewalk occurs due to extra layers of street pavement.

7. Conclusion for Remaining Blight in the Niles Area

The Niles Area suffers from significant, substantial and prevalent remaining blighting conditions. The physical and economic blighting conditions are summarized below, and have been described in greater detail throughout this section. These conditions are:

- Unsafe and unhealthy buildings (Section 4.a),
- Conditions hindering the viable use of buildings or lots (Section 4.b),
- Incompatible uses (Section 4.c),
- Irregular lots (Section 4.d),
- Impaired property values due to hazardous wastes (Section 5.a),
- Economic indicators of distressed buildings (Section 5.b),
- Lack of neighborhood commercial facilities (Section 5.c),
- High crime rates (Section 5.d), and
- Inadequate public improvements (Section 6).

The Niles Area contains a significant number and percentage of deteriorated residential, retail and industrial buildings that are unsafe or unhealthy places for people to live or work. This condition results from a combination of age, seismic susceptibility and lack of regular maintenance. In addition, some of these buildings are functionally obsolete because they are inconsistent with

current development standards such as building code requirements and modern building configurations. Problems with incompatible uses, especially noise, pollution and vibrations emanating from the railroad to neighboring homes, also exist in the Niles Area. Irregularly shaped and/or inadequately sized parcels prevent the development of some portions of the Niles Area.

The presence of contamination from hazardous materials impairs property values on parcels throughout the Niles Area. Abandoned buildings and low lease rates indicate economic distress and deter new business investment. A higher-than-normal level of crime is a problem in the Niles Area as well, particularly for burglary and theft. The Niles Area also suffers from a serious lack of neighborhood commercial facilities and is relatively isolated from the rest of Fremont.

Inadequate public improvements exacerbate blighting conditions in the Niles Area. Unpaved alleys, missing and deteriorated curbs and sidewalks, and inconsistent street widths create pedestrian and vehicular hazards. The Niles Area also lacks improved parks and other public gathering spaces, which detracts from its attractiveness and economic sustainability.

As further described in Section H of this Chapter II and in Chapters III and IV, these significant, substantial and prevalent remaining physical and economic blighting conditions cause an underutilization of property in the Niles Area that results in a significant physical and economic burden on the immediate area and the entire Fremont community. This blight cannot reasonably be alleviated by private sector or governmental action without the additional financial resources that would be made possible by the proposed Plan Amendment.

E. Irvington Area Conditions

1. Past Blight Findings

Significant physical and economic blighting conditions were present in the Irvington Original Area in 1977, at the time of adoption of the original Redevelopment Plan, and in both the Irvington Original Area and the Irvington Added Area in 1998, at the time of the 1998 Plan Amendments and Merger. These conditions included:

- Deteriorated, aged and obsolete buildings throughout the Irvington Area.
- Missing curbs, gutters and sidewalks distributed throughout the area, particularly on sections of Grimmer Boulevard, Fremont Boulevard, Roberts Avenue and Osgood Road.
- Deteriorated paving, particularly by railroad crossings, and unpaved streets on Adams Avenue east of Roberts Road.
- Inadequate improvements to encourage pedestrians, such as benches, planters, street trees, and lighting.
- A shortage of convenient parking, particularly in the historic retail area.
- Seismic hazards caused by nearby earthquake faults, poor soil conditions and buildings susceptible to destruction due to their age, structure type or condition.
- Small and irregularly shaped lots that are under multiple ownership populating the business district and multiple other parts of the Irvington Area, resulting mostly from informal subdivision practices and the establishment of railroad, road, and street rights-of-way.

- Inadequate street capacity and layouts, including inconsistent street widths, particularly along Fremont Boulevard, resulting in congestion and potentially hazardous pedestrian conditions at key intersections, such as the Five Corners.
- Stagnant assessed property values, lease rates and retail sales.
- Excessive business vacancy, often due to obsolete design of commercial buildings.
- Hazardous materials including potential soils, groundwater and stream contamination.
- Substandard and deteriorated public improvements such as missing curbs, gutters and sidewalks and irregular pavement edges on major streets, along with inconsistent street widths, substandard railroad crossings and unpaved streets throughout the area.
- High crime rates, particularly in regards to aggravated assault, narcotics offenses, alcohol related driving offences, and check offenses, which tend to occur along the flood control channel which runs behind many retail businesses on Fremont Boulevard and residences on Lincoln Street.
- Vacant and underutilized land.
- Incompatible uses such as mixed residential/commercial uses on Fremont and Washington Boulevards, residences adjacent to active railroad lines and residences adjacent to trucking and contractors' yards on Osgood Road.

2. Redevelopment Activities to Date

Between 1977 and 1998, the Agency participated in several redevelopment efforts, including:

- Development of Irvington Plaza Shopping Center on six acres at Fremont and Washington Boulevards.
- Installation and improvement of sidewalks, curbs, gutters, and drainage both in the residential portions of the Irvington Original Area and commercial areas tagged for revitalization.
- Utility undergrounding, street widening and extending, and streetscape program implementation.
- Parking Studies intended to address parking concerns especially in the Five Corners vicinity (intersection of Bay, Union, Washington and Fremont Boulevards).
- Installation of three gateway/entry statements at strategic points around the area.
- Establishment of a weekly, certified farmers market of 50 farmers from surrounding cities.

Since adoption of the 1998 Plan Amendments and Merger, the Agency has invested additional resources into a variety of projects benefiting the Irvington Area including:

- Street improvements consisting of new paving, curbs, gutters, sidewalks, lighting, trees, and landscaping along Roberts Avenue.
- Rezoning Bay Street to conform with the Irvington Concept Plan and Bay Street Design Guidelines and Planned District’s zoning requirements.
- Provision of façade improvement grants and commercial rehabilitation loans to commercial properties located along Fremont Boulevard and Bay Street.
- Construction commencement of a major railroad grade separation for Washington Boulevard to reduce train, pedestrian and vehicular conflicts.
- Planning and facilitation of a BART station at Washington Boulevard and Osgood Road.

- Development of municipal and private parking projects to increase parking opportunities in the area, including the completion of a public lot on Bay Street.
- Retail marketing, business recruitment and provision of business development resources to commercial property owners, including assistance with marketing strategies, tenant recruitment and leasing techniques.
- Design assistance and community input facilitation for a future Monument Center.
- Development gap financing for 17 affordable homeownership units on Adams Avenue.
- Predevelopment, land acquisition and construction loan provision for the Rotary Bridgeway Apartments, an 18-unit development consisting of transitional and permanent housing for households with incomes ranging from extremely low to low income and for Irvington Terrace, a 100-unit family development of affordable rental apartments targeting extremely low to very low-income families.
- Development gap financing for Lincoln Oaks Apartments, 11 accessible and affordable apartments for developmentally-disabled adults.
- First-time homebuyer and home improvement loan programs.
- Predevelopment and development gap financing for Main Street Village, a 64-unit affordable supportive housing project in the vicinity of the proposed Irvington BART station.

3. Blighted Areas and No Longer Blighted Areas

Approximately 30 percent of the Irvington Area is no longer blighted as a result of both the implementation of the redevelopment program and private investment that has been stimulated in part by public investment in the area.[37] Figure II-10 highlights the areas no longer blighted. These areas include single-family and multifamily housing developments along Grimmer Boulevard, Adams Avenue, Carol Avenue, and in the northern section of the Irvington Area.[38] Figure II-10 also highlights the areas that remain blighted.

[37] Percentage is the land area (acreage) of no longer blighted parcels divided by the land area (acreage) of all parcels in the Irvington Area.

[38] Although buildings in the nonblighted areas are in generally good condition, the specific condition of each structure varies and some buildings could benefit from redevelopment assistance in the future. The presence of a building in a nonblighted area within the Irvington Area does not preclude the property from receiving redevelopment assistance if it meets the criteria established for a particular program.

Figure II-10
Blighted Areas and No Longer Blighted Areas
Irvington Area

Source: City of Fremont, Seifel Consulting Inc.

4. Physical Blighting Conditions

Four physical blighting conditions contribute to remaining blight in the Irvington Area. They are:

- Unsafe and unhealthy buildings
- Conditions hindering the viable use of buildings or lots
- Incompatible uses
- Irregular lots

The presence of these conditions, taken together, indicates that significant physical blight remains in the Irvington Area.

a. Unsafe and Unhealthy Buildings

A substantial number of unsafe and unhealthy buildings remain in the Irvington Area. These include generally dilapidated and deteriorated buildings as well as buildings vulnerable to specific seismic hazards. Building code violations have also been consistently reported in the Irvington Area. This section documents the prevalence of these unsafe and unhealthy conditions through tables and figures that present the Building Conditions Survey results and analysis of other data sources.

Dilapidation and Deterioration

Building conditions in the Irvington Area range from excellent to dilapidated, but approximately 17 percent of buildings in the portions of the Irvington Area included in the Building Conditions Survey suffer from very extensive or extensive deficiencies such that that they are unsafe or unhealthy to occupy.[39] Table II-9 summarizes the overall building conditions observed during the Building Conditions Survey, described in Section B.

[39] The Building Conditions Survey for the Irvington Area included all portions of the area that appeared likely to be blighted during initial field surveys. A total of 60 percent of the Irvington Area parcels and 51 percent of the Irvington Area acreage was surveyed. Subsequent to the Building Conditions Survey, some buildings and parcels were found to exhibit blighting conditions not able to be observed during the field survey, such as internal building code violations and hazardous materials. Therefore, the Building Conditions Survey does not include all buildings within the portions of the Irvington Area with remaining blight. No surveyed buildings were excluded from the analysis.

Table II-9
Overall Building Conditions Survey Results
Irvington Area

Building Rating Category	# of Buildings	% of Buildings
1 Dilapidated	11	1.8%
2 Deteriorated	92	15.4%
3 Deferred Maintenance	238	39.9%
4 Sound	191	32.0%
5 Excellent	64	10.7%
Total[a]	**596**	**100.0%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

More than 100 buildings in the Irvington Area were rated in the survey as category 1 or 2, exhibiting severe deterioration or dilapidation including very extensive or extensive physical or structural deficiencies likely resulting in high repair costs. Buildings rated category 1 or 2 are unsafe or unhealthy to occupy, as they possess structural vulnerability, disease risk in the case of mold, fire risk in the case of faulty wiring, or some combination of these factors. Figure II-11 illustrates that seriously deteriorated or seriously dilapidated buildings are located throughout the blighted portions of the Irvington Area. Appendix D contains photographic documentation of the observed building conditions.

The Irvington Area consists of mostly residential buildings (79 percent), with retail, office and industrial buildings comprising the remainder. All land use categories include buildings in poor condition. Table II-10 shows the distribution of land uses in the Irvington Area.

Table II-10
Buildings Survey by Land Use
Irvington Area

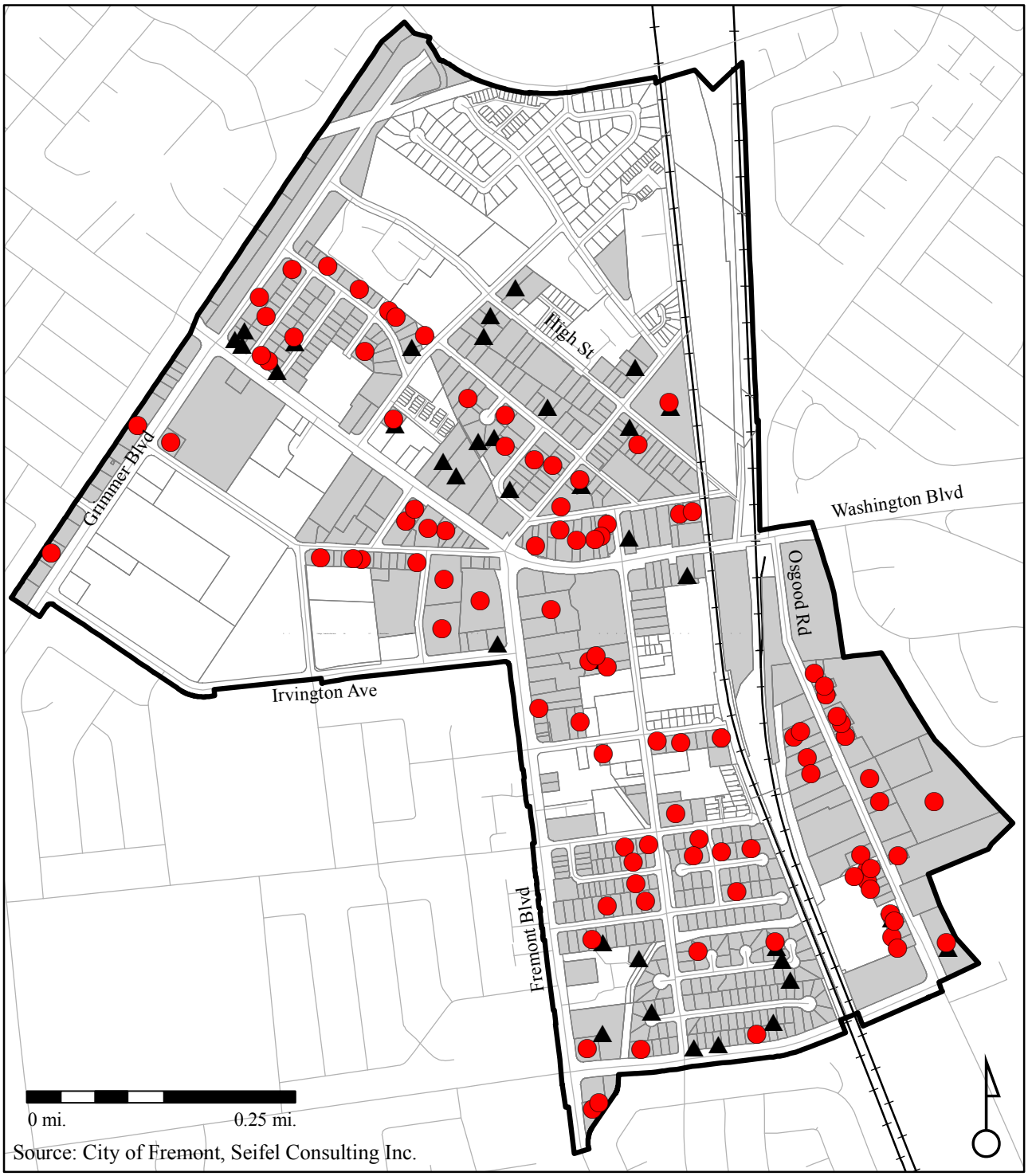
	# of Buildings	% of Total
Residential		
Single-Family Detached	391	65.6%
Multifamily	62	10.4%
Duplex	16	2.7%
Subtotal Residential	**469**	**78.7%**
Non Residential		
Retail	66	11.1%
Industrial/Light	18	3.0%
Institutional	4	0.7%
Office	15	2.5%
Other/Unknown	9	1.5%
Subtotal Non Residential	**112**	**18.8%**
Mixed-Use	**15**	**2.5%**
Total[a]	**596**	**100.0%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

Nonresidential buildings are the most likely to be in poor condition, with 24 percent of retail buildings (16 buildings) and 23 percent of other nonresidential buildings (14 buildings) rated in category 1 or 2. Seventy-three residential buildings, or 16 percent of those rated, are seriously deteriorated or dilapidated. Table II-11 highlights the proportion of buildings in each major category that exhibit seriously deteriorated or dilapidated conditions.

Figure II-11
Location of Buildings That Are Unsafe/Unhealthy to Occupy
(Building Condition Rating 1 or 2 and Building Code Violations)
Irvington Area



Source: City of Fremont, Seifel Consulting Inc.

Building Condition Rating 1 or 2 (103)
Building Code Violations (50)
Irvington Area Boundary
Areas Surveyed

Seifel CONSULTING INC.

Table II-11
Building Conditions Rating by Land Use
Irvington Area

	1 or 2 Rating	Total Buildings	% 1 or 2 Rating
Residential	73	469	15.6%
Retail	16	66	24.2%
Industrial, Office, Other	14	61	23.0%
Total[a]	**103**	**596**	**17.3%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

Specific adverse conditions observed during the Building Conditions Survey include foundation or alignment problems (10 percent/59 buildings), dry rot (29 percent/173 buildings), a sagging or otherwise substantially deteriorated roof (36 percent/216 buildings), evidence of water damage such as mold or mildew (23 percent/136 buildings), and faulty wiring (5 percent/30 buildings). As discussed above, each of these conditions is potentially unsafe and unhealthy in several ways. Foundation, alignment, and dry rot problems make buildings structurally vulnerable, especially in earthquakes. Water damage can also weaken structures, and mold and mildew can lead to serious health problems, such as asthma and other respiratory problems. Deteriorated roofs are more likely to leak and promote mold growth in wet conditions. Faulty wiring puts buildings at risk for fires.

Building Code Violations

In the five-year period between 2002 and 2007, the City of Fremont Community Preservation Section received 50 independent, verifiable complaints of building code violations within the boundaries of the Irvington Area. According to the dataset provided by the Community Preservation Section, 22 cases were categorized as illegal conversions, including garage conversions or habitation and nonpermitted work. In addition, 16 instances of substandard housing and 12 cases of unsafe nonresidential buildings were reported in the Irvington Area. The most common complaints associated with violations categorized as substandard housing entailed abandoned homes; pest infestation; mold; lack of or deficient plumbing, kitchen appliances, heating, and lighting; broken or loose stairs; and water leaks. For unsafe nonresidential buildings, the most frequent reports were of abandoned buildings, water leaks, faulty wiring, and general bad condition.

Figure II-11 locates these reported violations in relation to the dilapidated and deteriorated buildings observed in the Irvington Area.[40] These complaints may not reflect all the serious building code violations. The complaint-based system of inspections and data tracking used by the Community Preservation Section tends to underreport problems to the extent that residents are reluctant to report potential violations of their own property if they are the owners or by their landlords. As shown on the map, the locations of properties with building code violations and

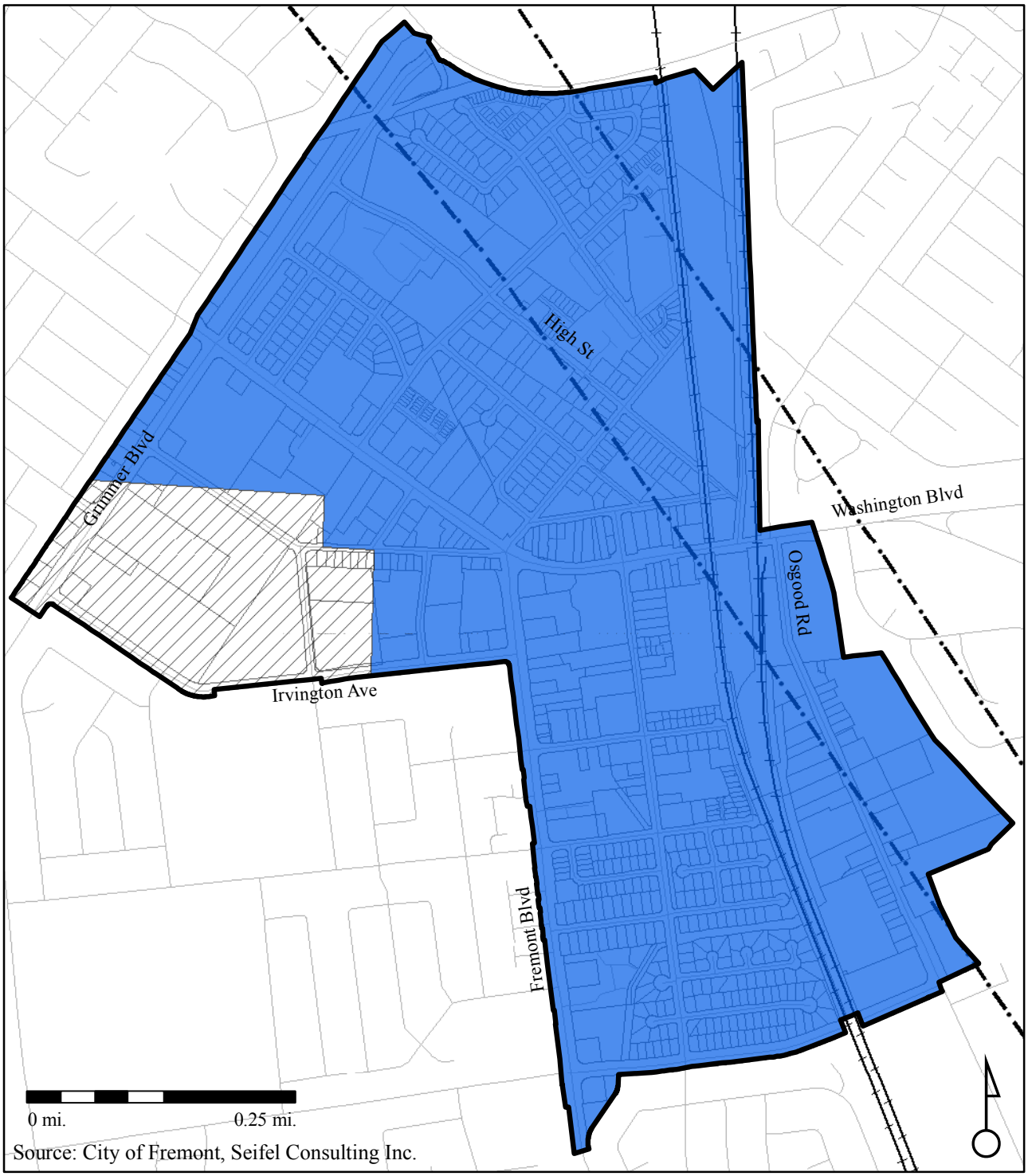
[40] Multiple building code violations were reported for some properties in the Irvington Area. Figure II-11 only maps the location of each property, so there are fewer symbols on the map than independent reported violations.

building condition rating 1 or 2 indicate the presence of buildings that are unsafe and unhealthy to occupy throughout the Irvington Area.

Seismically Vulnerable Construction

The South Hayward Fault passes diagonally through the Irvington Area. As a result of the fault and soil conditions, nearly the entire Irvington Area is at high risk for very violent ground shaking and portions of the area are a high risk for liquefaction. According to ABAG, a magnitude 6.7 earthquake on the South Hayward Fault would result in very violent (Category X) shaking in the majority of the Irvington Area and violent shaking (Category IX) in the remainder. Figure II-12 indicates these hazard zones. Figure II-13 shows the extent of liquefaction risk for the same magnitude earthquake. The residential areas at the southern end of the Irvington Area are at the highest risk for liquefaction.

Figure II-12
Earthquake Shaking Scenario: South Hayward Fault, Magnitude 6.7
Irvington Area



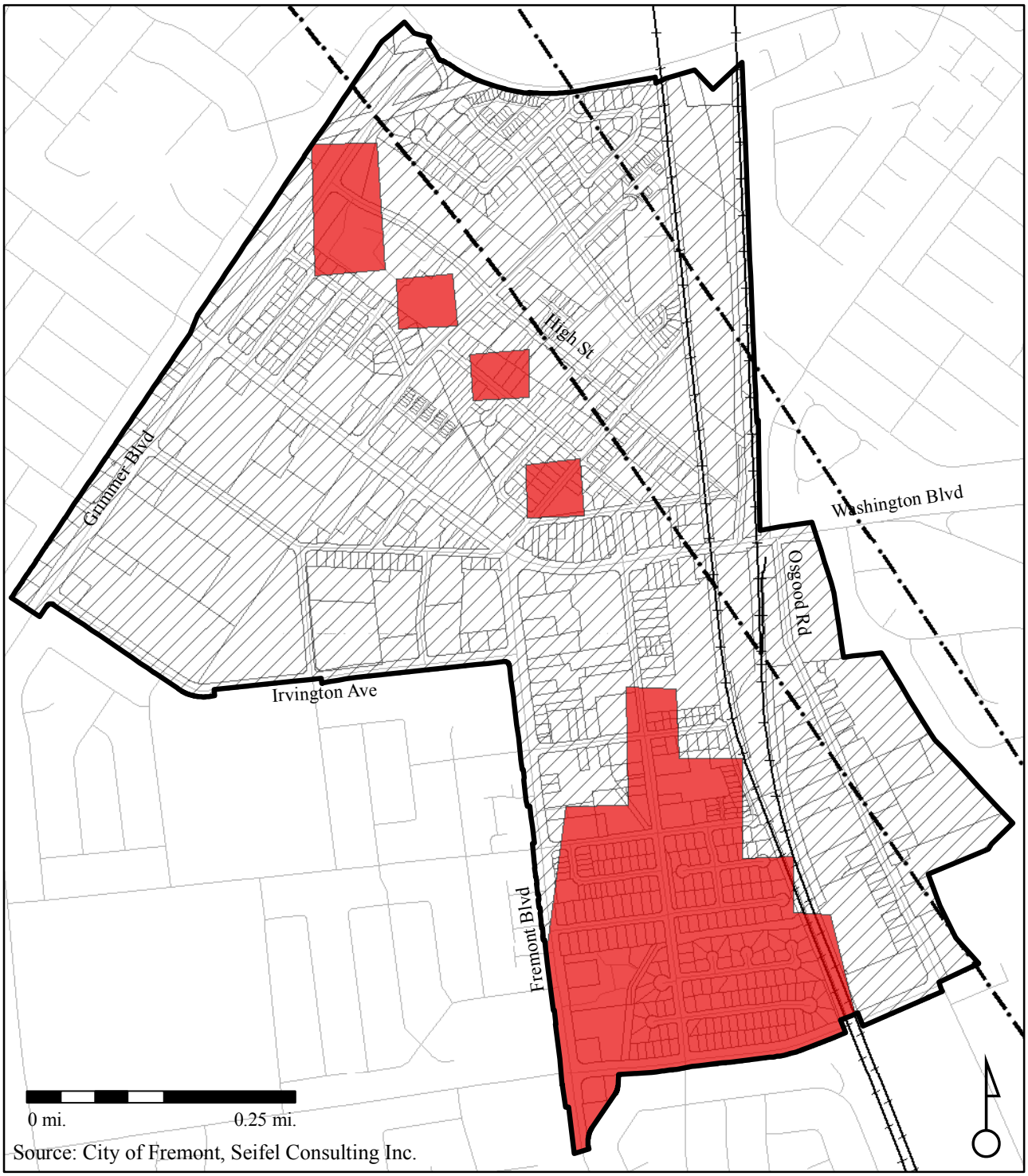
Source: City of Fremont, Seifel Consulting Inc.

Modified Mercalli Intensity Shaking Severity Level

- Very Violent
- Violent
- Fault Zone
- Irvington Area Boundary

Seifel CONSULTING INC.

Figure II-13
Liquefaction Hazard Map: South Hayward Fault, Magnitude 6.7
Irvington Area



Source: City of Fremont, Seifel Consulting Inc.

Liquefaction Hazard Level
- High
- Very Low
- Fault Zone
- Irvington Area Boundary

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As detailed in Section C, the age of buildings is correlated with earthquake risk because older buildings codes, if they existed at all, did not include the extensive earthquake safety standards that exist today. Over 90 percent of the buildings in the Irvington Area for which the year of construction is available were built before 1976.[41] The majority of these buildings (73 percent) were built immediately after World War II, between 1940 and 1960. Graph II-3 illustrates this distribution. While most Irvington buildings do not fall into the category of highest seismic risk based on age (pre-1940 buildings), less than 10 percent of buildings were constructed under modern earthquake safety standards and the remainder are susceptible to serious structural earthquake damage unless adequately retrofitted. City officials believe that many commercial buildings have been retrofitted, but retrofit rates for residential buildings (the majority of the Area) are unknown.[42]

The Building Conditions Survey revealed that a number of buildings in the Irvington Area exhibit the characteristics identified in Section C as enhancing seismic vulnerability. Table II-12 summarizes these characteristics. Twenty-four buildings (4 percent) in the Irvington Area had a deteriorated or cracked foundation, 38 buildings (6 percent) had alignment problems and 173 buildings (29 percent) exhibited dry rot. Fifty-five surveyed buildings were constructed of masonry or poured concrete, and 27 concrete or brick buildings were built before 1976. Among the buildings with age information, 15 percent were built before 1976 and were rated in category 1 or 2. These older, dilapidated and severely deteriorated buildings are more likely than well-maintained buildings to suffer serious and potentially life-threatening damage in an earthquake.

Table II-12
Incidence of Seismic Risk Conditions
Irvington Area

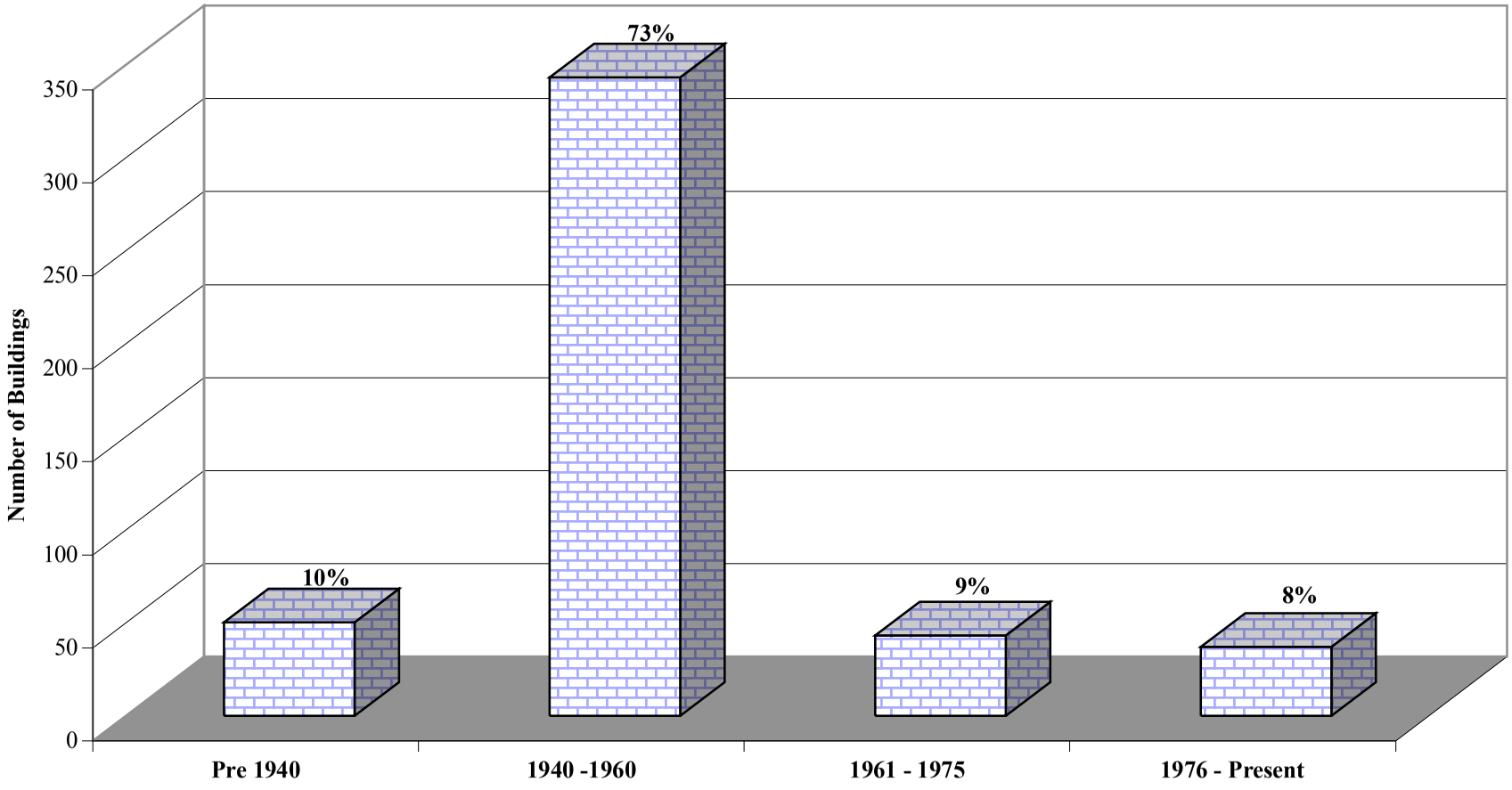
Building Condition	# of Buildings	% of Buildings
Deteriorated or Cracked Foundation[a]	24	4%
Alignment Problems[a]	38	6%
Dry Rot[a]	173	29%
Masonry or Poured Concrete[a]	55	9%
Pre-1976 Wood Frame[b]	394	83%
Pre-1976 Concrete or Brick[b]	27	6%
Pre-1976 Condition 1 or 2[b]	72	15%

a. Among all buildings in the area surveyed (596 buildings).
b. Among buildings with year of construction information in the area surveyed (473 buildings).
Source: Seifel Building Conditions Survey, March 2008, Alameda County Assessor.

[41] Of the 596 surveyed buildings in the Irvington Area, the Alameda County Assessor data includes year of construction information for 473 buildings, or 79 percent.

[42] Leigh Boyd.

Graph II-3
Age of Building as an Indicator of Seismic Susceptibility
Irvington Area



Source: Alameda County Assessor, Seifel Consulting Inc.

b. Conditions Hindering the Viable Use of Buildings or Lots

Many buildings in Irvington's Five Corners area were built before 1940, and additional commercial buildings in the area were built before ADA and other requirements came into effect during the 1980s. These buildings are more likely to possess inadequate plumbing and electrical installation, obsolete building size and layouts, and poor or no HVAC systems. While some of these buildings have been adapted to contain a viable use, others are vacant or underutilized due to a condition, size or physical configuration that is inconsistent with current standards.

Several portions of the Irvington Area contain buildings whose current use is inconsistent with the building's originally intended use or the zoning of the parcel. For example, the south side of Bay Street is zoned commercial, but contains single-family homes. Some of these homes remain in residential use, but the zoning restriction limits their resale value. Other structures have been converted to small businesses, but the physical characteristics of the buildings limit the capacity of these businesses, as discussed in Section C. Use conversions or zoning changes have also occurred along Osgood Road and the area around Washington Boulevard, Roberts Road and Main Street.

In addition, small and irregularly shaped lots are scattered throughout the Irvington Area. Most of these lots are either vacant or contain poorly maintained buildings, because access and building design problems limit their viable use. Examples include the corner of Washington Boulevard and Union Street; small commercial parcels along Bay Street, Washington Boulevard and Fremont Boulevard; and several landlocked parcels in the southern portion of the Irvington Area.

Figure II-14 highlights the portions of the Irvington Area with these conditions, as well as incidences of incompatible uses and other irregular lots.

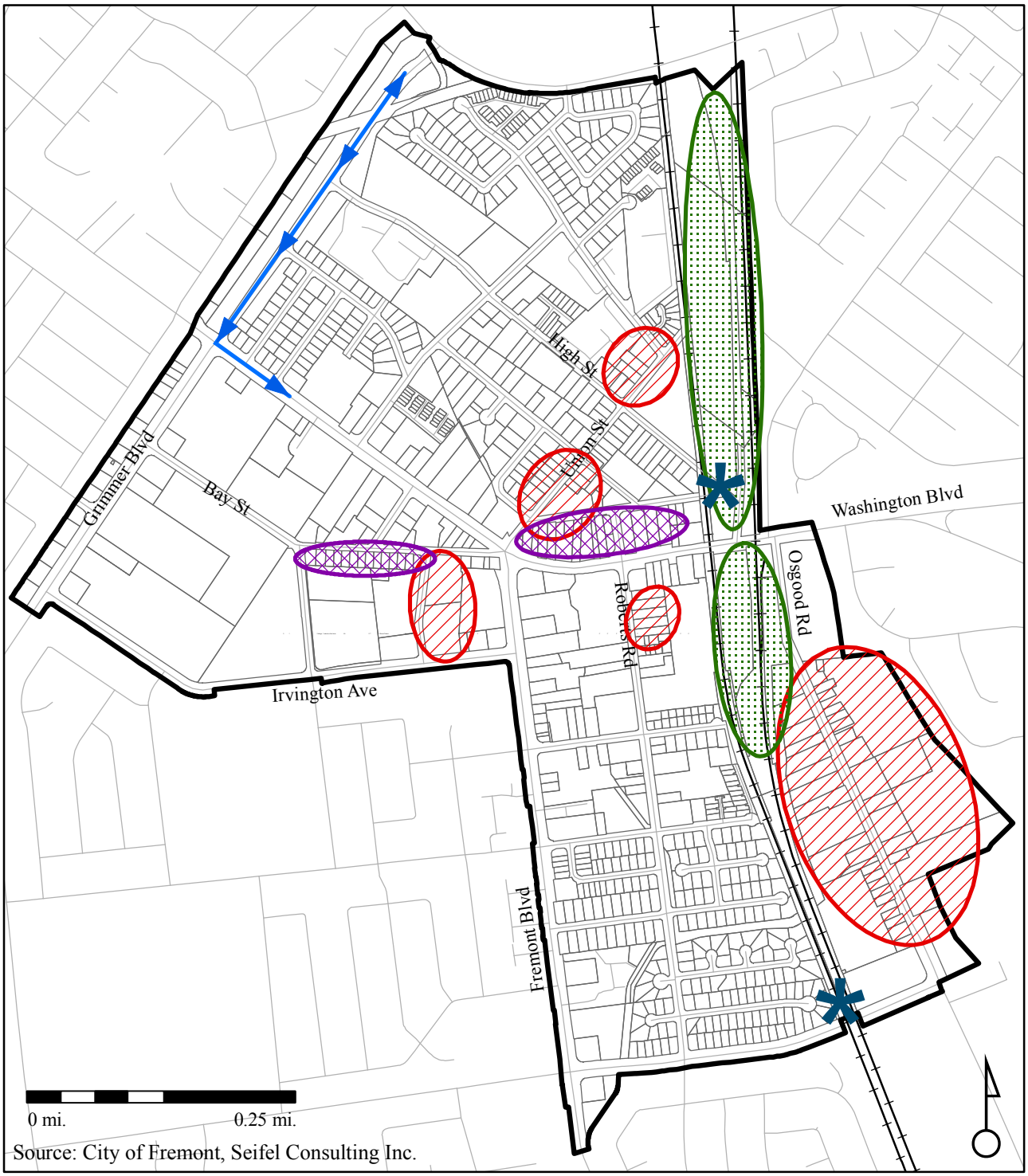
c. Incompatible Uses

Incompatible uses continue to exist in the Irvington Area. Houses along Osgood Road are located between the well-traveled road and a railroad line, resulting in noise, pollution and vibrations emanating through the houses. Homes on Osgood Road are also interspersed with commercial and light industrial uses, which further prevent the development of a vibrant residential or commercial neighborhood. Automobile and other medium-intensity commercial uses abut homes on Union Street and Bay Street, while single-family homes along Fremont and Grimmer Boulevards face these busy commercial streets. These nonresidential uses create traffic and potentially also pollution that can negatively impact neighborhood residents.

d. Irregular Lots

Early subdivision practices and the presence of railroad and street rights-of-way resulted in lots of irregular size and shape in multiple ownership throughout the Irvington Area. As discussed in Section C, acquisition and development of such parcels is often challenging. These problems are evident along Osgood Road and north of Washington Boulevard next to the railroad tracks.

Figure II-14
Conditions Hindering the Viable Use of Buildings and Lots, Incompatible Uses and Irregular Lots
Irvington Area



Source: City of Fremont, Seifel Consulting Inc.

Nonconforming Uses
Incompatible Uses
Irregular Lots
Noise/Lack of Barrier
Inadequate Access/Circulation
Irvington Area

Seifel CONSULTING INC.

5. Economic Blighting Conditions

Three economic blighting conditions contribute to remaining blight in the Irvington Area. They are:

- Impaired property values due to hazardous wastes
- Economic indicators of distressed buildings
- High crime rates

The presence of these conditions, taken together, indicates that significant economic blight remains in the Irvington Area.

a. Impaired Property Values due to Hazardous Wastes

Hazardous wastes in the Irvington Area are largely due to automobile-related land uses (sales, service, repair, gasoline), light industrial activities and railroad uses. Figure II-15 maps the location of hazardous wastes in the Irvington Area. As discussed above, these hazardous wastes likely impair property values on those sites and the sites immediately surrounding them because of the risks associated with liability and cleanup.

Leaking Underground Fuel Tanks (LUFTs) and Spills, Leaks, Investigations, and Cleanups (SLICs) Sites

According to the WQCB's database, there are nine open cases of LUFTs in the Irvington Area that have not been sufficiently investigated and/or remediated. As discussed above, LUFTs may pose heath risks and constitute a potential liability to property values. In addition, one SLIC site in the Irvington Area is a closed case.

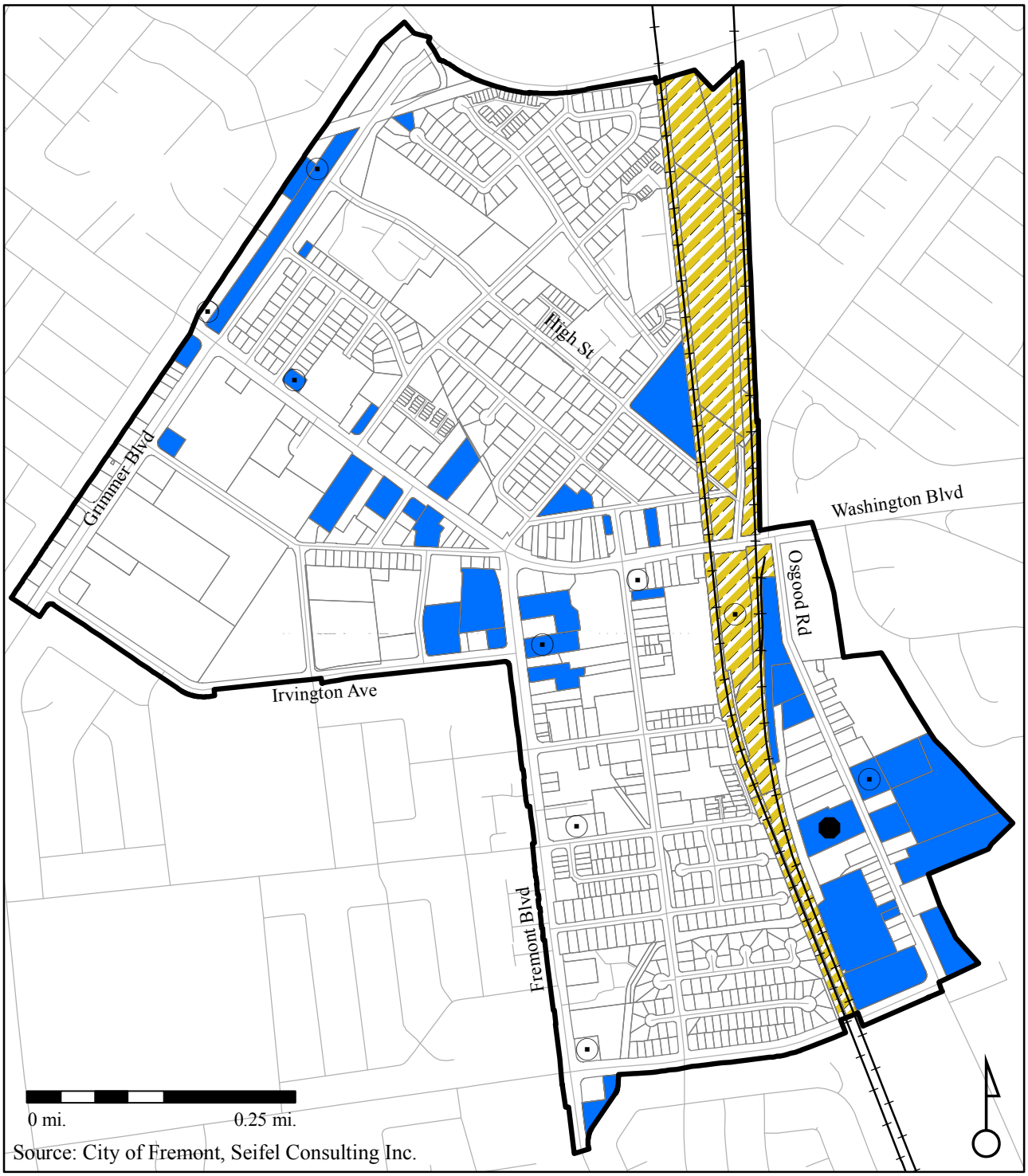
City of Fremont Hazardous Materials Site List

Forty-one sites in the Irvington Area contain businesses listed in the Fremont Certified Unified Program Agency's (CUPA) database of active businesses that handle or process hazardous materials. Roughly 38 percent of the sites are automobile-related uses located along Osgood Road and Fremont Boulevard. Three of the sites are also open LUFT cases and one is a closed SLIC case. The majority of the remaining sites consist of light industrial uses along Osgood Road and properties owned by utility companies, dry cleaners and dentist offices, among others.

Railroad Property

Two Union Pacific railroad tracks run through the Irvington Area, one of which is currently active. The area between the two tracks has been cleared and cleaned with the assistance of the Agency. This vast swath of land will likely remain vacant until all the remediation and other public improvements are complete.

Figure II-15
Hazardous Materials Sites
Irvington Area



Source: City of Fremont, Seifel Consulting Inc.

LUFT Site - Open Case (9)
SLIC Site - Closed Case (1)
City of Fremont Hazardous Materials List (40)
Current or Former Railroad Property
Irvington Area Boundary

Seifel CONSULTING INC.

b. Indicators of Economically Distressed Buildings

The Irvington Area contains vacant businesses and abandoned buildings located throughout the area surveyed. Figure II-16 maps these conditions. Lease rates for retail space in Irvington are also low, which helps reduce the number of observed vacancies but also indicates economic distress.

Business Vacancies

The parcel-by-parcel field survey identified at least 11 vacant business spaces in the Irvington Area at the time of the survey. These vacant business spaces are primarily located in strip shopping centers along Fremont and Washington Boulevards.

Low Lease Rates

Lease rates for commercial spaces in the Irvington Area vary greatly depending on the age of the space and whether the space is located in a shopping center. At the Irvington Plaza shopping center, which was developed through extensive Agency participation, retail space is listed at $3.00 per square foot triple net lease (NNN), which is in the middle of the range of rents at other shopping centers in Fremont. However, six of Irvington Plaza's 28 retail spaces have been vacant for several months, implying that the Irvington Area market rent is lower than $3.00.

Lease rates for stand-alone retail spaces are low in the Irvington Area relative to those in Fremont in general. According to local brokers and property owners, current vacancies are listing for an average of $2.00 per square foot and as low as $1.35 per square foot for older properties.[43] These rates are noticeably lower than overall Fremont stand-alone retail asking lease rates, which average approximately $2.25 per square foot. Local brokers have compared the Irvington Area retail market to that of San Jose, where asking rents average approximately $2.40 per square foot, according to the brokers and local listings. Graph II-4 shows this comparison.

According to area brokers and City staff, the main reasons for these low commercial lease rates is the higher number of older, Class C commercial buildings with obsolete design and equipment. The tendency of older, lower-quality space to show depressed lease rates and higher vacancies is exacerbated in economic downturns. This trend is manifest in the Irvington Area; while the majority of commercial space in the area was built in the 1950s and 1960s, the average year of construction of the vacant space is 1945, with a number of buildings dating back to the 1910s and 1920s.

Older retail buildings in the Irvington Area are in need of upgrades and redesign to current standards, but low rental income cannot support these renovations. The City's Retail Development Manager cites a cycle in which maintenance is thus deferred, obsolescence and deterioration intensifies, and landlords cannot attract tenants who pay higher lease rates. Local landlords' scarce funds for reinvestment tend to go towards seismic retrofitting, as failure to retrofit can result in violations.[44]

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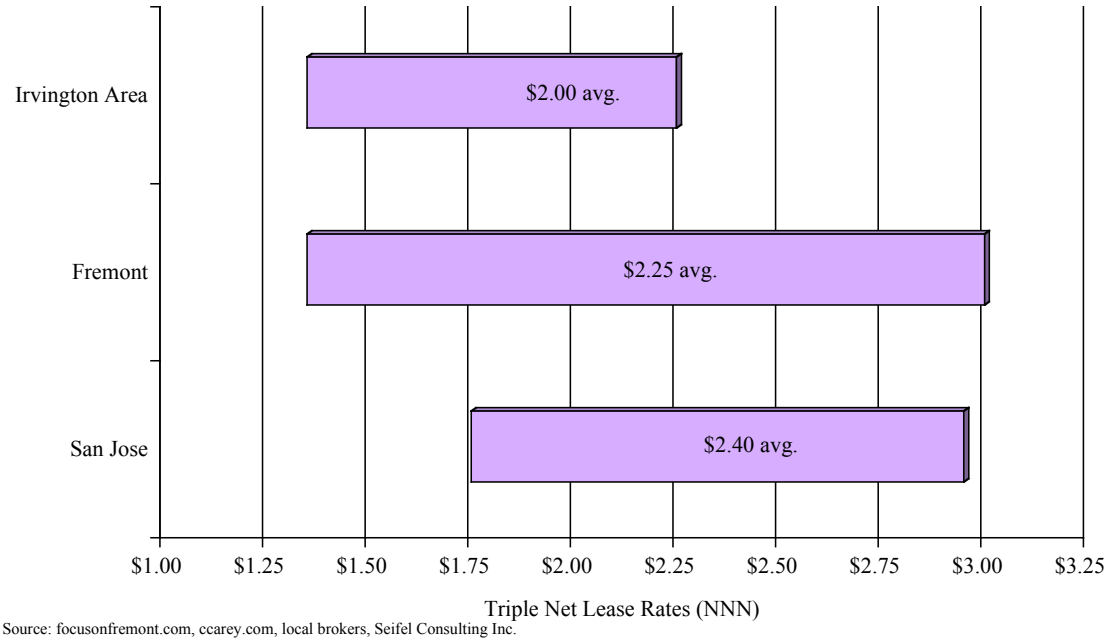
[43] Broker-reported lease rates are consistent with those listed on the "Focus on Fremont" website.

[44] Leigh Boyd, City of Fremont Retail Development Manager.

Obsolete designs and sub-optimal tenant mixes have resulted in the high vacancy in the Area's shopping malls, as cited above. The prevalence of month-to-month leases in the Area's shopping centers and landlords' attempts to fill space in any manner possible further decreases the stability of tenant mix and occupancy. Despite lower rents, absorption is stagnant, as tenants tend to pursue newer areas and facilities such as the shops at Washington West and the Hub, the malls on Automall Parkway, and facilities in Union City.[45]

Graph II-4
Stand-Alone Retail Lease Rates
Irvington Area and Comparable Areas



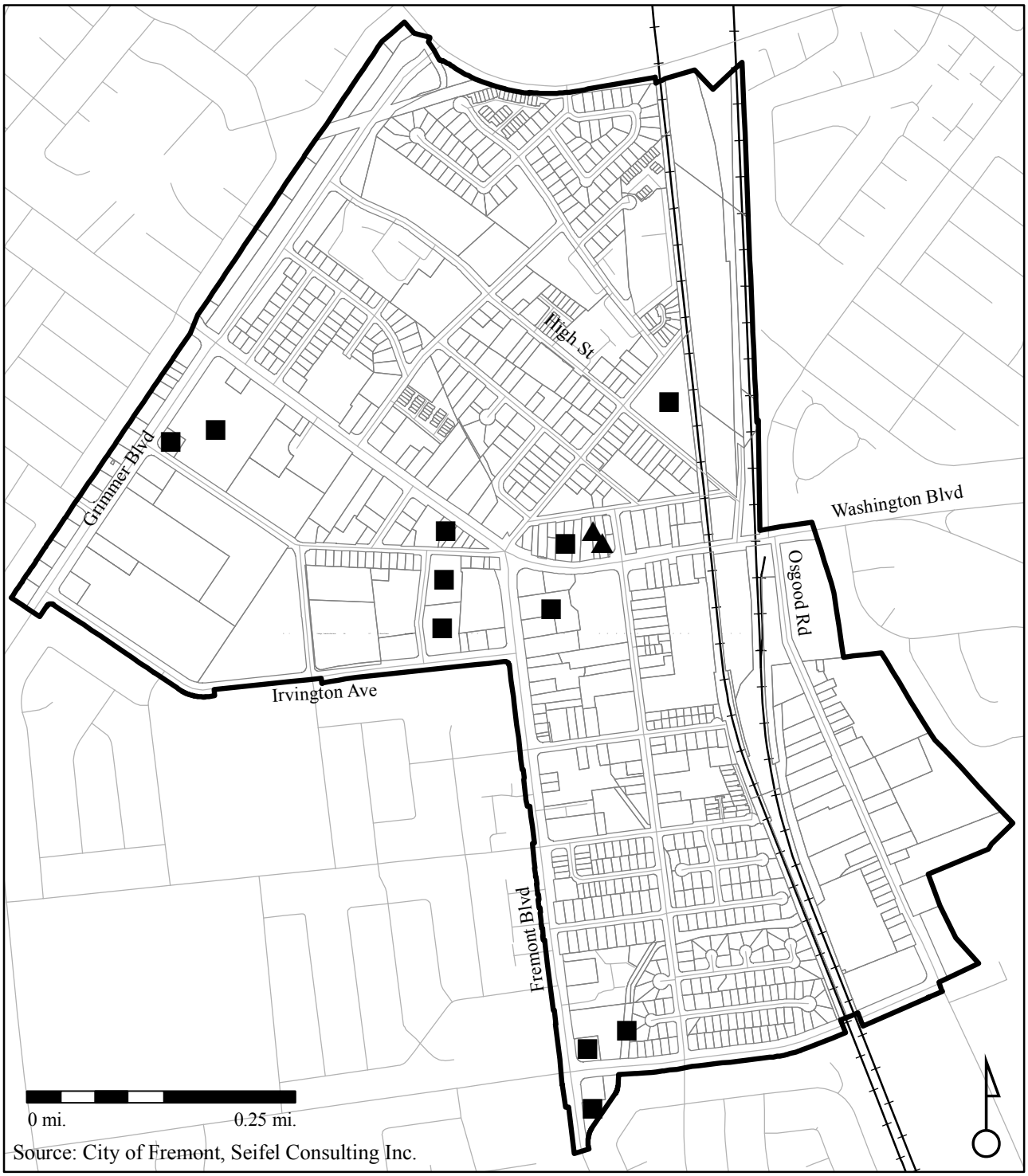
Source: focusonfremont.com, ccarey.com, local brokers, Seifel Consulting Inc.

Abandoned Buildings

Two residential buildings in the Irvington Area along Washington Boulevard are apparently abandoned. Both houses are in extreme disrepair and show no signs of occupancy.

[45] According to local brokers. See Appendix A for a list of brokers contacted.

Figure II-16
Location of Business Vacancies and Abandoned Buildings
Irvington Area



Source: City of Fremont, Seifel Consulting Inc.

■ Business Vacancies (11)
▲ Abandoned Buildings (2)
Irvington Area Boundary

Seifel CONSULTING INC.

c. High Crime Rates

Part I crimes, the most serious category of crimes in the police reporting system, occur with greater frequency in the Irvington Area than in the rest of Fremont. Table II-13 summarizes the per capita crime rate for Part I crimes in the Irvington Area and the city as a whole.[46] The total per capita crime rate in the Irvington Area was 34 per 1,000 residents, compared to 27 per 1,000 residents citywide. The most common serious crimes in the Irvington Area are burglary and grand theft, followed by auto theft. While limited in total incidents, the homicide rate in the Irvington Area is eight times the citywide rate. These crimes threaten the safety of both residents and visitors to the Irvington Area and work against the neighborhood's efforts to promote an economically vibrant community.

Table II-13
Part I Crimes per 1,000 Residents in 2007
Irvington Area Compared to Fremont

	Irvington	Fremont
Grand Theft	8.66	14.68
Burglary	15.56	5.21
Auto Theft	7.70	3.65
Aggravated Assault	0.00	1.58
Robbery	1.44	1.10
Forcible Rape	0.16	0.17
Arson	0.00	0.08
Homicide	0.16	0.02
Total	**33.70**	**26.49**

Source: Fremont Police Department, Claritas, Seifel Consulting, Inc

6. Inadequate Public Improvements

a. Missing Curbs, Gutters and Sidewalks

Inadequate curbs, gutters and sidewalks are distributed throughout the Irvington Area. Infrastructure and amenities to improve the pedestrian environment such as benches, planters, street trees, and lighting, are lacking throughout as well. These deficiencies are most common on sections of Fremont Boulevard, Osgood Road and Grimmer Boulevard from Fremont Boulevard to Paseo Padre Parkway.

b. Inconsistent Street Widths and Circulation

Although most of the streets within the Irvington Area are of adequate width, inconsistent and inadequate widths are particularly prominent and problematic along both Fremont Boulevard and Osgood Road between Washington Boulevard and Blacow Road. Varying street widths inhibit

[46] Population data for the City and Irvington Area were gathered from the City of Fremont and Claritas, respectively.

the smooth flow of traffic and may pose potential hazards to traffic and pedestrians. Circulation and pedestrian-vehicle conflicts exist on these streets as well as Grimmer Boulevard and other area streets and intersections. In addition, dead-end streets such as Blacow Road at the railroad tracks impede circulation through the southeastern portion of the Irvington Area.

c. Substandard Railroad Crossings

Substandard conditions exist on the railroad grade crossings within the Irvington Area. The deteriorated High Street and Main Street railroad crossings have been barricaded off and block traffic flow. The grade separation project currently underway on Washington Boulevard and set for completion in 2010 is intended to alleviate the pedestrian conflicts, long delays and traffic bottlenecks that have plagued its crossings, particularly at the Five Corners intersection. An additional inadequate railroad crossing exists at Blacow Road, where a major street dead ends into to the railroad tracks and is not connected to Osgood Road on the other side.

d. Transit and Railroad Deficiencies

Major mass transit and access improvements are necessary for the future economic health of the Irvington Area. Despite the presence of an active railroad line, no passenger train service runs through or stops close to the Irvington Area. The nearest existing BART station is located in downtown Fremont, 1.9 miles away from the Irvington Area's center, while the nearest future BART station will be located in Warm Springs, 0.6 miles away from the Irvington Area's center. This deficiency makes Irvington a less attractive location for private investment because foot traffic and demand for commercial services is higher in neighborhoods with efficient and regular public transit.

e. Overhead Utility Wires

While the Bay Street Design and Parking Project calls for utility undergrounding, many overhead utility wires remain there and in several other portions of the Irvington Area. Overhead utility wiring detracts from an area's appearance, is costly to maintain, and is potentially unsafe if damaged in high winds, a traffic accident, or other event.

f. Underutilization of City-owned Parks and Lack of Public Facilities

The undeveloped portions of City-owned parks continue to be an underutilized resource. Improved access to regional hiking, biking and equestrian trails and open space would greatly enhance recreational opportunities for Irvington Area residents.

g. Inadequate Sewage and Drainage

Storm drainage, sewer and water systems show inadequacies throughout the Irvington Area. In particular, the creek adjacent to Grimmer Boulevard poses flooding risks.

7. Conclusion for Remaining Blight in the Irvington Area

The Irvington Area suffers from significant, substantial and prevalent remaining blighting conditions. The physical and economic blighting conditions are summarized below and have been described in greater detail throughout this section. These conditions are:

- Unsafe and unhealthy buildings (Section 4.a),
- Conditions hindering the viable use of buildings or lots (Section 4.b),
- Incompatible uses (Section 4.c),
- Irregular lots (Section 4.d),
- Impaired property values due to hazardous wastes (Section 5.a),
- Economic indicators of distressed buildings (Section 5.b),
- High crime rates (Section 5.c), and
- Inadequate public improvements (Section 6).

The Irvington Area contains a significant number of deteriorated residential, retail and industrial buildings that are unsafe or unhealthy places for people to live or work. This condition results from a combination of age, seismic susceptibility and lack of regular maintenance. In addition, some of these buildings are functionally obsolete because they are inconsistent with current development standards such as building code requirements and modern building configurations. Portions of the Irvington Area also contain buildings that are less viable due to an inconsistency between their original intended use and their current use or current zoning. Incompatible uses in the Irvington Area include homes next to air- and noise-polluting light industrial uses and the railroad tracks. Irregularly shaped parcels prevent the development of some portions of the Irvington Area, particularly next to the railroad tracks.

The presence of contamination from hazardous materials impairs property values on parcels throughout the Irvington Area. High business vacancies and low lease rates indicate economic distress and deter new business investment. A higher-than-normal level of crime is also a problem in the Irvington Area, particularly burglary.

Inadequate public improvements exacerbate blighting conditions in the Irvington Area. Missing and deteriorated curbs and sidewalks and inconsistent street widths create pedestrian and vehicular hazards. Substandard railroad crossings and a lack of mass transit options create traffic problems and hinder the economic development of the Irvington Area.

As further described in Section H of this Chapter II and in Chapters III and IV, these significant, substantial and prevalent remaining physical and economic blighting conditions cause an underutilization of property in the Irvington Area that results in a significant physical and economic burden on the immediate area and the entire Fremont community. This blight cannot reasonably be alleviated by private sector or governmental action without the additional financial resources that would be made possible by the proposed Plan Amendment.

F. Industrial Area Conditions

1. Past Blight Findings

Significant blighting conditions were present in 1983, when the Industrial Redevelopment Plan and Project Area was adopted, and in 1998 at the time of the Plan Amendments and Merger.

The major blighting condition in the Industrial Area has been the underutilization of the land due to the Area's lack of transportation infrastructure and resulting inaccessibility, which has hindered the ability to achieve critical community and regional economic objectives. The

following major conditions have contributed to the Industrial Area's past or current lack of transportation infrastructure, inaccessibility, and underutilization of land.

- Interchange configuration that impedes traffic on the area's four main interchanges and on surrounding streets and intersections.
- Inadequate street widths of key arterials, such as Fremont Boulevard, that congest and obstruct the flow of traffic in the Industrial Area.
- Lack of a multimodal transit station and general public transportation alternatives for the Industrial Area.
- Inadequate grade crossings throughout the Industrial Area causing further congestion.

In 1998, the Agency also identified a serious lack of an adequate number of skilled workers as a significant hindrance to the long-term competitiveness and success of industry in the Industrial Area and throughout the County. Without the prospect of a strong local workforce to meet the needs of high technology industry, industrial demand and development is limited.

2. Redevelopment Activities to Date

Between 1983 and 1998, the Agency participated in several redevelopment efforts. They include:

- Reconfiguration and reconstruction of the I-880/Auto Mall Parkway Interchange and the Fremont Boulevard/Cushing Parking Interchange to meet State of California Department of Transportation (Caltrans) requirements.
- Initial engineering and planning for the reconfiguration and reconstruction of the Dixon Landing Road Interchange and the Mission Boulevard interchange.

Since 1998, the Agency has invested additional resources into the Industrial Area. They include:

- Substantial completion of the Dixon Landing Road Interchange.
- Completion of all design, utility work and right-of-way acquisition for Phase 1A of the I-880 Mission Boulevard Interchange, and beginning construction. Related improvements, such as the Warren Avenue Grade Separation, entered the design phase.

3. Areas No Longer Blighted

In the early 1990s, a report on industrial demand in Fremont through 2015 concluded that demand for industrial space in the Industrial Area would be significantly dampened until all four inadequately configured interchanges were improved. As long as any of them remain unimproved, the overall configuration will remain dysfunctional, deflecting traffic to the other interchanges and surrounding roads and resulting in untenable congestion. While the four interchanges are now substantially complete, the lack of a public transit alternative to serve the existing and potential employment base of the Industrial Area is an additional impediment to an overall workable transportation system for this area. Therefore, despite significant interchange improvements, inaccessibility and underutilization of land continue to impede the economic development of the entire Industrial Area.

4. Remaining Blighting Conditions

a. Economic Blight

The current size of the local workforce possessing skills for high technology industry remains inadequate for the industry of the Industrial Area and the region to grow and compete. The Industrial Area does not have a system or resource facility by which to ensure that its workforce grows, learns and adapts to the evolving and increasing demands of industry in the global economy.

b. Inadequate Public Improvements

Inadequacies remain on the I-880 Mission Boulevard Interchange because key projects, such as the widening of Mission Boulevard, the installation of strategically located ramps, and the Warren Avenue Grade Separation, have not yet been implemented. The existing configuration impedes traffic on I-880 and on surrounding streets and intersections. Fremont Boulevard is congested, and until it is widened, it will continue to obstruct the flow of traffic in the Industrial Area. Finally, the Industrial Area lacks a multimodal transit station, which hinders economic development potential. While improving interchanges and widening Fremont Boulevard will facilitate personal vehicle access, public transportation alternatives for the Industrial Area are becoming increasingly critical to the region.

5. Conclusion for Remaining Blight in the Industrial Area

The Industrial Area continues to suffer from two significant and substantial remaining blighting conditions that result in the underutilization of land in the Area and ultimately impede the achievement of local and regional economic and community objectives. These blighting conditions are summarized below, and have been described in greater above.

- Economic blight due to inadequate size and skill of the current and future potential workforce (Section 4.a), and
- Inadequate public improvements hindering transportation capacity and accessibility (Section 4.b).

G. Centerville Area Conditions

1. Past Blight Findings

Significant physical and economic blighting conditions were present in 1997, when the Centerville Redevelopment Plan was adopted and the Centerville Area was established, and one year later in 1998, when the Centerville Area was merged with the other three Constituent Project Areas to form the Merged Project Area. They include:

- Deficient, deteriorated and obsolete buildings throughout the Centerville Area.
- Seismic hazards caused by nearby earthquake faults, poor soil conditions and buildings susceptible to destruction due to their age, structure type or condition.
- Code compliance problems, including unlawful signs, encroachment violations, use violations, and illegal vehicle repair and other miscellaneous violations.

- Buildings that require costly seismic retrofitting, historic buildings needing rehabilitation, and buildings limited to special purposes, all factors that inhibit proper use of buildings or lots.
- Incompatible uses, such as small cottages behind commercial buildings on either side of Fremont Boulevard and residences along the railroad line on Baine Street.
- Substandard lots with inadequate access to public streets, back lot residential re-subdivisions and residential lots created along substandard streets.
- Stagnant assessed property values, lease rates and retail sales.
- Large amounts of vacant and underutilized land and property.
- A lack of commercial facilities, such as supermarkets and drug stores.
- Residential overcrowding, especially among renter households.
- Hazardous materials, including leaking underground fuel tanks (LUFTs).
- A crime rate higher than the rest of the City of Fremont.
- Substandard and deteriorated public improvements, such as deteriorated and missing curbs, gutters, and sidewalks; inadequate sewage and storm drainage; inconsistent street widths; unpaved alleys; overhead utilities; inadequate public parking, transit and railroad deficiencies; and inadequate public recreational facilities.

2. Redevelopment Activities to Date

Before 1998, the Centerville Redevelopment Project had not generated any tax increment revenue, and thus, none of the projects included in its redevelopment program had been implemented. Since the 1998 Plan Amendments and Merger were adopted, the Agency has invested resources into a variety of projects benefiting the Centerville Area including:

- Streetscape improvements along some sections of Fremont Boulevard, including the installation of new sidewalks and light standards.
- Centerville Depot parking construction and improvements to a second parking lot.
- Acquisition, tenant relocation, demolition, and cleanup of a 6.5-acre Unified Site for a mixed-use project, for which the Agency also selected a developer and is currently facilitating negotiations; a new redevelopment proposal is pending.
- Widening Central Avenue from Fremont Boulevard to Joseph Street and undergrounding utilities from Fremont Boulevard to Dusterberry Way.
- Construction of new curbs, gutters and sidewalks between Holly and Oak Streets on Hansen Avenue.
- Providing commercial rehabilitation loans and façade improvement grants to 10 businesses, of which seven have completed their projects.
- Feasibility studies of the renovation and reuse of a historic Centerville building and assistance to the Center Theater Preservation Group in their efforts to identify a business plan and reuse strategy.
- Predevelopment, land acquisition and construction loan funding for Maple Square Apartments, a 132-unit mixed income community for families that are renting or buying homes.
- Predevelopment loan funding for Eden Housing, a proposed development of 80–100 affordable senior or family rental apartments on a 2.98-acre infill site.

- Acquisition of the former Haller's Pharmacy site and relocation of the tenants to a neighboring site to facilitate development of a 27-unit market-rate, townhouse-style condominium project at the corner of Central Avenue and Fremont Boulevard.
- Acquisition and rehabilitation of two apartment complexes on Central Avenue of 81 and 71 units, respectively, in which deeper affordability targets were implemented and crime hot spots were eliminated.
- First-time homebuyer and home improvement loan programs.
- Ongoing assistance to property owners in the form of funding for architectural design services, assembling property for development and assistance streamlining development processes.
- Training and assistance on marketing strategy, tenant recruitment and leasing techniques for commercial property owners, in conjunction with the Office of Economic Development.

3. Blighted Areas and No Longer Blighted Areas

Approximately 21 percent of the Centerville Area is no longer blighted as a result of the implementation of the redevelopment program as well as private investment stimulated in part by public investment in the area.[47] Figure II-17 highlights the areas no longer blighted.[48] These include the Maple Square Apartments on the corner of Baine Avenue and Maple Street, rehabilitated apartment complexes along Central Avenue, and new single-family subdivisions along Peralta Boulevard, Dusterberry Way and Fremont Boulevard.[49] Figure II-17 also highlights the areas that remain blighted.

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[47] Percentage is the land area (acreage) of no longer blighted parcels divided by the land area (acreage) of all parcels in the Centerville Area.

[48] While the former structures have been removed from the 6.5 acre Centerville Unified Site along Fremont Boulevard between Thornton Avenue and Bonde Way, private sector redevelopment of the site has not yet occurred and so that are is not yet considered no longer blighted.

[49] Although buildings in the non-blighted areas are in generally good condition, the specific condition of each structure varies and some buildings could benefit from redevelopment assistance in the future. The presence of a building in a non-blighted area within the Centerville Area does not preclude the property from receiving redevelopment assistance if it meets the criteria established for a particular program.

Figure II-17
Blighted Areas and No Longer Blighted Areas
Centerville Area

Source: City of Fremont, Seifel Consulting Inc.

Blighted Areas
No Longer Blighted Areas
Centerville Area Boundary

Seifel CONSULTING INC.

4. Physical Blighting Conditions

Four physical blighting conditions contribute to remaining blight in the Centerville Area. They are:

- Unsafe and unhealthy buildings
- Conditions hindering the viable use of buildings or lots
- Incompatible uses
- Irregular lots

The presence of these conditions, taken together, indicates that significant physical blight remains in the Centerville Area.

a. Unsafe and Unhealthy Buildings

A substantial number of unsafe and unhealthy buildings remain in the Centerville Area. These include generally dilapidated and deteriorated buildings as well as buildings vulnerable to specific seismic hazards. Older buildings in particular are at higher risk for unsafe and unhealthy conditions, as they tend to quickly fall into disrepair when owners neglect to perform constant maintenance. Building code violations have also been consistently reported in the Centerville Area. This section documents the prevalence of these unsafe and unhealthy conditions through tables and figures that present the Building Conditions Survey results and analysis of other data sources.

Dilapidation and Deterioration

Building conditions in the Centerville Area range from excellent to dilapidated, but almost 30 percent of buildings in the portions of the Centerville Area included in the Building Conditions Survey suffer from very extensive or extensive deficiencies, which make them unsafe or unhealthy to occupy.[50] Table II-14 summarizes the overall building conditions observed during the Building Conditions Survey, described in Section B.

Of the 373 buildings rated, less than 5 percent have been maintained or rehabilitated to the highest standard. Twenty-nine percent, or 108 buildings, were rated in the survey as category 1 or 2, exhibiting severe deterioration or dilapidation, including very extensive or extensive physical or structural deficiencies likely requiring high repair costs. Buildings rated category 1 or 2 are unsafe or unhealthy to occupy, as they possess structural vulnerability, disease risk in the case of mold, fire risk in the case of faulty wiring, or some combination of these factors. Forty percent of these buildings (8 percent of all buildings surveyed) were rated as a category 1, exhibiting the highest level of physical deficiencies and indicating the ongoing presence of serious building dilapidation in the Centerville Area.

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[50] The Building Conditions Survey for the Centerville Area included all portions of the area that appeared likely to be blighted during initial field surveys. A total of 50 percent of the Centerville Area parcels and 79 percent of the Centerville Area acreage was surveyed. Subsequent investigation of unobservable blighting conditions such as internal building code violations and hazardous materials did not reveal additional buildings and parcels with significant blighting conditions. Therefore, the boundaries of Building Conditions Survey roughly correspond to the portions of the Centerville Area with remaining blight. No surveyed buildings were excluded from the analysis.

Table II-14
Overall Building Conditions Survey Results
Centerville Area

Building Rating Category	# of Buildings	% of Buildings
1 Dilapidated	31	8.3%
2 Deteriorated	77	20.6%
3 Deferred Maintenance	180	48.3%
4 Sound	69	18.5%
5 Excellent	16	4.3%
Total[a]	**373**	**100.0%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

Figure II-18 illustrates that seriously deteriorated or seriously dilapidated buildings are located throughout the blighted portions of the Centerville Area. Appendix D contains photographic documentation of the observed building conditions.

The surveyed portions of the Centerville Area consist of approximately half residential and half nonresidential buildings. The nonresidential buildings are primarily retail (30 percent of all buildings surveyed). All land use categories include buildings in poor condition. Table II-15 shows the distribution of land uses in the Centerville Area.

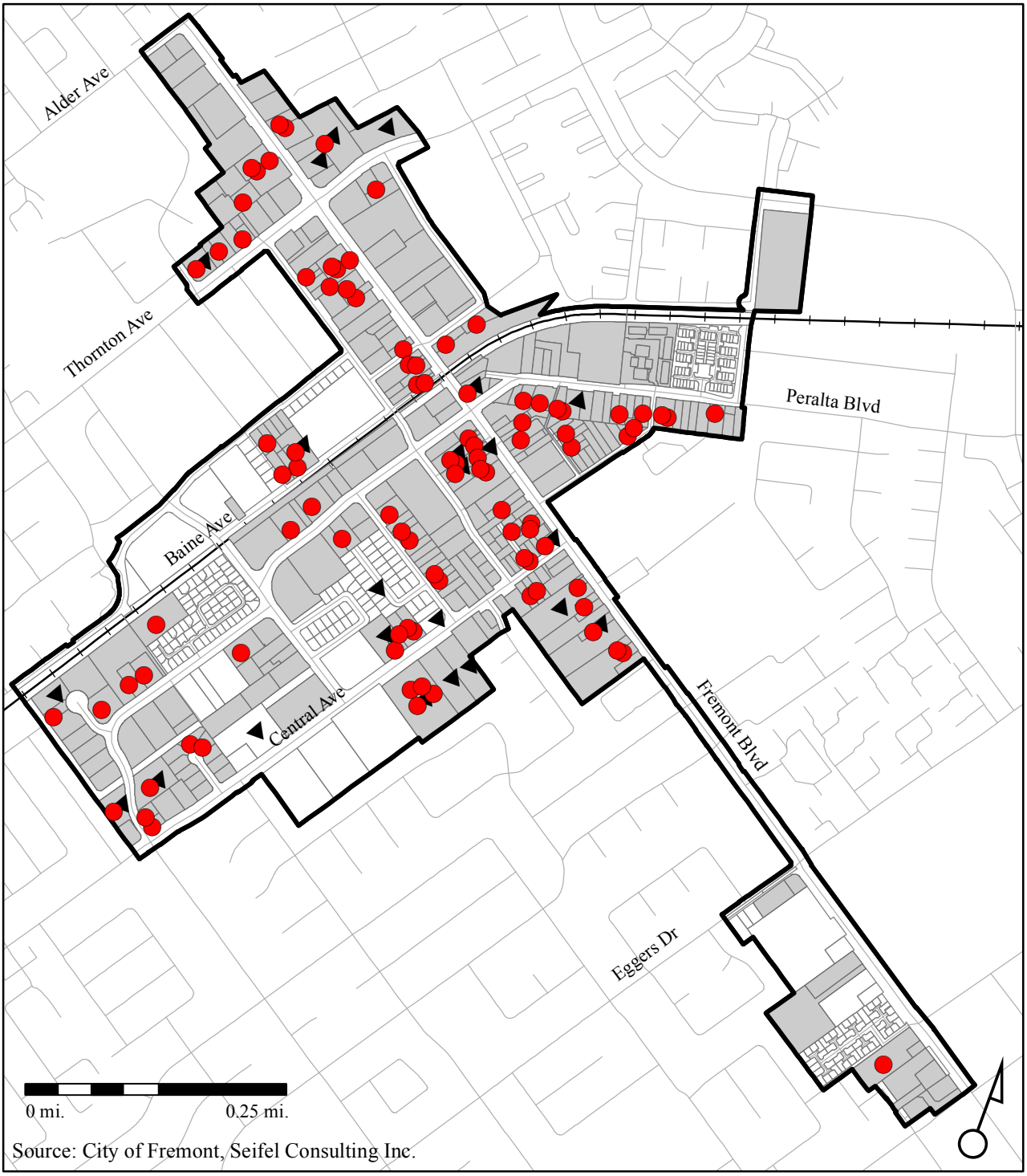
Table II-15
Buildings Survey by Land Use
Centerville Area

	# of Buildings	% of Total
Residential		
Single-Family Detached	114	30.6%
Multifamily	67	18.0%
Duplex	1	0.3%
Subtotal Residential	**182**	**48.8%**
Non Residential		
Retail	110	29.5%
Industrial/Light	29	7.8%
Institutional	9	2.4%
Office	23	6.2%
Other/Unknown	13	3.5%
Subtotal Non Residential	**184**	**49.3%**
Mixed-Use	**7**	**1.9%**
Total[a]	**373**	**100.0%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

Figure II-18
Location of Buildings That Are Unsafe/Unhealthy to Occupy
(Building Condition Rating 1 or 2 and Building Code Violations)
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

Building Condition Rating 1 or 2 (108)
Building Code Violations (41)
Centerville Area Boundary
Areas Surveyed

Seifel CONSULTING INC.

Residential buildings are the most likely to be in poor condition, with 34 percent (61 buildings) rated in category 1 or 2. Twenty-five retail buildings, or 23 percent of the retail stock, are seriously deteriorated or dilapidated, and most of these deteriorated and dilapidated retail buildings are located in the central commercial corridor of the Centerville Area along Fremont and Peralta Boulevards. Among the remaining buildings in the Centerville Area, 27 percent (22 buildings) are rated in category 1 or 2. Table II-16 highlights the proportion of buildings in each major category that exhibit seriously deteriorated or dilapidated conditions.

Table II-16
Building Conditions Rating by Land Use
Centerville Area

	1 or 2 Rating	Total Buildings	% 1 or 2 Rating
Residential	61	182	33.5%
Retail	25	110	22.7%
Industrial, Office, Other	22	81	27.2%
Total[a]	**108**	**373**	**29.0%**

a. Does not include buildings located in areas not surveyed.

Source: Seifel Building Conditions Survey, March 2008.

Specific adverse conditions observed during the Building Conditions Survey include foundation or alignment problems (17 percent), dry rot (42 percent), a sagging or otherwise substantially deteriorated roof (34 percent), evidence of water damage such as mold or mildew (21 percent), and faulty wiring (8 percent). As discussed above, each of these conditions is potentially unsafe and unhealthy in several ways. Foundation, alignment, and dry rot problems make buildings structurally vulnerable, especially in earthquakes. Water damage also can weaken structures, and mold and mildew can lead to serious health problems such as asthma and other respiratory problems. Deteriorated roofs are more likely to leak and promote mold growth through wet conditions. Faulty wiring puts buildings at risk for fires.

Building Code Violations

In the five-year period between 2002 and 2007, the City of Fremont Community Preservation Section received 41 independent, verifiable complaints of building code violations within the boundaries of the Centerville Area. According to the dataset provided by the Community Preservation Section, nine cases were categorized as illegal conversions, including garage conversion or habitation and nonpermitted work. In addition, 21 instances of substandard housing and 11 cases of unsafe nonresidential buildings were reported in the Centerville Area. The most common complaints associated with violations categorized as substandard housing entailed abandoned homes; pest infestation; mold; lack of or deficient plumbing, kitchen appliances, heating, and lighting; broken or loose stairs; and water leaks. For unsafe nonresidential buildings, the most frequent reports were of abandoned buildings, water leaks, faulty wiring, and general bad condition. Two apartment complexes, comprising multiple buildings located on Central Avenue and Peralta Boulevard, accounted for nearly 30 percent of the building code violations in the Centerville Area.

Figure II-18 locates the reported violations in relation to the dilapidated and deteriorated buildings observed in the Centerville Area.[51] These complaints may not reflect all the serious building code violations in the Centerville Area. The complaint-based system of inspections and data tracking used by the Community Preservation Section tends to underreport problems to the extent that residents are reluctant to report potential violations of their own property if they are the owners or by their landlords. As shown on the map, the locations of properties with building code violations and building condition rating 1 or 2 indicate the presence of buildings that are unsafe and unhealthy to occupy throughout the Centerville Area.

Seismically Vulnerable Construction

The Centerville Area is within 1 mile of the South Hayward Fault, within 6 miles of the Calaveras Fault and within 12 miles of the San Andreas Fault. As a result of these proximities, as well as soil conditions, the Centerville Area is at high risk for both violent ground shaking and liquefaction. The severity of ground shaking is influenced by a number of factors, including the duration and intensity of the earthquake, the proximity of the site to the epicenter of the earthquake and the type of geologic materials underlying the site. According to ABAG, a magnitude 6.7 earthquake on the South Hayward Fault would result in violent shaking (Category IX) for all of the Centerville Area. Figure II-19 indicates the hazard zone and Figure II-20 shows the extent of liquefaction risk for a 6.7 magnitude earthquake. Nearly all of the Centerville Area is at high risk of liquefaction as most of the area is on unconsolidated soil.[52]

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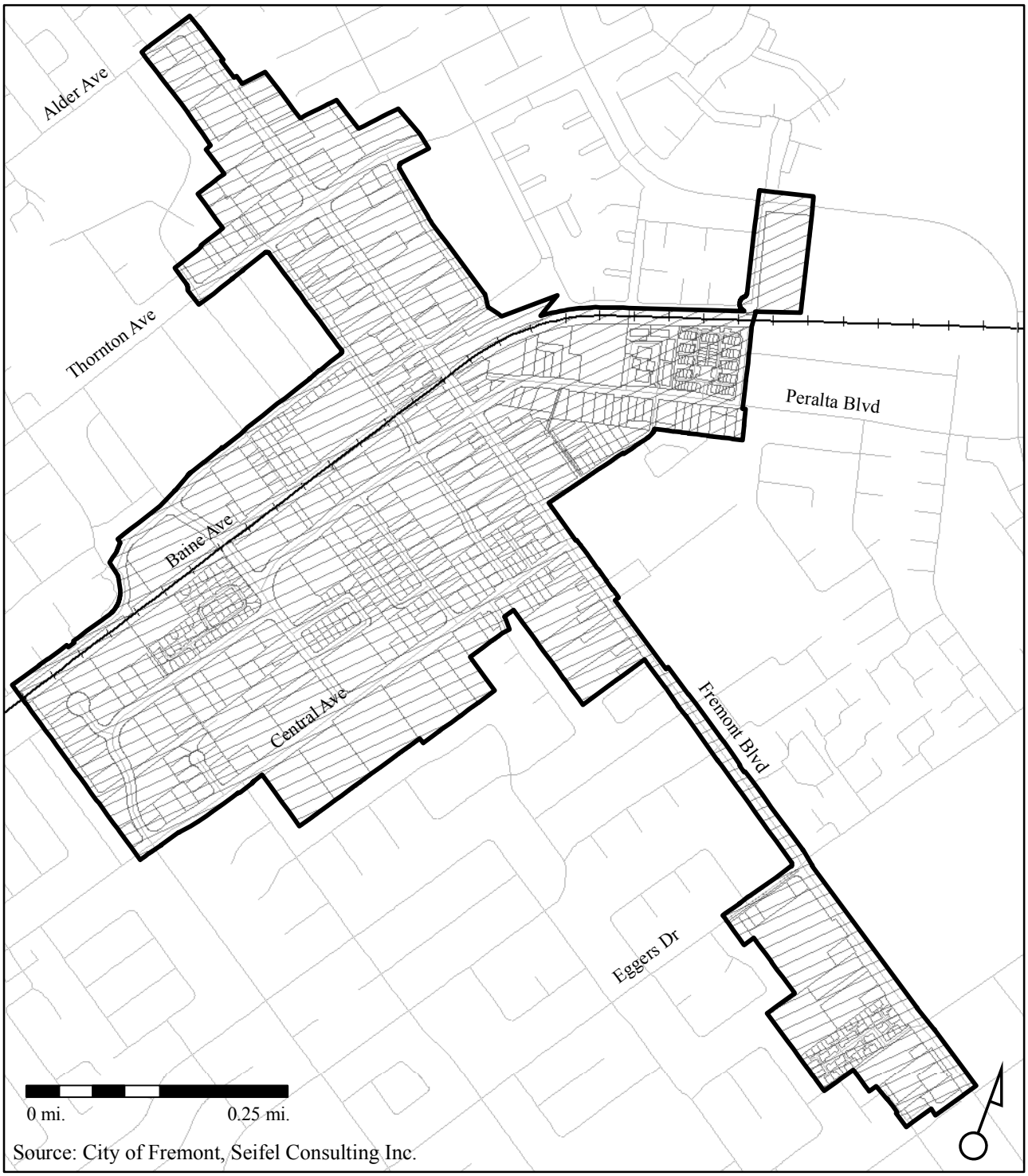
[51] Multiple building code violations were reported for some properties in the Centerville Area. Figure II-18 only maps the location of each property, so there are fewer symbols on the map than independent reported violations.

[52] 1998 Report to Council, Redevelopment Plan Amendments and Merger, Fremont Redevelopment Agency, Vol. II.

Figure II-19
Earthquake Shaking Scenario: South Hayward Fault, Magnitude 6.7
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

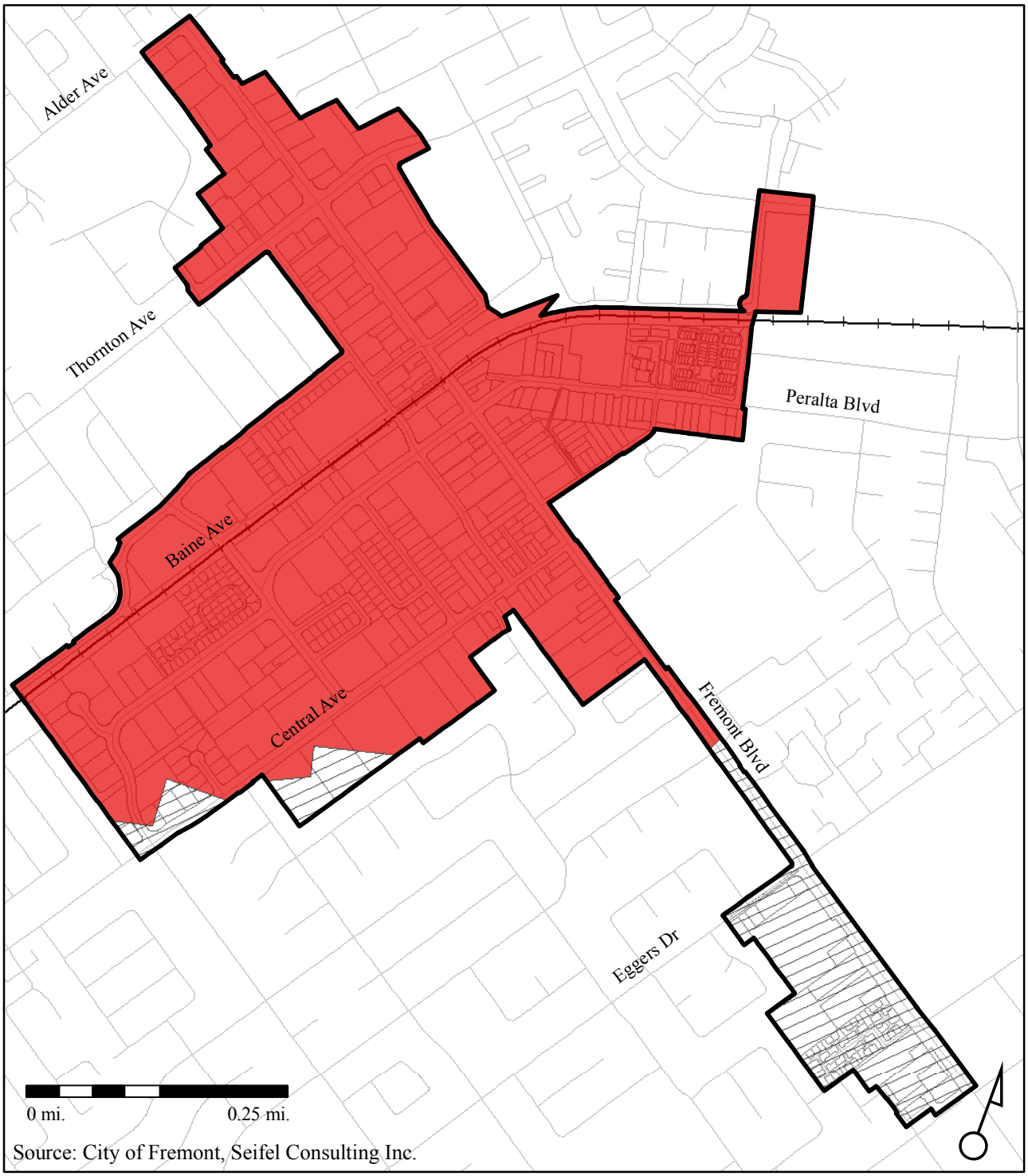
Modified Mercalli Intensity Shaking Severity Level

Violent

Centerville Area Boundary

Seifel CONSULTING INC.

Figure II-20
Liquefaction Hazard Map: South Hayward Fault, Magnitude 6.7
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

Liquefaction Hazard Level
High
Very Low
Centerville Area Boundary

Seifel CONSULTING INC.

As detailed in Section C, the age of buildings is correlated with earthquake risk because older buildings codes, if they existed at all, did not include the extensive earthquake safety standards that exist today. Almost 90 percent of the buildings in the Centerville Area for which the year of construction is available were built before significant building code upgrades occurred in 1976.[53] Graph II-5 shows the age distribution of buildings in Centerville. A significant number of these buildings (37 percent of the total) were built before 1940, putting them in the category of highest risk for serious structural damage based on the construction practices of that time. As with the other Historic Areas, many commercial buildings have likely been retrofitted, but retrofit rates for residential buildings are unknown.[54]

The Building Conditions Survey revealed that a number of buildings in the Centerville Area exhibit the characteristics identified in Section C as enhancing seismic vulnerability. Table II-17 summarizes these characteristics. Twenty-seven buildings (7 percent) in the Centerville Area had a deteriorated or cracked foundation, 34 buildings (12 percent) had alignment problems and 153 buildings (41 percent) exhibited dry rot. More than 100 surveyed buildings were constructed with masonry or poured concrete, and 50 concrete or brick buildings were built before 1976. Among the buildings with age information, 27 percent were built before 1976 and were rated in category 1 or 2. These older, dilapidated and severely deteriorated buildings are more likely than well-maintained buildings to suffer serious and potentially life-threatening damage in an earthquake.

Table II-17
Incidence of Seismic Risk Conditions
Centerville Area

Building Condition	# of Buildings	% of Buildings
Deteriorated or Cracked Foundation[a]	27	7%
Alignment Problems[a]	44	12%
Dry Rot[a]	153	41%
Masonry or Poured Concrete[a]	102	27%
Pre-1976 Wood Frame[b]	107	56%
Pre-1976 Concrete or Brick[b]	50	26%
Pre-1976 Condition 1 or 2[b]	52	27%

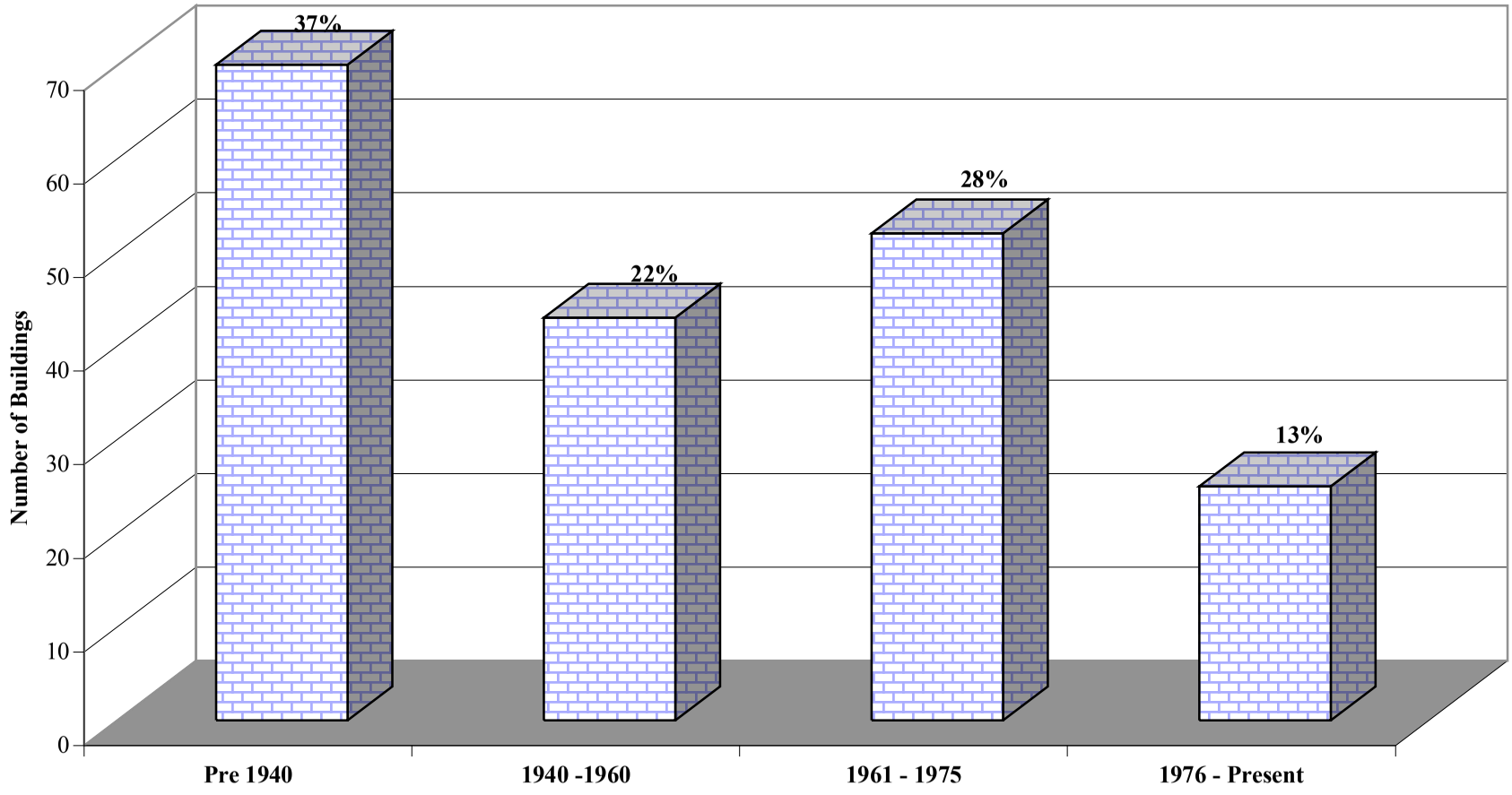
a. Among all buildings in the area surveyed (373 buildings).
b. Among buildings with year of construction information in the area surveyed (190 buildings).

Source: Seifel Building Conditions Survey, March 2008, Alameda County Assessor.

[53] Of the 373 surveyed buildings in the Centerville Area, the Alameda County Assessor data includes year of construction information for 190 buildings, or 51 percent.

[54] Leigh Boyd, City of Fremont Retail Development Manager.

Graph II-5
Age of Building as an Indicator of Seismic Susceptibility
Centerville Area



Source: Alameda County Assessor, Seifel Consulting Inc.

b. Conditions Hindering the Viable Use of Buildings or Lots

The average year of construction of commercial buildings in the Centerville Area is 1956. While many of these buildings have been adapted to contain a viable use, others are suffering due to a condition, size or physical configuration that is inconsistent with current standards, such as those for ADA requirements, plumbing and electrical installation, and HVAC systems. These obsolete designs and installations hinder commercial development.

Buildings along Peralta Boulevard east of Fremont Boulevard are zoned commercial but were constructed as single-family homes. Some of these homes remain in residential use, but the zoning restriction limits their resale value. Other structures have been converted to small businesses, but the physical characteristics of the buildings limit the capacity of these businesses, as discussed in Section C. Non-conforming lots such as land locked parcels also hinder the viability of buildings in the Centerville Area. For example, between Peralta Boulevard and Fremont Boulevard lie three lots that are landlocked, irregularly shaped and inadequately sized with abandoned, crumbling, or no buildings on them, serving as prime examples of how such lots remain vacant, underutilized, or poorly maintained.

Figure II-21 highlights the portion of the Centerville Area with these conditions, as well as incidences of incompatible uses and other irregular lots.

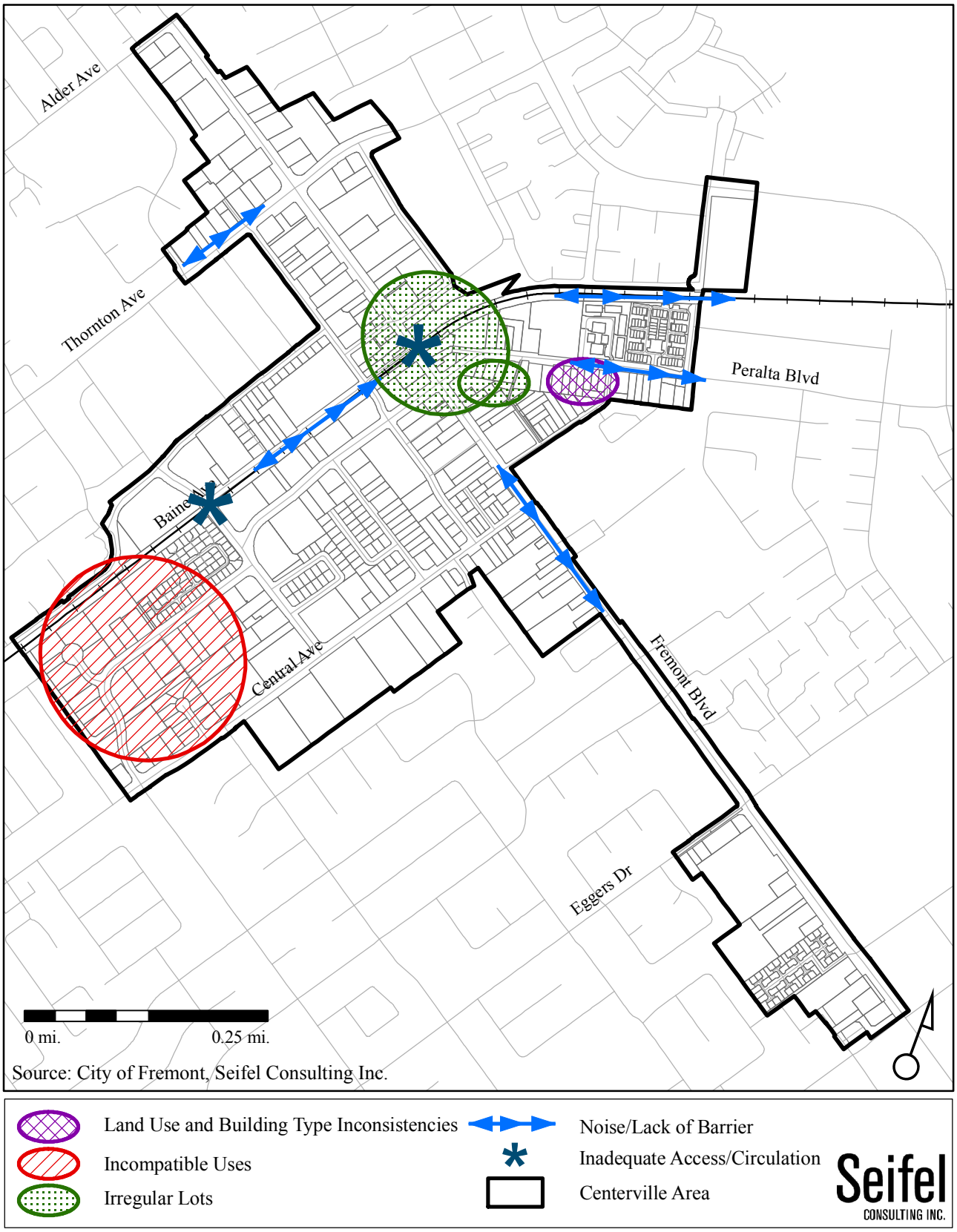
c. Incompatible Uses

Incompatible uses continue to exist in the Centerville Area. For example, residential uses are interspersed with commercial uses along Fremont Boulevard, Peralta Boulevard and Thornton Avenue. Many of these commercial uses are automobile related, and these businesses generate high traffic, pollution and fumes that negatively impact residents. For example, residential uses are adjacent to automobile uses in several locations in the western end of the Centerville Area, around Peralta Boulevard and Glenmoor Drive.

d. Irregular Lots

Early subdivision practices and the presence of railroad and street rights-of-way resulted in lots of irregular size and shape in multiple ownership throughout the Centerville Area. Examples include small and irregularly shaped parcels along Fremont Boulevard along either side of the railroad tracks. Many of these lots have limited access and thus are difficult to develop without combining multiple parcels. In addition, three landlocked parcels remain vacant or underutilized in the heart of Centerville between Peralta and Fremont Boulevards.

Figure II-21
Conditions Hindering the Viable Use of Buildings and Lots, Incompatible Uses and Irregular Lots
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

5. Economic Blighting Conditions

Three economic blighting conditions contribute to remaining blight in the Centerville Area. They are:

- Impaired property values due to hazardous wastes
- Economic indicators of distressed buildings
- High crime rates

The presence of these conditions, taken together, indicates that significant economic blight remains in the Centerville Area.

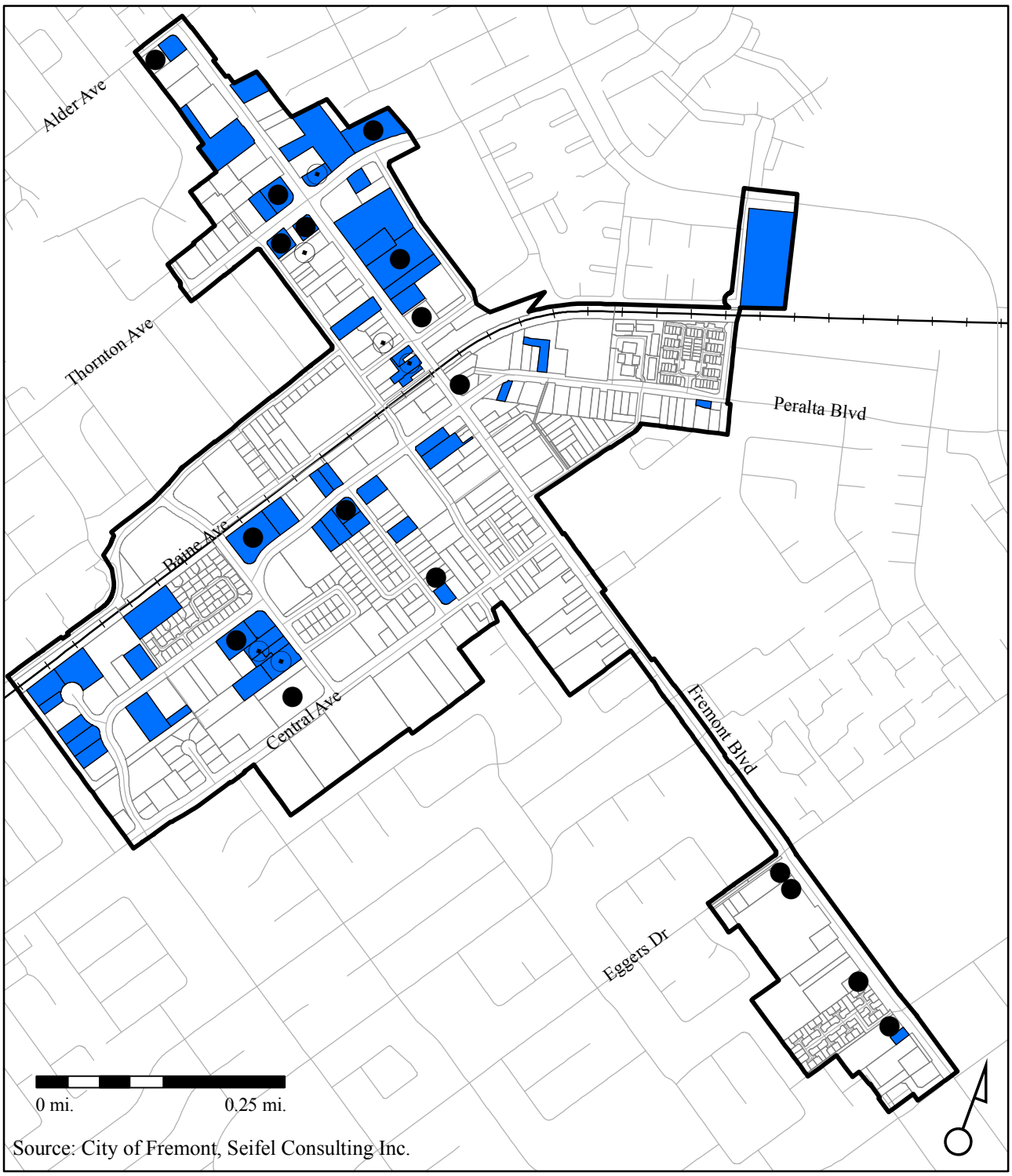
a. Impaired Property Values due to Hazardous Wastes

Hazardous wastes in the Centerville Area are largely due to automobile-related land uses (sales, service, repair, gasoline) and light industrial uses. Figure II-22 maps the location of hazardous wastes in the Centerville Area. As discussed above, these hazardous wastes likely impair property values on those sites and the sites immediately surrounding them because of the risks associated with liability and cleanup.

Leaking Underground Fuel Tanks (LUFTs)

According to the WQCB's database, 23 known LUFTs are located in the Centerville Area. Of these, six are open cases that have not been sufficiently investigated and/or remediated. The remaining 17 LUFT cases are categorized as closed. As discussed above, both open and closed LUFTs may pose heath risks and constitute a potential liability to property values. Closed sites are not necessarily clean and often contain other contaminants that are in the soil or leaking into the groundwater, especially on industrial sites. Health risks associated with closed LUFT sites are still possible and the State Water Resources Control Board advises that prior to redevelopment, developers review the files for all cases to ensure that no new information has surfaced about possible risks to human health, safety or the environment.

Figure II-22
Hazardous Materials Sites
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

LUFT Site - Open Case (6)
LUFT Site - Closed Case (17)
City of Fremont Hazardous Materials Sites List (52)
Centerville Area Boundary

Seifel CONSULTING INC.

City of Fremont Hazardous Materials Site List

Fifty-two sites in the Centerville Area contain businesses listed in the Fremont Certified Unified Program Agency's (CUPA) database of active businesses that handle or process hazardous materials. Roughly 64 percent of the sites are automobile-related uses located along Peralta and Fremont Boulevards and Thornton Avenue. These businesses may have underground and above ground storage tanks containing hazardous materials such as diesel, waste oil, store solvents, paints, or heating fuel. The majority of the remaining sites consist of light industrial uses, including properties owned by utility companies and dentist offices, among others.

b. Indicators of Economically Distressed Buildings

The Centerville Area contains vacant businesses and abandoned buildings located throughout the portion with remaining blight. Figure II-23 maps these conditions. Lease rates for retail space in Centerville are also low, which helps reduce the number of observed vacancies but also indicates economic distress.

Business Vacancies

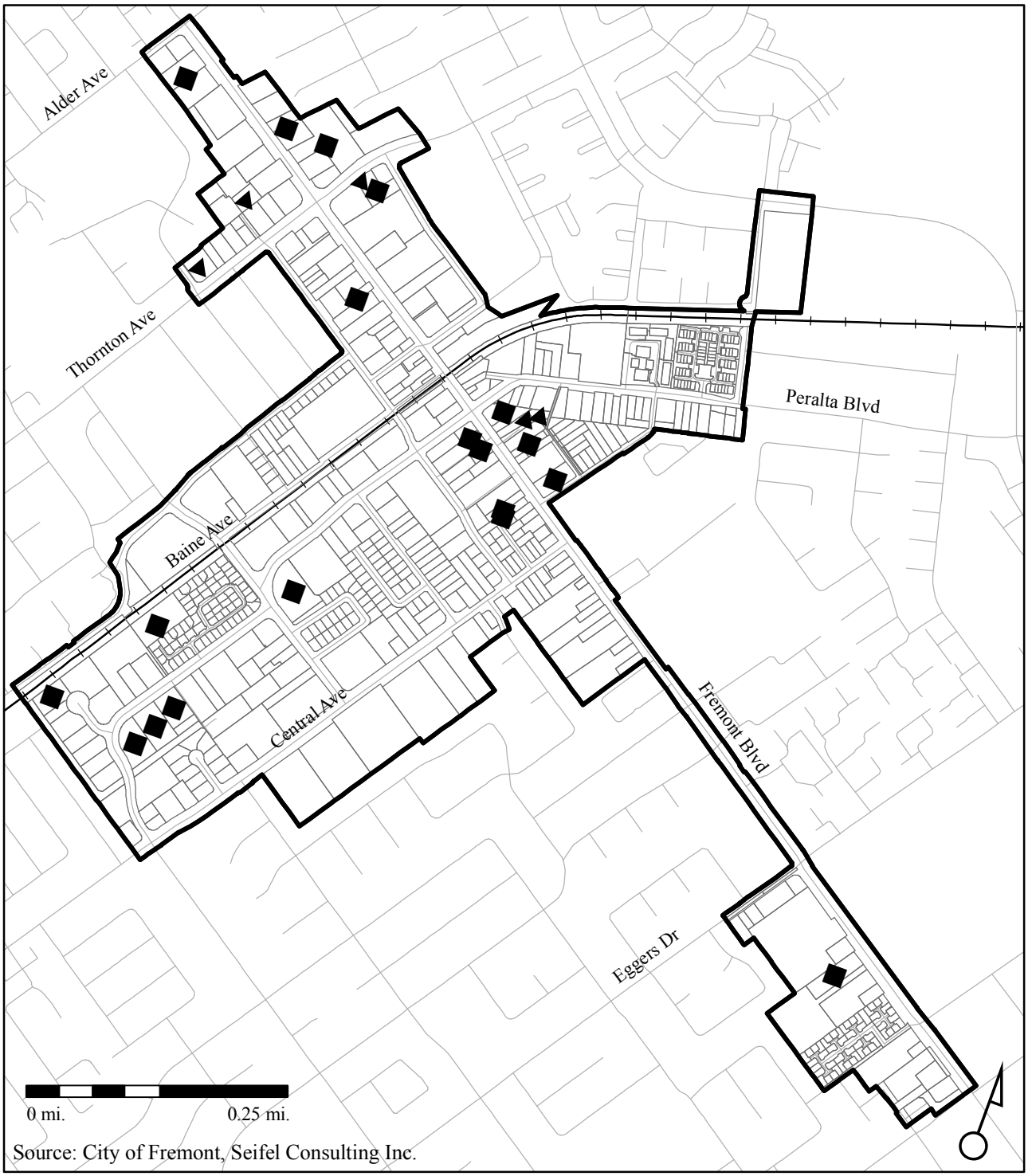
The primary field survey identified 19 vacant business spaces in the Centerville Area at the time of the survey. These vacancies are concentrated along Fremont and Peralta Boulevards and are primarily retail storefronts.

Low Lease Rates

Lease rates for commercial spaces in the Centerville Area vary greatly depending on the age of the space and whether the space is located in a shopping center. Lease rates in the Centerville Area's shopping centers average $2.25–$2.50 per square foot triple net lease (NNN) for asking and contract rent. While brokers say these rents are typical for Centerville, rents can go as high as $3.25 in other nearby parts of Fremont, or even $4.00 at Pacific Commons.[55] Lease rates in the Centerville Area's stand-alone retail stores are typically between $1.80 and $2.50 per square foot and average around $2.00 per square foot. Landlords of older buildings with vacancies greater than a year are pushing asking rent down to as low as $1.63 per square foot. These lease rates are low relative to those in Fremont in general, where asking rents of such stand-alone space average approximately $2.25 per square foot. The comparable retail market of San Jose also shows more robust stand-alone retail lease rates, averaging approximately $2.40 per square foot, according to brokers' estimates and listings. See Graph II-6 below for lease rate comparisons.

[55] See Appendix A for a list of brokers contacted.

Figure II-23
Location of Business Vacancies and Abandoned Buildings
Centerville Area



Source: City of Fremont, Seifel Consulting Inc.

Business Vacancies (19)

Abandoned Buildings (5)

Centerville Area Boundary

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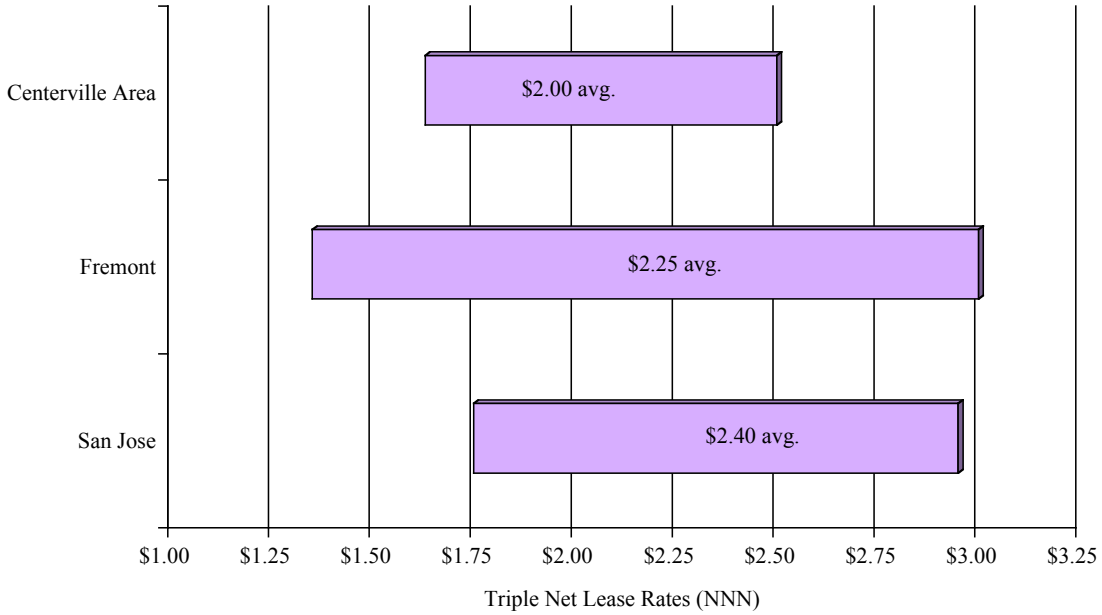
Graph II-6
Stand-Alone Retail Lease Rates
Centerville Area and Comparable Areas



Source: focusonfremont.com, ccarey.com, local brokers, Seifel Consulting Inc.

According to area brokers, the main reasons for low commercial lease rates and absorption is the higher number of older, Class C commercial buildings with obsolete design and equipment. The tendency of older, lower-quality space to show depressed lease rates and higher vacancies is exacerbated in economic downturns. This trend is manifest in the Centerville Area. According to Assessor's records on year of construction, vacant space in the Centerville Area is on average ten years older than occupied space. Despite these lower rental rates, absorption is stagnant. Vacancies in commercial properties near the Centerville Area have been available for an average of more than eight months, while vacancies in the Centerville Area have been available for an average of more than 10 months. As in Irvington, the City's Retail Development Manager cites a cycle in which low rents cannot support the cost to upgrade and redesign to current standards. Maintenance is therefore deferred, and landlords cannot attract tenants that pay higher rents.[56]

Abandoned Buildings

Five buildings in the Centerville Area are vacant, in extreme disrepair and apparently abandoned. These include two buildings on a landlocked parcel between Peralta and Fremont Boulevards and three buildings on or around Thornton Avenue.

[56] Leigh Boyd, City of Fremont Retail Development Manager.

High Crime Rates

Part I crimes, the most serious category of crimes in the police reporting system, occur with greater frequency in the Centerville Area than in the rest of Fremont. Table II-18 summarizes the per capita crime rate for Part I crimes in the Centerville Area and the city as a whole.[57] The total per capita crime rate in the Centerville Area was 45 per 1,000 residents, compared to 27 per 1,000 residents citywide. The most common serious crimes in the Centerville Area are burglary, followed by grand theft, auto theft and robbery. Centerville Area burglary rates are over four times the citywide rate, robberies are over three times the citywide rate, and auto thefts are more than twice the citywide rate. These crimes threaten the safety of both residents and visitors to the Centerville Area and work against the neighborhood's efforts to promote an economically vibrant community.

Table II-18
Part I Crimes per 1,000 Residents in 2007
Centerville Area Compared to Fremont

	Centerville	Fremont
Grand Theft	8.37	14.68
Burglary	23.69	5.21
Auto Theft	7.56	3.65
Aggravated Assault	0.61	1.58
Robbery	3.88	1.10
Forcible Rape	0.00	0.17
Arson	0.41	0.08
Homicide	0.00	0.02
Total	**44.53**	**26.49**

Source: Fremont Police Department, Claritas, Seifel Consulting, Inc.

6. Inadequate Public Improvements

a. Deteriorated Curbs, Gutters and Sidewalks

Although streetscape improvements have been made along Fremont Boulevard, Joseph Street, Parish Avenue, and Hansen Avenue, inadequate curbs, gutters and sidewalks remain on Joseph Street and Parish Avenue and on streets throughout the rest of the Centerville Area, particularly on Peralta Boulevard and Baine Avenue.

[57] Population data for the City and Centerville Area were gathered from the City of Fremont and Claritas, respectively.

b. Inconsistent Street Widths and Circulation

Key streets need to be widened to accommodate street improvements, enhance traffic circulation, reduce pedestrian-vehicle conflicts and achieve safer and more consistent street widths throughout the Centerville Area. Circulation improvements, including traffic control devices (signals and improved signal controls, etc.), turning lanes, nodes and gateways are lacking, especially on major arterials. Landscaping, medians, crosswalks, bicycle lanes, pedestrian amenities, and gateway entrance elements are also lacking in pedestrian-oriented commercial areas along Fremont Boulevard, Thornton Avenue, and Peralta Boulevard.

c. Transit and Railroad Deficiencies

The Centerville Depot is underutilized because it does not have the capacity to support the critical mass of public transportation services that are necessary to make Centerville a transit-oriented destination. Although the Amtrak and Altamont Commuter Express (ACE) trains pass through Centerville daily, frequency is low and trains stop only during commuter hours. Despite these deficiencies, capacity cannot be expanded under the current platform and parking configurations. In addition, the current platform configuration causes eastbound trains to block Fremont Boulevard when stopped at the station, thus disrupting traffic and pedestrian flow through the heart of Centerville.

d. Overhead Utility Wires

Some overhead utility wiring still exists in the Centerville Area, detracting from the Area's appearance and creating safety risks in the event of downed wires or broken poles.

e. Inadequate Sewage and Drainage

A portion of the Centerville Area has inadequate sewers in need of improvement. Many storm drain pipes are in public street rights of way. In a number of cases, the drainage system consists of an open ditch located at the back lot line between two streets. This presents a constraint to redevelopment of an entire block with a drainage ditch bisecting it between two adjacent streets.

f. Inadequate Public Recreational Facilities

While the recent development of the new Bill Ball Plaza adjacent to the restored Centerville Depot has added to the Centerville Area's public spaces, the Area is still significantly lacking public recreational facilities, specifically community parks and civic, cultural and educational facilities.

7. Conclusion for Remaining Blight in the Centerville Area

The Centerville Area suffers from significant, substantial and prevalent remaining blighting conditions. The physical and economic blighting conditions are summarized below, and have been described in greater detail throughout this section. These conditions are:

- Unsafe and unhealthy buildings (Section 4.a),
- Conditions hindering the viable use of buildings or lots (Section 4.b),
- Incompatible uses (Section 4.c),

- Irregular lots (Section 4.d),
- Impaired property values due to hazardous wastes (Section 5.a),
- Economic indicators of distressed buildings (Section 5.b),
- High crime rates (Section 5.e), and
- Inadequate public improvements (Section 6).

The Centerville Area contains a significant number and percentage of deteriorated residential, retail and industrial buildings that are unsafe or unhealthy places for people to live or work. This condition results from a combination of age, seismic susceptibility and lack of regular maintenance. In addition, some of these buildings are functionally obsolete because they are inconsistent with current development standards such as building code requirements and modern building configurations. Portions of the Centerville Area also contain buildings that are less viable due to an inconsistency between their original intended use and their current use or current zoning. Incompatible uses in the Centerville Area include homes next to high traffic commercial corridors that contain a large number of automobile-related uses. Irregularly shaped parcels prevent the development of some portions of the Centerville Area, including three landlocked parcels in the heart of the Centerville business district.

The presence of contamination from hazardous materials impairs property values on parcels throughout the Centerville Area. Abandoned buildings, high business vacancies and low lease rates indicate economic distress and deter new business investment. A considerably higher than normal level of crime is a problem in the Centerville Area as well, particularly with respect to burglary, robbery, and auto theft.

Inadequate public improvements exacerbate blighting conditions in the Centerville Area. Missing and deteriorated curbs and sidewalks and a lack of pedestrian-friendly traffic control devices create pedestrian and vehicular hazards. Underutilized mass transit, inadequate sewage and drainage infrastructure, and inadequate parks and open space also detract from the vitality of the Centerville Area.

As further described in Section H of this Chapter II and in Chapters III and IV, these significant, substantial and prevalent remaining physical and economic blighting conditions cause an underutilization of property in the Centerville Area that results in a significant physical and economic burden on the immediate area and the entire Fremont community. This blight cannot reasonably be alleviated by private sector or governmental action without the additional financial resources that would be made possible by the proposed Plan Amendment.

H. Conclusions for Blight Findings

1. Prevalent and Substantial Blighting Conditions

The analysis in this chapter demonstrates that significant, substantial and prevalent blighting conditions within the current statutory definitions of blight remain in each of the three Historic Areas and therefore in the Merged Project Area as a whole. Blighting conditions recognized in the CRL at the time of establishment of the Industrial Area and the 1998 Plan Amendments and Merger continue to have a significant adverse effect on the Industrial Area portion of the Merged Project Area as well. Table II-19 summarizes these conditions throughout the Merged Project Area. Taken together, the analysis of blighting conditions remaining throughout the Constituent Project Areas that comprise the Merged Project Area indicates that these conditions are so substantial and prevalent that they constitute physical and economic blight in the Merged Project Area.

Table II-19
Summary of Remaining Blighting Conditions
Fremont Merged Project Area

Blighting Condition	Chapter Section
Niles Area	
Unsafe and Unhealthy Buildings	D.4.a
Conditions Hindering Viable Use of Buildings or Lots	D.4.b
Incompatible Uses	D.4.c
Irregular Lots	D.4.d
Impaired Property Values Due to Hazardous Wastes	D.5.a
Economic Indicators of Distressed Buildings	D.5.b
Lack of Neighborhood Commercial Facilities	D.5.c
High Crime Rates	D.5.d
Inadequate Public Improvements	D.6
Irvington Area	
Unsafe and Unhealthy Buildings	E.4.a
Conditions Hindering Viable Use of Buildings or Lots	E.4.b
Incompatible Uses	E.4.c
Irregular Lots	E.4.d
Impaired Property Values Due to Hazardous Wastes	E.5.a
Economic Indicators of Distressed Buildings	E.5.b
High Crime Rates	E.5.c
Inadequate Public Improvements	E.6
Industrial Area	
Economic Blight	F.4.a
Inadequate Public Improvements	F.4.b
Centerville Area	
Unsafe and Unhealthy Buildings	G.4.a
Conditions Hindering Viable Use of Buildings or Lots	G.4.b
Incompatible Uses	G.4.c
Irregular Lots	G.4.d
Impaired Property Values Due to Hazardous Wastes	G.5.a
Economic Indicators of Distressed Buildings	G.5.b
High Crime Rates	G.5.c
Inadequate Public Improvements	G.6

2. Reduction or Lack of Proper Utilization of the Area

These blighting conditions continue to cause a reduction of, or lack of, proper utilization of the Merged Project Area. Evidence of this lack of proper utilization of the Merged Project Area includes vacant and partially vacant property, underutilized parcels, and underperforming businesses.

a. Vacant and Partially Vacant Property

Vacant and partially vacant property continues to exist throughout the Merged Project Area. The presence of vacant and otherwise underutilized lots in an urbanized area is often an indicator that the private sector on its own has been unable to develop the properties. Vacant and partially vacant property includes completely vacant parcels, parcels that contain a vacant lot on part of the property (partially vacant lots), and parcels with vacant and/or partially vacant buildings (including abandoned buildings). Table II-20 summarizes the presence of vacant and partially vacant property in the Historic Areas as recorded in the parcel-by-parcel field surveys of each Area. Excluding parcels containing public or private institutional uses, 17 percent of all parcels in the surveyed portions of the Historic Areas are vacant, partially vacant, or contain a vacant or partially vacant building. Vacant property is particularly common in the Niles and Centerville Areas, with vacancy rates of 24 percent and 20 percent, respectively. In addition, an analysis of Alameda County Assessor's data indicates that 21 percent of all parcels in the Industrial Area are vacant, a figure that is similar to the survey results for the Historic Areas.[58]

Table II-20
Vacant and Partially Vacant Property
Fremont Historic Areas

Type of Vacancy	Niles Area		Irvington Area		Centerville Area		Historic Areas	
	Number of Parcels	Share of Area Parcels[a]	Number of Parcels	Share of Area Parcels[a]	Number of Parcels	Share of Area Parcels[a]	Number of Parcels	Share of Area Parcels[a]
Vacant Lot	30	14%	41	6%	30	7%	101	8%
Partially Vacant Lot[b]	3	1%	14	2%	14	3%	31	2%
Vacant or Abandoned Building[b]	10	5%	9	1%	10	2%	29	2%
Partially Vacant Building	10	5%	14	2%	28	7%	52	4%
Subtotal: Vacant Property[b]	53	24%	78	12%	82	20%	213	17%
Total Parcels Surveyed[a]	**222**	**100%**	**644**	**100%**	**408**	**100%**	**1,274**	**100%**

a. Parcels containing public or private institutional uses are excluded from this analysis.
b. One parcel in the Niles Area is a partially vacant lot containing a partially vacant building. Two parcels in the Irvington Area are partially vacant lots containing vacant buildings. Each of these parcels is included once in the Subtotal for Vacant Property.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

[58] Alameda County Assessor's Roll as of June 2007.

Factors that contribute to vacant and partially vacant property include small or irregularly shaped parcels, incompatible uses, substandard buildings, hazardous materials contamination, poor business conditions, and inadequate public improvements. Vacant or partially vacant property of all types indicates that portions of the Merged Project Area are not being utilized to their full, proper economic potential. Additionally, these properties contribute to a negative appearance or image of a neighborhood and may further deter investment in surrounding properties.

b. Underutilized Parcels

A significant number of parcels in the Merged Project Area are not being fully utilized, as demonstrated by the previous section's analysis of vacant or partially vacant property. Underutilized parcels include not only vacant and partially vacant parcels, but also any parcels that have the potential to be used in a more effective and economically efficient manner.[59] Identifying such sites presents a challenge, especially on a large scale rather than a site-by-site basis. The most common technique is to use the improvement-value-to-land-value (IL) ratio.[60] This methodology uses County Assessor data to compare the value of the "improvements" on a given parcel to the value of the underlying land.[61] According to a 2005 Statewide Infill Study, urban parcels for which improvement values are less than land values, an IL ratio of less than one, are widely considered to be economically underutilized.[62]

For the purposes of this analysis, parcels in the portions of the Historic Areas with remaining blight were identified if they showed improvement to land ratios of up to 0.5 (improvement values up to half the value of the underlying land) or 0.9 (improvement values less than but approaching the underlying land value). The ratio of 0.5 is used for single-family residential and industrial parcels, as these uses do not tend to require high value improvements to be fully utilized. The 0.9 ratio is appropriate for remaining uses, including retail, office and multifamily

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[59] Juan Sandoval and John Landis, Institute of Urban and Regional Development, *UC Berkeley Working Paper 2000-06* (2000).

[60] Studies utilizing this methodology include the Pilot California Infill Parcel Locator (UC Berkeley Institute of Urban and Regional Development in conjunction with the California Business, Transportation and Housing Agency, Caltrans, the California Department of Housing and Community Development (HCD), and the Federal Highway Administration: www.infill.org), the Solimar Research Group Infill Estimation Tool (Solimar Research Group in conjunction with HCD, Caltrans, and the City and County of Los Angeles: www.solimar.org/html/Infill_tool.html) and the *UC Berkeley Working Paper 2000-06* (Sandoval/Landis). Using the improvement to land ratio to identify underutilized parcels has the following limitations: 1.) Since the passage of Proposition 13, California County Assessors only reassess property when it is sold or undergoes a significant physical improvement. If neither occurs, property values increase at a maximum of 2 percent per year, frequently resulting in out of date recorded values. For the purposes of the IL ratio, however, this does not present much of a problem, as the IL ratio remains fairly stable over time despite growth in actual land and improvement values. 2.) Buildings tend to depreciate over time while land values remain stable or, especially in land constrained areas like the Bay Area, increase. Building depreciation is not reflected in Assessor Rolls, however, and improvement values may therefore be overstated relative to land values. 3.) Determining an appropriate IL ratio is difficult, especially as the proper ratio varies by both the location and use of the parcel in question. Threshold ratios commonly used by researchers have ranged from as low 0.5 to as high as 1.5, with 0.9 used most frequently. For the purposes of this analysis, both a conservative (IL less than or equal to 0.5) and a moderate (IL less than or equal to 0.9) ratio are used so as not to overstate the amount of underutilization found in the Historic Areas. These ratios were determined based upon a review of relevant studies and the types of land uses in the Historic Areas.

[61] Alameda County Assessor's Office, Assessment Roll as of June 2007.

[62] California Infill Study, UC Berkeley (2005).

residential. This analysis excludes parcels containing cemeteries, nonprofit, public and private institutional uses as well as all other parcels with no land value.

As shown in Table II-21, 24 percent of all parcels in the surveyed parts of the Historic Areas are underutilized (IL less than 0.5 or 0.9, depending on the use), including those that are unimproved. The average IL ratio of these parcels is 0.30 while the average IL ratio over all the analyzed parcels in the Historic Area is 1.84. In the Industrial Area, 26 percent of all parcels are underutilized and most are vacant, so the average IL ratio of underutilized parcels in the Industrial Area is 0.08 (not shown).

Table II-21
Underutilization Analysis
Fremont Historic Areas

	Niles Area			Irvington Area			Centerville Area			Historic Areas		
	# of Parcels	% of Total Parcels	Avg. IL Ratio	# of Parcels	% of Total Parcels	Avg. IL Ratio	# of Parcels	% of Total Parcels	Avg. IL Ratio	# of Parcels	% of Total Parcels	Avg. IL Ratio
Underutilized[a]	62	37%	0.27	86	15%	0.30	85	32%	0.32	233	24%	0.30
Not Underutilized	104	63%	3.03	471	85%	2.21	180	68%	2.17	755	76%	2.31
Total[b]	**166**	**100%**	**1.99**	**557**	**100%**	**1.91**	**265**	**100%**	**1.58**	**988**	**100%**	**1.84**

a. Underutilized parcels are defined as Single Family Residential and Industrial parcels with an IL ratio of less than 0.5 and Multifamily Residential, Retail and Office parcels with a ratio of less than .9. Parcels with no improvement value, or IL ratios of zero, are included in this count.
b. Parcels containing public or private institutional uses and/or have zero land value are excluded from this analysis.

Source: Alameda County Assessor's Roll, Seifel Consulting Inc. Land and Improvement Values reported as of June 2007.

In comparison, in a 2000 study of the infill potential of Bay Area Counties, only 17 percent of urban parcels in Alameda County were underutilized at the 0.9 IL ratio level.[63] Parcels in the still-blighted portions of the Historic Areas thus suffer from underutilization in far greater amounts than comparable parcels elsewhere in the region. Moreover, in the analysis presented in Table II-21, single family and industrial parcels in the Historic Areas were held to a lower IL ratio (improvement value had to be half or less of the underlying land value) to be considered underutilized. If all parcels in the Merged Project Area (Historic Areas and Industrial Area) were identified as underutilized at the 0.9 IL ratio level, then 28 percent would be considered underutilized, greater than one and a half times the level found for Alameda County.

Underutilization is thus a significant problem that exists throughout the Merged Project Area. These findings corroborate the conclusions of the vacant properties analysis above that land in the Merged Project Area is not being used in a proper and economically efficient manner. Due to the limitations of the data and methodology, this analysis should be understood as an indicator of underutilization within the Merged Project Area. Any formal determination regarding the use or

[63] Sandoval and Landis. This study used Alameda County Assessor data by parcel that met the following criteria: (1) successfully geocoded, (2) had valid lot data, (3) was inside an urban footprint, and (4) met a minimum lot size of 2,000 square feet.

reuse of a particular parcel would require a site-specific analysis that is beyond the scope of this report.

c. Underperforming Businesses

Businesses in the Niles, Irvington and Centerville portions of the Merged Project Area are performing poorly relative to businesses elsewhere in Fremont, and this underperformance reflects a reduction of proper economic utilization of the Historic Areas. As discussed earlier in this Chapter, the Historic Areas exhibit high business vacancy rates and low lease rates for commercial spaces. In addition, sales tax receipts are low in the Historic Areas as compared to Fremont as a whole. Table II-22 shows the average annual sales tax receipts per establishment for each Historic Area and the City of Fremont in 2002 through 2006. Over the period, establishments in Niles collected 92 percent less sales tax than the Fremont average, indicating that these businesses sell a low volume of low-value items. The average annual level of sales tax received by establishments in Irvington and Centerville was also between 10 and 20 percent lower than the Fremont average. Data available after mid-2006 is not directly comparable to the earlier data, due to a change in collection and reporting methodology, but the pattern illustrated in Table II-22 continues to hold.

Table II-22
Comparison of Sales Tax Receipts Per Establishment, 2002–2006
Fremont Historic Areas vs. Fremont

	Adjusted Sales Tax Per Establishment ($)[a]			
	Niles Area	**Irvington Area**	**Centerville Area**	**Fremont**
2002	116	1,187	1,186	1,257
2003	105	1,124	1,223	1,207
2004	105	1,026	1,116	1,301
2005	109	906	1,025	1,253
2006	100	903	1,039	1,299
Average	**107**	**1,029**	**1,118**	**1,263**
% Difference from Fremont	-92%	-19%	-12%	

a. Adjusted to constant 2008 dollars by CPI-U (San Francisco-Oakland-San Jose, Base Period 1982-4=100).

Note: 2002 data only available from the last quarter, 2006 data only available from the first 2 quarters.

Source: Fremont Redevelopment Agency, Hinderliter, de Llamas & Associates, Seifel Consulting Inc.

In addition to low per-establishment sales, the Historic Areas have also exhibited stagnant or declining growth in sales tax receipts while sales tax throughout Fremont has grown. Table II-23 shows the change in total annual Area-wide sales tax receipts for each Historic Area and the City

of Fremont.[64] While inflation-adjusted sales tax receipts grew an average of 1.5 percent annually throughout the City during the 2002 through 2006 period, such receipts fell in Irvington and remained largely constant in Niles and Centerville. Again, data available after mid-2006 is not directly comparable to the values shown in Table II-23, but the Historic Areas continue to exhibit decreasing sales tax receipts while the City holds steady. The year-over-year change in quarterly sales tax receipts between the first quarter of 2007 and first quarter of 2008 was negative 11 percent for the Historic Areas combined, while it declined only slightly (less than 1 percent) throughout the City as a whole.[65]

Table II-23
Comparison of Sales Tax Receipts Over Time, 2002–2006
Fremont Historic Areas vs. Fremont

Prior 4 Quarters, Ending in:[a]	Niles Area		Irvington Area		Centerville Area		Fremont	
	Adjusted Sales Tax[b] ($)	Growth	Adjusted Sales Tax[b] ($)	Growth	Adjusted Sales Tax[b] ($)	Growth	Adjusted Sales Tax[b] ($)	Growth
3Q03	78,705		1,129,572		1,208,383		26,952,737	
4Q03	79,151	0.6%	1,123,828	-0.5%	1,223,343	1.2%	26,941,621	0.0%
1Q04	78,129	-1.3%	1,159,891	3.2%	1,226,220	0.2%	27,820,768	3.3%
2Q04	77,545	-0.7%	1,113,687	-4.0%	1,203,278	-1.9%	28,698,077	3.2%
3Q04	74,047	-4.5%	1,032,644	-7.3%	1,188,189	-1.3%	28,629,300	-0.2%
4Q04	76,816	3.7%	980,768	-5.0%	1,169,421	-1.6%	29,139,617	1.8%
1Q05	79,696	3.7%	913,002	-6.9%	1,135,227	-2.9%	28,868,341	-0.9%
2Q05	82,865	4.0%	902,477	-1.2%	1,113,156	-1.9%	28,252,537	-2.1%
3Q05	87,409	5.5%	947,931	5.0%	1,165,419	4.7%	29,589,500	4.7%
4Q05	83,688	-4.3%	945,586	-0.2%	1,154,057	-1.0%	30,028,566	1.5%
1Q06	81,022	-3.2%	973,386	2.9%	1,155,040	0.1%	30,761,748	2.4%
2Q06	79,404	-2.0%	986,905	1.4%	1,194,331	3.4%	31,631,350	2.8%
Average Growth		**0.1%**		**-1.1%**		**-0.1%**		**1.5%**

a. Sales tax figures reflect a sum of the prior four quarters, such that the 3Q03 value is the sum of receipts in 4Q02 through 3Q03.
b. Adjusted to constant 2008 dollars by CPI-U (San Francisco-Oakland-San Jose, Base Period 1982-4=100).

Source: Fremont Redevelopment Agency, Hinderliter, de Llamas & Associates, Seifel Consulting Inc.

Low and declining sales tax receipts indicate that retail businesses in the Historic Areas are not performing as well as businesses elsewhere in Fremont, and thus the values of these businesses are likely diminished. These diminished values result from the blight that remains in the Historic Areas and contribute to the general underutilization of the Merged Project Area.

3. Serious Physical and Economic Burden on the Community

The prevalent and substantial blighting conditions that remain in the Merged Project Area and cause a lack or reduction of the proper utilization of the Merged Project Area also constitute a serious physical and economic burden on the Fremont community and the region as a whole. The

[64] The table calculates annual figures on a continuous, "rolling" basis, such that each listed sales tax value is the sum of four quarters and the four quarters summed advances by one quarter in each line. This methodology maximizes the analysis potential of a limited number of data points and smoothes seasonal fluctuations in sales tax revenues.

[65] Sales tax data collected and reported by MBIA.

existing condition and underutilization of the Merged Project Area burden the community in at least the following respects:

- Deprives residents of Fremont and surrounding areas of potential employment opportunities.
- Hinders the enhancement of the physical environment.
- Contributes to an inadequate supply of high quality affordable and other housing.
- Deprives property and business owners of a competitive return on their investments.
- Creates an unsafe and unwelcoming environment for residents and visitors.
- Deprives the City, County, education districts, and other affected taxing entities of an expanding tax base.
- Hinders the development of a stronger economic base for the community.

4. Necessity of Further Redevelopment

As further discussed in Chapters III and IV, these conditions cannot be reversed or alleviated without continued assistance of the Agency through an increase in the cap on tax increment collection in the Industrial Area portion of the Merged Project Area as proposed by the Plan Amendment. The Plan Amendment will make available to the Agency the funds necessary to complete previously identified blight elimination activities in the Industrial Area and to undertake the Merged Redevelopment Program to alleviate the significant and prevalent remaining physical and economic blight in the three Historic Areas of the Merged Project Area. Thus, the Plan Amendment is necessary to eliminate or alleviate the blighting conditions and effectuate the proper use and development of the Merged Project Area.

III. Merged Project Area Redevelopment Program

A. Introduction

This chapter describes the Agency's Merged Redevelopment Program. The Merged Redevelopment Program builds upon the Agency's past and current redevelopment efforts, and it includes projects and activities designed to alleviate remaining blight in each Constituent Project Area and in the Merged Project Area as a whole. This chapter expands upon the Merged Project Area history and list of completed redevelopment activities described in Chapters I and II to show how the proposed Merged Redevelopment Program relates to the Agency's past expenditures and accomplishments. The chapter also summarizes the goals and objectives of the Merged Plan and explains how the projects and activities of the Merged Redevelopment Program will address these goals and alleviate the remaining blight documented in Chapter II. Finally, this chapter estimates the total cost of each proposed redevelopment activity and the complete Merged Redevelopment Program.

1. Chapter Organization

This chapter is organized into the following sections:

A. Introduction

B. History of Redevelopment Activities and Accomplishments

C. Merged Plan Goals and Objectives

D. Relationship Between the Merged Redevelopment Program and Alleviation of Blighting Conditions

E. Non-Housing Merged Redevelopment Program

F. Affordable Housing Merged Redevelopment Program

G. Summary of Program Costs

2. Merged Redevelopment Program Summary

The Merged Redevelopment Program is a comprehensive set of projects and activities designed to alleviate remaining blight in the Merged Project Area, promote economic development throughout the Fremont community, and encourage transit-oriented infill development that will create housing opportunities for residents of all income levels and reduce automobile dependency in the region. The Merged Redevelopment Program includes critical resources for transit improvements in the future, particularly the construction of a new Irvington BART station, improved linkages to the regional transit system in Centerville, and a new rail station and multimodal transit facility to serve the employees and commercial users of the Industrial Area. The Merged Redevelopment Program reaffirms the Agency's commitment to affordable housing development with nearly a third of program funds devoted to affordable housing activities. Moreover, the Merged Redevelopment Program aims to improve the quality of life of all Fremont residents through revitalized, walkable and vibrant mixed use districts within the City's historic downtown communities.

The Merged Redevelopment Program consists of both housing and non-housing activities. The Non-Housing Merged Redevelopment Program includes projects in five Merged Redevelopment Program categories:

- Regional Transit and Transportation
- Economic Development and Property Acquisition/Redevelopment
- Building Rehabilitation, Façade Improvement and Historic Preservation
- Public Infrastructure, Facilities and Landscaping
- Hazardous Materials Clean-up

The order of presentation of the non-housing program categories is for identification purposes only and is not intended to indicate the categories' relative priority.

The Affordable Housing Merged Redevelopment Program is a critical component of the Merged Redevelopment Program and refers to activities funded by the low and moderate-income housing set-aside fund.[1] The Agency's housing programs will be greatly enhanced if the Plan Amendment is adopted.

The Merged Redevelopment Program contains projects and activities that will alleviate the most significant adverse conditions identified in Chapter II. These projects will provide both immediate and long-term benefits. Some planned activities are specific to each Constituent Project Area and reflect the particular conditions and needs that make each Constituent Project Area unique. Other activities will occur throughout the Merged Project Area, and some projects will create benefits that extend beyond the borders of the Merged Project Area to enhance the region as a whole. All components of the Merged Redevelopment Program are designed to meet the objectives of the CRL and the goals and objectives of the Merged Plan.

The majority of the projects and activities that make up the Merged Redevelopment Program were previously identified and authorized as part of the existing Constituent Redevelopment Plans, last amended in 1998. Section B explains why these activities have not yet been accomplished. The Merged Redevelopment Program also includes projects and activities that will help implement the Niles and Irvington Concept Plans, the Centerville Specific Plan, and the City of Fremont General Plan, all of which have been updated or amended since 1998. The Agency has refined its goals, objectives and project list based on its accomplishments and evolving needs. The proposed Merged Redevelopment Program reflects these inputs and is designed to alleviate remaining blight as effectively and efficiently as possible.

The Agency's redevelopment efforts are ongoing, and the list of proposed programs and projects attached to the Merged Plan (Exhibit D in Appendix E) includes projects that are both in progress and planned for in the future.[2] However, this chapter defines the Merged Redevelopment Program as only those proposed projects and activities for which the Agency has not yet appropriated funds, and includes both a limited subset of projects and activities that can be funded within the current $400 million Industrial Area tax increment cap and a much larger subset of projects and activities that can be funded and undertaken only if the Plan Amendment is adopted to increase

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[1] Section E and Chapter IV describe the low and moderate-income housing set aside fund. At the Agency's discretion, housing activities may also be funded by "Non-Housing" Merged Redevelopment Program funds.

[2] See Appendix E for the Merged Redevelopment Plan, including its Exhibits.

the Industrial Area tax increment cap to the proposed $1.5 billion level. Section B describes other significant projects that are in progress and have been fully funded, and hence not included here for purposes of estimating costs and determining the financial feasibility of the Plan Amendment. Implementation of the Merged Redevelopment Program will occur over the next two decades, depending on the duration of effectiveness of the Merged Plan for each Constituent Project Area (refer to Table I-1 for a summary of Merged Project Area time limits).

The Merged Redevelopment Program will be financed from tax increment revenue generated from the Merged Project Area in combination with other leveraged private and public financial resources, described in Chapter IV. Although the Merged Redevelopment Program is an integrated and comprehensive set of projects and activities that will alleviate blighting conditions in the Merged Project Area, only a limited portion of the Program can be implemented before the $400 million cap on the receipt of Industrial Area tax increment is reached. Chapter IV estimates the resources available under the $400 million cap. This chapter describes the Merged Redevelopment Program as a whole, but it also indicates those limited projects and activities that could occur without the Plan Amendment (Pre-$400 million cap projects and activities) and those that require additional financial resources (Post-$400 million cap projects and activities).

The total estimated costs of the project and activities associated with the Non-Housing Merged Redevelopment Program are approximately $373.3 million (in constant 2010 dollars), while those associated with the Affordable Housing Merged Redevelopment Program are approximately $182.7 million (in constant 2010 dollars).[3] The total estimated Merged Redevelopment Program cost is $556.0 million, with approximately $75.7 million able to be spent within the existing $400 million cap on Industrial Area tax increment and an additional $480.3 million in projects planned with the resources made available by the Plan Amendment. Table III-1 summarizes these costs. Sections E, F and G of this chapter describe these activities and costs in more detail.

Table III-1
Merged Redevelopment Program Estimated Cost Summary
(In Million Dollars, in Constant 2010 Dollars)

	Estimated Cost		
Merged Redevelopment Program	**Pre-$400 M Cap**	**Post-$400 M Cap**	**Total**
Non-Housing Program	$41.1	$332.2	**$373.3**
Affordable Housing Program	$34.6	$148.1	**$182.7**
Total Estimated Cost of Merged Redevelopment Program	**$75.7**	**$480.3**	**$556.0**

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

B. History of Redevelopment Activities and Accomplishments

Since the adoption of Fremont's first redevelopment project areas in 1977, the Agency has invested millions of dollars in physical and economic improvements in the Niles, Irvington, Industrial, and Centerville Areas. Key accomplishments have occurred in each of the Merged

[3] The estimated Merged Redevelopment Program costs have been updated since the publication of the Preliminary Report in August 2009 to account for the modest increase in the total Merged Redevelopment Program costs since they were originally estimated for the Preliminary Report.

Redevelopment Program categories. To achieve these results, the Agency has leveraged tax increment revenues, other public funds, partnerships with other public agencies, and private investment. However, the escalating costs of several key infrastructure projects in which the Agency has participated have limited the Agency's ability to complete planned redevelopment projects throughout the Merged Project Area. This section describes the history of the Agency's activities as it relates to past accomplishments and remaining needs.

1. Redevelopment Accomplishments to Date

While Chapter II listed completed redevelopment activities in each portion of the Merged Project Area, this section highlights the major accomplishments and ongoing activities organized by the six categories of the Merged Redevelopment Program.

a. Regional Transit and Transportation

The Agency has facilitated substantial improvements to regional transportation and transit infrastructure throughout the Merged Project Area. In the Industrial Area, the Agency's tax increment funded a significant portion of the planning, reconfiguration and reconstruction of four interchanges along Interstate 880 in Fremont. Three of these interchanges, Auto Mall Parkway, Fremont Boulevard/Cushing Parkway, and Dixon Landing Road, are currently complete, with a total Agency contribution of $43 million, and the fourth (Mission Boulevard) will be completed by the end of 2009. The Agency has already committed the full $39 million required to complete the Mission Boulevard interchange, as well as the related Warren Avenue Grade Separation. These new interchanges have significantly improved circulation within Fremont, access to the industrial portions of the city, and connections between Alameda County and the South Bay/Silicon Valley. These improvements have contributed to steady economic development in the region and have eliminated a significant portion of the blight identified in the Industrial Area when it was established in 1983.

In the Irvington Area, the Washington Grade Separation project is under construction and scheduled for completion in 2010. The total cost of this project is approximately $111 million, of which the Agency has committed approximately $36 million. This project is reducing train, pedestrian and vehicular conflicts, thus enhancing safety and circulation and eliminating delays. The Washington Grade Separation will also facilitate the development of the planned BART extension to Warm Springs and the proposed Irvington BART station. The Agency has worked closely with BART in planning efforts for the Irvington station, including a $100,000 contribution for a feasibility/constructability study. In addition, the Agency has recently committed $5.3 million for early design and construction elements of the BART station, with the goal of making the overall construction process more efficient and cost effective in the long term. The construction of an Irvington BART station would improve public transportation options for residents of southern Alameda County and contribute to increased economic activity in the Irvington historic district.

The Agency has also made improvements to the Centerville Depot in the Centerville Area, including new and expanded parking for the station and the construction of Bill Ball Plaza adjacent to the station. These improvements have made Centerville a more attractive and useful station stop for both the Amtrak and ACE commuter trains and have encouraged the use of public transit in the area. More broadly, the Agency's investment thus far in the Centerville Depot as

well as the Irvington BART reflect its increasing focus on transit improvements and transit oriented development as key parts of its overall redevelopment strategy for Fremont.

b. Economic Development and Property Acquisition/Redevelopment

The Agency has led efforts to revitalize the historic commercial centers of Niles, Irvington and Centerville through activities that promote the enhanced performance of local businesses and facilitate the redevelopment of key properties. In conjunction with the Office of Economic Development, the Agency has worked with commercial property owners to refine marketing strategies, recruit tenants and enhance leasing techniques so as to maximize the economic potential of these properties. The Agency has also provided direct support to the Niles Main Street Association to expand the Association's marketing and promotional activities.

The Agency is currently in the middle of two significant property acquisition and redevelopment projects. The Niles Town Plaza will be complete in 2009 and will become a major community-gathering place on the site of the former Union Pacific Railroad property. In Centerville, the Agency acquired and cleaned up the 6.5-acre Unified Site located in the block bounded by Fremont Boulevard, Thornton Avenue, Post Street, and Bonde Way. The Agency is now in discussions with a developer to turn over the property for a new mixed-use development, and it has appropriated funds to facilitate the completion of the redevelopment effort. The redevelopment of both the Niles Town Plaza and the Centerville Unified properties required hazardous materials remediation, discussed further below.

Finally, the Agency worked with the City's Planning Division to amend the Concept Plans and zoning standards in Niles and Irvington to allow more intense development in some portions of the historic districts. These efforts will facilitate future redevelopment projects, including private investment in infill projects and more transit-oriented, concentrated mixed-use development.

c. Building Rehabilitation, Façade Improvement and Historic Preservation

The Agency has also invested key resources in the rehabilitation of deteriorated historic buildings in Niles, Irvington and Centerville. The Agency's commercial rehabilitation loan and façade improvement grant programs have contributed to the historic preservation and revitalization of buildings along Niles Boulevard, at the Five Corners intersection in Irvington, and throughout Centerville. Past grants have averaged approximately $32,000 per building, while loans averaged nearly $70,000 per building. Going forward, the Agency has combined the programs into one Commercial Rehabilitation Program, which allows greater grant and loan investment for key, targeted buildings in each Historic Area's commercial core.

In addition to these Area-wide programs, the Agency has also assisted with the preservation of specific historical resources within the community. For example, the Agency partnered with Alameda County to rehabilitate the County-owned Niles Veterans Hall. The Agency is currently working with the Center Theater Preservation Group to determine the feasibility and appropriate strategy for the renovation and reuse of the historic Center Theater in Centerville.

d. Public Infrastructure, Facilities and Landscaping

The Agency has improved public infrastructure through expenditures on streets, sidewalks and signage throughout the Merged Project Area. The Agency has widened streets, installed curbs and gutters to improve drainage, and undergrounded utilities. The Agency has also added lighting,

street trees and furniture, and gateway signs to the historic districts. One example is the recently completed Bay Street streetscape and public parking project in Irvington, which created a new public parking lot on Bay Street, undergrounded utilities, added a traffic circle, widened sidewalks, and planted street trees. Other roadway improvements recently completed or in progress include work on Osgood Road in Irvington and Niles Boulevard, I, J, and G streets in Niles. These efforts have enhanced the commercial viability of the Merged Project Area by improving circulation and making the Merged Project Area a more attractive and welcoming place to do business.

The Agency has also partnered with other public agencies on significant infrastructure projects. For example, the Agency worked with the East Bay Regional Park District (EBRPD) to make improvements to the Quarry Lakes Regional Park. This joint project involved leveraging several different funding sources to finance activities that would not have been possible for each agency acting alone. The project accomplished a specific goal of the partner agency while simultaneously directly benefiting the Merged Project Area and achieving the purpose of redevelopment.

e. Hazardous Materials Clean-up

The Agency has invested significant resources in the cleanup of contaminated soils and hazardous materials in the Merged Project Area. In the Niles Area, the Agency purchased the 5.25-acre former Union Pacific Railroad property, worked with the California Department of Toxic Substances Control (DTSC) to plan the site cleanup, and completed cleanup work in 2007. In the Centerville Area, the Agency acquired the 6.5-acre Unified Site and relocated tenants, demolished buildings, and cleaned up the property. Both sites are either ready for or in the midst of redevelopment due to these efforts. However, additional public funds will likely be necessary to complete redevelopment. In addition, the Agency has an agreement with the Alameda County Water District (ACWD) to remediate hazardous materials that affect ground water in the Merged Project Area.

f. Affordable Housing

The Agency has participated in the production or substantial rehabilitation of over 500 affordable housing units in the Merged Project Area since the adoption of each of the Constituent Project Areas.[4] Key developments include the 100-unit Irvington Terrace, 11-unit Lincoln Oaks Apartments, 17-unit Adams Avenue townhomes, 132-unit Maple Square Apartments, and several other projects in Niles, Irvington and Centerville. The types of financial assistance the Agency has provided include predevelopment, acquisition, construction and permanent gap financing. The residents of these units include first-time homebuyers, seniors, families of modest means, developmentally disabled adults, and formerly homeless individuals. Overall, the Agency's efforts have significantly increased and improved the supply of high-quality affordable housing in the Merged Project Area.

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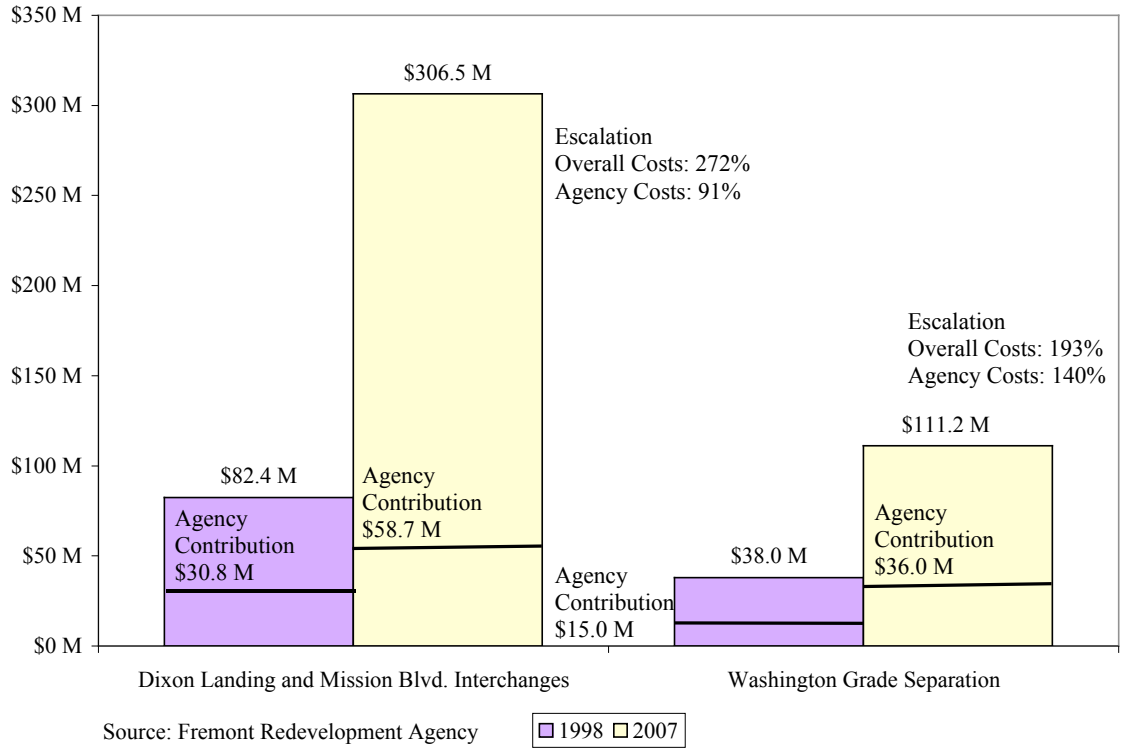
[4] "Implementation Plan for the Fremont Merged Redevelopment Project Area, FY 2008/09 to FY 2012/13," Fremont Redevelopment Agency.

2. Escalating Infrastructure Expenditures

Despite these redevelopment accomplishments, the Agency has been unable to undertake many desired redevelopment activities because the escalating costs of several key infrastructure projects have used up the available funds. The final cost of the I-880 Interchanges at Dixon Landing and Mission Boulevard will be over three times that estimated in 1998, reflecting a 272 percent increase over the 1998 estimate.[5] The Washington Grade Separation will also cost almost three times the 1998 estimate, reflecting a 193 percent increase in costs. Figure III-1 shows this relationship. These cost increases resulted from rising materials and labor costs, design improvements and environmental issues. Although the Agency has had to fund only a portion of this escalation (see Figure III-1), the Agency's obligation to these significant projects has prevented expenditures on other catalyst projects within the Merged Project Area.

Figure III-1
Estimated Costs of I-880 Interchanges and Washington Grade Separation, 1998 to 2007
(In Nominal Dollars)



Source: Fremont Redevelopment Agency

As described in Chapter I, a key purpose of the 1998 Amendments and Merger was to allow the sharing of tax increment among the Constituent Project Areas. At the time, the Agency expected that the I-880 interchanges as well as the additional Industrial Area projects authorized in 1998 (particularly the multi-modal transit facility and the business and learning center, described in

[5] The Auto Mall Parkway and Fremont Boulevard interchanges were completed prior to 1998 and thus did not impact other Agency activities during the past 10 years.

more detail below) would be completed within the $400 million cap on Industrial Area tax increment. The Agency also expected that Industrial Area funds would remain after the Industrial Area projects were completed, and that these additional funds would allow the Agency to sponsor projects in the Historic Areas that tax increment from each of these areas alone could not support. However, this sharing of funds has not occurred because of the increased costs of the interchanges, and the Agency's additional contributions to the Washington Grade Separation in Irvington have further depleted its resources.

As discussed above, both the I-880 interchanges and the Washington Grade Separation are nearing completion, and the Agency has appropriated all funds necessary to ensure their completion in 2009 (Mission Boulevard Interchange) or 2010 (Washington Grade Separation). Furthermore, tax increment generation in the Industrial Area is healthy due to the industrial and commercial development the interchanges helped facilitate. Therefore, the Industrial Area increment could now help the Agency finance historic area revitalization and regional economic development, as the Agency envisioned in 1998. However, as Chapter IV will demonstrate, Industrial Area tax increment collections are nearing the existing $400 million cap, and therefore the resources available from the Industrial Area are limited unless the cap is raised in accordance with the proposed Plan Amendment.

3. Remaining Activities Unfunded

As a result of the escalating interchange and grade separation costs, other planned projects in both the Historic Areas and the Industrial Area have not yet occurred. Chapter II documented that significant adverse physical and economic conditions remain in the Merged Project Area, particularly in the Historic Areas. Therefore, additional redevelopment activities are necessary for the Agency to be able to build on its accomplishments to date and facilitate the continued elimination of remaining blight and revitalization of the Merged Project Area.

The Merged Redevelopment Program comprises those projects and activities that the Agency has identified as necessary for the alleviation of remaining blight in the Merged Project Area. The remainder of this chapter discusses how these projects and activities achieve the goals and objectives of the CRL and the Merged Plan, demonstrates how these projects and activities will alleviate the remaining blight in the Merged Project Area that was documented in Chapter II, and presents the estimated costs of these projects and activities. Chapter IV presents the estimates of available resources that prove that the Merged Redevelopment Program cannot be achieved without the Plan Amendment.

C. Merged Plan Goals and Objectives

The Merged Plan lists a series of goals and objectives designed to guide the Merged Redevelopment Program. These goals are consistent with the goals of the previously adopted Constituent Redevelopment Plans, because the Agency seeks to build upon the efforts of previous community planning and redevelopment activities.

The underlying principles of the Merged Plan are to:

1. Revitalize areas that exhibit physical and economic blight.
2. Stimulate private investment and appropriate development.

3. Improve transit, circulation, public infrastructure and public facilities.
4. Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.
5. Create affordable housing.

The Merged Plan lists goals and objectives in several categories, including overall goals for the Merged Project Area, goals for each Constituent Project Area, and goals for the provision of affordable housing. Specific goals in many of these categories are overlapping and complementary, so Tables III-2 and III-3 consolidate and summarize these goals for the Non-Housing and Affordable Housing Merged Redevelopment Programs, respectively.

Table III-2 summarizes the goals of the Non-Housing Merged Redevelopment Program. In keeping with the structure of the Merged Plan, Table III-2 breaks these goals into separate categories for Merged Project Area goals, Historic Areas goals and Industrial Area goals. Table III-3 summarizes the goals of the Affordable Housing Merged Redevelopment Program.

Table III-2
Summary of Merged Redevelopment Plan Non-Housing Goals and Objectives
Fremont Merged Redevelopment Plan

Non-Housing Merged Redevelopment Program Goals:
Merged Project Area
* Eliminate adverse physical and economic conditions, including the provision of public infrastructure improvements that will stimulate private sector reinvestment.
* Promote pedestrian-oriented uses and spaces and improve safe and convenient pedestrian and bicycle circulation between and within neighborhoods and commercial districts.
* Improve circulation and accessibility by improving the relationship between the Merged Project Area and the regional highway network, railroad and mass transit systems, including BART, to promote Fremont, and specifically the Merged Project Area, as a growth corridor for regional development.
* Develop a harmonious unified streetscape in commercial areas, including lighting, signage, street trees and furniture, consistent with design guidelines and standards.
* Preserve and create civic, cultural, recreational, and educational facilities and amenities as a catalyst for revitalization.
* Develop additional adequately sized neighborhood park space, including playground equipment, to serve existing and future residents.
* Encourage parking consolidation and development of new parking facilities, respecting the rights and needs of property owners, while enhancing public access to commercial areas.
* Enhance traffic flow along streets serving the Merged Project Area, while reducing traffic intrusion in residential neighborhoods.
Historic Areas
* Eliminate or renovate substandard buildings and those conflicting with the General Plan's proposed uses.
* Enhance the historic community business districts, including attracting, retaining and expanding neighborhood-serving commercial facilities, complementary restaurants and specialty retail uses in coordination with Citywide economic development programs, making these areas destination points for workers and residents throughout Fremont and the vicinity.
* Conserve local historic resources and buildings that highlight the Historic Area's heritage.
* Promote and attract tourism-based businesses, where appropriate (Niles).
* Create sites of adequate shape and size for redevelopment in accordance with an appropriate development plan by assembling smaller and irregular-shaped parcels.
* Develop public plaza(s) to serve as public gathering places or focus points for residents, employees and customers in commercial areas.
* Conserve and enhance existing residential neighborhoods through circulation, open space and other public improvements.
Industrial Area
* Provide the residents of Fremont with a balance between housing and job opportunities.
* Create employment and life-long learning opportunities for people educated in the community's school system, and for community residents displaced from jobs in declining sectors of the regional economy.
* Facilitate the full development of the Industrial Area portion of the Merged Project Area as called for in the General Plan without the intolerable levels of traffic congestion and attendant environmental problems that have plagued other rapidly expanding industrial areas.
* Retain, attract and centralize high-growth, clean industries and businesses to benefit Fremont, the Bay Area and the entire state, thus avoiding a) the premature spread of development to less accessible areas on the region's fringes and resulting increases in commuter travel times, energy consumption, air pollution, and absorption of prime agricultural lands and b) the loss of such desirable industries and businesses to aggressive competition from the Sunbelt, other states and abroad.
* Assure full utilization of the existing surrounding public infrastructure, including the regional highway network, railroad and mass transit systems.

Source: Fremont Merged Redevelopment Plan, Part IV; Seifel Consulting Inc.

Table III-3
Summary of Merged Plan Affordable Housing Goals and Objectives
Fremont Merged Plan

Affordable Housing Merged Redevelopment Program Goals:
* Create residential opportunities for all segments of the community, including providing quality affordable housing through facilitating the construction of new and preservation of existing affordable housing.
* Increase ownership opportunities for Fremont first-time homebuyers, thereby stabilizing and enhancing neighborhoods.
* Conserve and enhance existing residential neighborhoods, thereby preventing neighborhood deterioration and arresting blight, through housing rehabilitation assistance to homeowners and acquisition and rehabilitation of apartments to secure affordable rents.
* Encourage residential development in appropriate locations.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

These goals will continue to guide the implementation of the Merged Redevelopment Program and future development and investment in the Merged Project Area. The projects and activities of the Merged Redevelopment Program have been designed to achieve these goals. The Merged Plan goals described here are subject to modification and refinement through the periodic adoption and amendment of the Agency's five-year implementation plan in accordance with Health and Safety Code Section 33490.

D. Relationship Between the Merged Redevelopment Program and Alleviation of Blighting Conditions

As described above, the foremost objective of the Merged Plan is to eliminate physical and economic blight in the Merged Project Area. Therefore, the projects and activities that comprise the Merged Redevelopment Program have been carefully crafted to alleviate the adverse conditions that remain in the Merged Project Area, as well as to achieve the specific goals listed in Tables III-2 and III-3. These projects and activities are necessary because the Merged Project Area continues to exhibit substantial and prevalent blighting conditions that constitute a serious physical and economic burden on the community, as documented in Chapter II and summarized below.

This section shows how the Merged Redevelopment Program meets the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. Following a brief recap of Merged Project Area blighting conditions in subsection 1 below, subsection 2 explains how each activity category of the Merged Redevelopment Program will alleviate these blighting conditions. Table III-4 provides a further summary of the relationship between the remaining blighting conditions and the projects and activities proposed to alleviate these conditions. Finally, Appendix F offers a detailed analysis of how the Merged Redevelopment Program projects and activities will eliminate the documented remaining blight in the Merged Project Area. Appendix F is incorporated into the following discussion by reference.

1. Summary of Remaining Blight in the Merged Project Area

a. Historic Areas

As described in Chapter II, the Historic Areas suffer from adverse physical and economic conditions that inhibit the use of buildings or lots and impede efficient and economically feasible development. These conditions, such as unsafe and unhealthy buildings, substandard and irregular lots in multiple ownership, incompatible and non-conforming land uses, and the presence of hazardous materials and contaminated sites hinder revitalization and development. As a result of these conditions, the Historic Areas exhibit impaired property values, high business vacancies and low lease rates, and a high crime rate.

Unsafe or Unhealthy Buildings

Many buildings in the Historic Areas are unsafe or unhealthy due to a combination of factors. A large proportion of the buildings are old and many suffer from deferred maintenance. The deficiencies and deterioration associated with these buildings create structural vulnerability in earthquakes, fire hazards and other health risks. Collectively, these conditions render the buildings unsafe and unhealthy. The prevalence of serious building code violations is further evidence of unsafe and unhealthy buildings throughout the Historic Areas.

Conditions Hindering Viable Use of Buildings or Lots

Older buildings in the Historic Areas also possess features inconsistent with current development standards, such as fire and safety codes, and uses and designs that lack conformance with the latest general plan or zoning map. Such buildings, distributed throughout the Historic Areas, lack capacity for feasible reuse, and the deterioration that results from their age can make the cost of addressing these types of obsolescence prohibitive.

Adjacent or Nearby Incompatible Uses

Incompatible land uses can prevent development due to undesirable influences of one land use on the other. For example, houses along Mission Boulevard in the Niles Area and along Osgood Road in the Irvington Area are exposed to pollution, noise and vibrations that emanate from the adjacent railroad lines. Residential uses interspersed with high traffic generating commercial and light industrial uses impair the value and function of both use types, as homes are exposed to traffic and fumes and commercial buildings may experience blocked access and a lack of complementary businesses nearby.

Irregular Lots in Multiple Ownership

Lots of irregular size and shape in multiple ownership exist throughout the Historic Areas as a result of early subdivision practices and the presence of railroad and street rights-of-way. These lots are often difficult to develop without combining and reshaping parcels.

Impaired Property Values Due to Hazardous Wastes

Hazardous wastes due to railroad uses exist in the Niles and Irvington Areas, while those due to automobile-related land uses (sales, service, repair, gasoline) and past or current industrial activities exist throughout the Historic Areas. The risks associated with liability and cleanup of such wastes tend to impair property values both on and around afflicted sites.

Indicators of Economically Distressed Buildings

Vacant businesses, low lease rates, and abandoned buildings exist throughout the Historic Areas, creating a cycle of insufficient rents to upgrade buildings, further deferred maintenance, and further depressed lease rates and underutilization of buildings.

Serious Lack of Neighborhood Commercial Facilities

The Niles Area lacks many basic services usually located in neighborhood commercial districts, such as a full-service grocery store and pharmacy, resulting in unmet needs of current residents and limited neighborhood appeal for potential residents and visitors.

High Crime Rates

Crime rates for Part I crimes (the most serious category of crimes in the police reporting system) are significantly higher in the Historic Areas than in the City of Fremont as a whole. Such crimes work against the neighborhoods' efforts to promote economically vibrant communities and businesses.

Inadequate Public Improvements

Deficient and inadequate public infrastructure exists throughout the Historic Areas, exacerbating other blighting conditions and deterring revitalization. Irregular street patterns and widths, railroad tracks traversing streets and deteriorated grade crossings, and unimproved and non-paved roads impede vehicular and pedestrian circulation and increase accident risk. Pedestrian activity is hindered throughout by a lack and deterioration of sidewalks, curbs and gutters, and inadequate street improvements such as landscaping, lighting, and signage. The Historic Areas' insufficient public spaces and facilities, such as parks, central plazas, and civic, cultural and recreational centers inhibit healthy economic development and detract from residential attractiveness. Infrastructure systems such as sewer and storm drainage systems are deteriorated and inadequate in parts of Niles and Irvington Areas. Finally inadequate circulation and accessibility, due to insufficient regional transit and transportation capacity, deters visitors, limits the region's attractiveness for potential residents and constrains commercial activities and development.

b. Industrial Area

As described in Chapter II, the Industrial Area suffers from adverse conditions that inhibit the use of properties within the Area and impede development. These conditions fall into the general categories of economic blight and inadequate public improvements.

Economic Blight

A lack of an adequate number of skilled workers to meet the needs of the high technology industry has been identified as a major hindrance to the long-term competitiveness and success of industry in the Industrial Area and throughout the region.

Inadequate Public Improvements

The narrow width of key arterial streets in the Industrial Area, such as Fremont Boulevard, results in congestion and inadequate accessibility, hindering commercial development and activity. Furthermore, the lack of a major transit station is a major contributing factor to the Industrial Area's inaccessibility and the Area's yet unmet economic development potential.

2. Redevelopment Project Categories to Alleviate Deficiencies

To address these deficiencies, the Merged Redevelopment Program consists of projects and activities organized into six major categories:

- Regional Transit and Transportation
- Economic Development and Property Acquisition/Redevelopment
- Building Rehabilitation, Façade Improvement and Historic Preservation
- Public Infrastructure, Facilities, and Landscaping
- Hazardous Materials Clean-up
- Affordable Housing

This section describes each Merged Redevelopment Program category, including examples of proposed project activities, and identifies the blighting conditions that the projects will alleviate. Table III-4 is a matrix summarizing the relationship between the remaining blighting conditions and the projects and activities proposed to alleviate these conditions. Please refer to Appendix F for a more detailed explanation of the manner in which the various projects and activities comprising the Merged Redevelopment Program will alleviate documented remaining blight throughout the Merged Project Area.

a. Regional Transit and Transportation

The Agency aims to increase and improve public and mass transit to and within the Merged Project Area to stimulate commercial, industrial and residential development and activity within the Merged Project Area and throughout the region. Proposed projects in the category of Regional Transit and Transportation include construction of an Irvington BART station, a multi-modal transit facility in the Industrial Area, enhancement of regional transit connections through investment in the Centerville Depot, and grade crossing improvements. These projects are designed to alleviate inadequate public improvements such as a lack of public transit, poor circulation, and inaccessibility. By encouraging private sector reinvestment, they will also reduce the prevalence of unsafe and unhealthy buildings, incompatible uses, irregular lots and economically distressed buildings in the Merged Project Area. The planned transit improvements will promote high-density infill mixed-use development, including affordable housing, that will further statewide goals for transit-oriented land use development and strengthen the general economic vitality of the region.

b. Economic Development and Property Acquisition/ Redevelopment

The Agency aims to support enhanced business performance and stimulate private development and redevelopment in the Merged Project Area. Proposed projects in the category of Economic Development and Property Acquisition/Redevelopment include recruitment of new specialty retailers and restaurants, provision of business development resources to small businesses, strategic property acquisition and preparation for private sector redevelopment, facilitation of redevelopment on key target sites throughout the Merged Project Area, and development of a business and learning facility strategically placed in the Industrial Area.

These projects will collectively alleviate blight in all the physical and economic categories identified in Chapter II. They will eliminate unsafe and unhealthy buildings, overcome conditions hindering the viable use of buildings or lots, address adjacent or nearby incompatible uses, and

consolidate irregular lots in multiple ownership. They will also remove hazardous wastes that impair property values of some parcels in the Merged Project Area, reduce indicators of economically distressed buildings such as business vacancies and low lease rates, encourage neighborhood commercial facilities to locate in Niles (where they are currently lacking), facilitate a reduction in crime rates, and generally promote the economic development of the Merged Project Area and the region.

c. Building Rehabilitation, Façade Improvement and Historic Preservation

The Agency aims to conserve local historic resources while simultaneously improving the physical appearance and safety of buildings in the Merged Project Area. Proposed projects in the category of Building Rehabilitation, Façade Improvement and Historic Preservation include historic building assessments, façade improvement and commercial rehabilitation loans and grants, graffiti abatement, and seismic retrofits and upgrades. These projects will rehabilitate unsafe and unhealthy buildings in the Historic Areas, with a particular focus on reducing the seismic vulnerability of many such buildings. Building rehabilitation will also reduce the incidences of conditions that hinder the viability of buildings and lots, through upgrades of structures and internal systems. Efforts in this Merged Redevelopment Program category are also intended to reduce business vacancies and increase lease rates post-rehabilitation. Finally, graffiti abatement activities will complement crime-fighting efforts and general commercial revitalization to reduce crime rates in the Merged Project Area.

d. Public Infrastructure, Facilities and Landscaping

The Agency aims to make strategic investments in public infrastructure to help stimulate private investment in the Merged Project Area. Proposed projects in the category of Public Infrastructure, Facilities, and Landscaping include neighborhood streetscape, sidewalk and signage improvements, circulation and other traffic operation improvements for local-serving streets, public recreational facility development, and other capital projects of regional benefit. These projects are designed to alleviate physical blight in the categories of conditions hindering the viable use of buildings or lots and adjacent or nearby incompatible uses, because they will reduce conflicts between railroads/busy streets and residential/commercial land uses. They will also encourage the private sector to rehabilitate and redevelop unsafe and unhealthy buildings to take advantage of the new amenities. The projects will alleviate economic blight in the categories of indicators of economically distressed buildings and high crime rates, because they will improve the appearance and overall functionality of the commercial districts, including increased lighting. Local and region-serving recreational facilities funded through the Merged Redevelopment Program will both enhance neighborhood attractiveness and promote economic revitalization of the Merged Project Area by attracting additional visitors to local businesses. Finally, projects in this Merged Redevelopment Program category will alleviate specific incidences of inadequate public improvements and eliminate safety hazards throughout the Merged Project Area.

e. Hazardous Materials Clean-up

The Agency aims to provide assistance for the clean-up of hazardous materials sites in those cases where it has been determined infeasible for the private sector to accomplish this activity in a timely manner. Hazardous materials clean-up efforts will alleviate the blighting conditions of unsafe or unhealthy buildings, conditions hindering the viable use of buildings or lots, adjacent or nearby incompatible uses, and impaired property values due to hazardous wastes.

f. Affordable Housing

The Agency aims to enhance the supply and condition of affordable housing throughout the Merged Project Area. Proposed projects in the category of Affordable Housing include loans and technical assistance for new affordable housing projects, apartment acquisition and rehabilitation, and homeowner loan programs. These projects will alleviate unsafe and unhealthy buildings and conditions that hinder the viable use of buildings and lots through rehabilitation and investment in new properties. New housing construction will also increase the residential population and hence the demand for services in the commercial districts, which will raise lease rates and lower business vacancies, thus reducing the prevalence of indicators of economically distressed buildings. New and rehabilitated housing units will create safe housing opportunities for residents at all income levels, potentially reducing crime rates in the Merged Project Area. Finally, increased affordable housing is important for the economic competitiveness of the Merged Project Area and the region as a whole, because it supports the ability of employees to live near their jobs and thus increases the desirability of the area as an employment center.

Table III-4
Summary of How the Merged Redevelopment Program Will Eliminate Blight
Fremont Merged Project Area

Blight Condition	Merged Redevelopment Program Category					
	1	2	3	4	5	6
	Regional Transit and Transportation	Economic Development & Property Acquisition/ Redevelopment	Building Rehabilitation, Façade Improvement and Historic Preservation	Public Infrastructure, Facilities & Landscaping	Hazardous Materials Clean-up	Affordable Housing
Physical Blight						
Unsafe or Unhealthy Buildings	■	■	■	■	■	■
Conditions Hindering Viable Use of Buildings or Lots		■	■	■	■	■
Adjacent or Nearby Incompatible Uses	■	■		■	■	
Irregular Lots in Multiple Ownership	■	■				
Economic Blight						
Impaired Property Values Due to Hazardous Wastes		■			■	
Indicators of Economically Distressed Buildings	■	■	■	■		■
Serious Lack of Neighborhood Commercial Facilities		■				
High Crime Rates		■	■	■		■
Inadequate Public Improvements	■			■		

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

E. Non-Housing Merged Redevelopment Program

The Non-Housing Merged Redevelopment Program consists of projects in five Merged Redevelopment Program categories:

- Regional Transit and Transportation
- Economic Development and Property Acquisition/Redevelopment
- Building Rehabilitation, Façade Improvement and Historic Preservation
- Public Infrastructure, Facilities, and Landscaping
- Hazardous Materials Clean-up

This section describes the projects and activities that fall within each Non-Housing Merged Redevelopment Program category, the blighting conditions these projects are designed to alleviate, and the estimated costs of each activity.

Some program activities apply to more than one Constituent Project Area and address blighting conditions common to multiple Constituent Project Areas (particularly the Historic Areas), while other projects are area-specific and address the specific needs of one Constituent Project Area. In order to streamline the discussion of activities, blight alleviation and costs, this section presents all projects grouped by program category rather than by Constituent Project Area. However, the descriptions and accompanying tables indicate the locations to which each project applies. Some projects address the needs of the Merged Project Area and the region as a whole.

The Non-Housing Merged Redevelopment Program includes a comprehensive list of projects and activities that the Agency has identified as necessary to alleviate the remaining blight in the Merged Project Area and achieve the goals and objectives of the Merged Plan.[6] However, the total cost of the Non-Housing Merged Redevelopment Program significantly exceeds the resources available to the Agency under the $400 million cap on tax increment in the Industrial Area. Chapter IV estimates these resources. Therefore, the subsections below describe the entire Non-Housing Merged Redevelopment Program, but the cost estimates indicate which projects and activities would occur within the $400 million cap (sometimes referred to as "Pre-$400 million cap" projects) and which would only be possible with the Plan Amendment to raise the $400 million cap (sometimes referred to as "Post-$400 million cap" projects). In some cases, Pre-$400 million cap projects and activities are distinct from Post-$400 million cap projects and activities, while in other cases Post-$400 million cap project and activities are the continuation, expansion and completion of Pre-$400 million cap projects and activities.

1. Regional Transit and Transportation

Regional Transit and Transportation projects and activities will increase and improve public and mass transit to and within the Merged Project Area, as well as enhance private transportation capacity. These efforts will stimulate commercial, industrial and residential development and activity in the Merged Project Area and throughout the region. The projects are designed to

[6] As discussed in Section A, the description and analysis of the Non-Housing Merged Redevelopment Program presented in this section does not include ongoing projects and activities for which the Agency has already appropriated all necessary funds. Section B highlighted those projects.

reflect the emphasis of the Agency's overall redevelopment strategy on transit improvement and transit-oriented development. While most of the projects will occur within specific Constituent Project Areas, they will alleviate inadequate transit-related public improvements and promote economic development throughout the Merged Project Area and the region.

a. Redevelopment Program

Regional Transit and Transportation projects and activities include the following:

- Irvington BART Station—Design and construct the Irvington BART Station, in partnership with BART and other local agencies.
- Rail Station and Multimodal Transit Facility—Construct a station for rail service to the Industrial Area, including a multimodal transit facility and surrounding parking and access improvements.
- Regional Transit Stations and Connections—Assist in the construction of stations and connectors to local, regional and national transportation systems, including a second platform at the Centerville Depot to accommodate continued growth in train service.
- Grade Crossing Improvements—Improve grade crossings as necessary throughout the Merged Project Area.

b. Relationship Between Projects and Activities and Blight Alleviation

As described in Section D, Regional Transit and Transportation projects and activities will alleviate the following blighting conditions in the Merged Project Area:

- Unsafe and Unhealthy Buildings
- Adjacent or Nearby Incompatible Uses
- Irregular Lots in Multiple Ownership
- Indicators of Economically Distressed Buildings
- Inadequate Public Improvements

In addition, projects in this Merged Redevelopment Program category will increase the availability of environmentally-friendly transportation options in the region. They will also promote high-density infill mixed-use development, including affordable housing, that will further statewide goals for transit-oriented land use development and strengthen the general economic vitality of the region. Appendix F describes the specific blight-alleviating properties of each proposed project.

c. Estimated Costs

Regional Transit and Transportation projects and activities will cost an estimated $122.2 million in 2010 dollars. The estimated cost of the Irvington BART station comes from BART staff, and the total has been reduced by the $5.3 million that has already been appropriated for early design and construction. City engineers provided cost estimates for the other three projects based on past experience. None of these projects can be funded within the existing $400 million Industrial Area tax increment cap and consequently can be undertaken only if the Plan Amendment is adopted. Table III-5 shows the costs for each project.

Table III-5
Estimated Cost of Regional Transit and Transportation Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Irvington BART Station	Irvington	N/A	$95.0
Rail Station & Multimodal Transit Facility	Industrial	N/A	$20.9
Regional Transit Stations & Connections	Centerville	N/A	$4.2
Grade Crossing Improvements	All Areas	N/A	$2.1
Subtotal Regional Transit & Transportation		$0.0	$122.2

2. Economic Development and Property Acquisition/Redevelopment

Economic Development and Property Acquisition/Redevelopment projects and activities will support enhanced business performance and stimulate private development and redevelopment in the Merged Project Area. This Merged Redevelopment Program category includes both general commercial enhancement and redevelopment facilitation activities that the Agency plans to implement throughout the Merged Project Area, as well as projects for specific target sites that the Agency has identified as key for the revitalization of each Constituent Project Area.

a. Redevelopment Program

Economic Development and Property Acquisition/Redevelopment projects and activities include the following:

- Retail Marketing, Business Recruitment and Business Development—Engage in retail marketing and business recruitment, focusing on retailer types that reflect the individual identity, history and goals/plans of each Historic Area; and provide business development resources (e.g., seminars, workshops, written materials) to small business owners, in conjunction with the Office of Economic Development.
- Development Opportunities/Commercial Revitalization—Invest in opportunity sites as necessary to facilitate commercial redevelopment and revitalization.
- Conceptual Planning Assistance to Property Owners of Key Sites—Work with property owners to create feasible strategies for redevelopment of key sites in a manner consistent with plans for each Historic Area.
- UP Phase II Redevelopment—Explore strategy for the redevelopment of the former Union Pacific (UP) property for commercial and residential development opportunities; initiate site disposition activities; and redevelop site for future mixed uses. (Niles)
- Opportunities for Economic Development and Visioning—Facilitate development of commercial enhancement and economic development opportunities throughout the Historic Areas.
- Concept Plan/Specific Plan Implementation—Implement projects in various locations within the Historic Areas, consistent with the Niles Concept Plan, the Irvington Concept Plan, and the Centerville Specific Plan.

- Property Acquisition—Acquire properties to stimulate private development for future redevelopment/economic development opportunities throughout the Historic Areas.
- Public and Private Parking Facilities—Provide increased municipal parking resources in the central portion of each Historic Area, in order to attract commercial development and accommodate further growth.
- Monument Center Redevelopment—Facilitate private sector redevelopment of the Monument Center site. (Irvington)
- Bay Street Properties Redevelopment—Facilitate redevelopment of selected Bay Street properties for future mixed uses. (Irvington)
- Main Street Properties Redevelopment—Facilitate redevelopment of selected Main Street properties for future mixed uses. (Irvington)
- Peralta Gas Station Site Redevelopment—Facilitate private sector redevelopment of the former Peralta Gas Station site. (Centerville)
- Fire Station 6 Site Re-Use—Facilitate re-use of the former fire station 6 site. (Centerville)
- Henkel Site Redevelopment—Facilitate private sector redevelopment of the Henkel site. (Niles)
- Tourist/Visitor Attraction Program—Develop Niles as a tourist/visitor-serving location, including the creation of a marketing plan to help tourists/visitors, development of a program to attract restaurants and other retail, development/support and implementation of an events program, and promotion of the Historic Train.
- Entertainment & Cultural Venues to Support the Commercial Districts—Encourage the development of entertainment and cultural venues in the Historic Areas, including the restoration of the Center Theater and the historic Irvington Depot.
- Business and Learning Center—Contribute predevelopment funds to engage a private partner in the construction of a Business and Learning Center in the Industrial Area to provide advanced technology, life-long learning facilities and resources.

b. Relationship Between Projects and Activities and Blight Alleviation

As described in Section D, Economic Development and Property Acquisition/Redevelopment projects and activities will alleviate blight in all the statutorily-defined physical and economic blight categories present in the Merged Project Area and documented in Chapter II:

- Unsafe or Unhealthy Buildings
- Conditions Hindering the Viable Use of Buildings or Lots
- Adjacent or Nearby Incompatible Uses
- Irregular Lots in Multiple Ownership
- Impaired Property Values Due to Hazardous Wastes
- Indicators of Economically Distressed Buildings
- Serious Lack of Neighborhood Commercial Facilities
- High Crime Rates

These projects and activities will also improve the overall economic condition and vitality of the Merged Project Area and the region. Appendix F describes the specific blight-alleviating properties of each proposed project.

c. Estimated Costs

Economic Development and Property Acquisition/Redevelopment projects and activities will cost an estimated $110.0 million in 2010 dollars. Of this total cost, only $24.4 million will be able to be funded within the existing $400 million Industrial Area tax increment cap. As Table III-6 shows, the majority of the projects (costing an estimated $85.7 million) will be possible only with the Plan Amendment and the increase of the Industrial Area tax increment receipt cap to $1.5 billion.

Table III-6
Estimated Cost of Economic Development and Property Acquisition/Redevelopment Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Retail Marketing, Business Recruitment and Business Development	Historic Areas	$1.5	N/A
Development Opportunities/Commercial Revitalization	Historic Areas	$4.0	N/A
Conceptual Planning Assistance to Property Owners of Key Sites	Historic Areas	$9.7	N/A
UP Phase II Redevelopment	Niles	$9.1	$11.0
Opportunities for Economic Development and Visioning	Historic Areas	N/A	$2.1
Concept Plan/Specific Plan Implementation	Historic Areas	N/A	$3.1
Property Acquisition	Historic Areas	N/A	$22.5
Public & Private Parking Facilities	Historic Areas	N/A	$9.4
Monument Center Redevelopment	Irvington	N/A	$13.1
Bay Street Properties Redevelopment	Irvington	N/A	$2.6
Main Street Properties Redevelopment	Irvington	N/A	$2.6
Peralta Gas Station Site Redevelopment	Centerville	N/A	$1.0
Fire Station 6 Site Reuse	Centerville	N/A	$1.0
Henkel Site Redevelopment	Niles	N/A	$6.2
Tourist/Visitor Attraction Program	Niles	N/A	$1.0
Entertainment & Cultural Venues to Support the Commercial Districts	Historic Areas	N/A	$7.3
Business and Learning Center	Industrial	N/A	$2.6
Subtotal Ec. Dev. & Redevelopment		$24.4	$85.7

Expenditures in this Merged Redevelopment Program category include small-scale, ongoing investments in business development activities ($150,000–$200,000 per Historic Area per year), moderate investments in redevelopment strategy and planning ($75,000–$200,000 per project for initial work), and significant, multi-million dollar investments for land acquisition, site assembly, improvements, and financial assistance for the redevelopment of strategic catalyst sites throughout the Merged Project Area.

The Agency has budgeted most of the $24.4 million able to be spent within the existing Industrial Area cap on ongoing activities. The Retail Marketing, Business Recruitment and Business Development program currently allocates $60,000 dollars a year to each Area with the exception of Niles, which will receive an extra $750,000 a year for the next three years in order to engage in specific commercial revitalization and transit enhancement activities. Under Development Opportunities/Commercial Revitalization, the Agency plans to focus on development opportunities in the vicinity of the Bill Ball Plaza in Centerville and has budgeted $4 million for this effort. Of the $9.7 million intended for Conceptual Planning Assistance to Property Owners, $8.9 million is dedicated to ongoing pre-development activities such as design work and potential land acquisition on Main, High and Bay Streets in Irvington, in preparation for the redevelopment projects on those streets to be implemented in the Post-$400 million cap period. Lastly, within the $400 million cap, the Agency can begin UP Site Phase II redevelopment work, including acquiring the property and providing Disposition and Development Agreement (DDA) assistance for approximately $4.0 million and performing environmental remediation for approximately $3.0 million, as estimated by the City's Engineering Department, plus contingency and soft costs.

In the Post-$400 million cap period, the Agency will be able to build upon and complete various projects funded and initiated within the existing cap, as well as commence new ventures. The Agency would continue the UP Site Phase II redevelopment, largely through a development subsidy of approximately $11.0 million to support hard construction costs. Under the Opportunities for Economic Development/Visioning project, the Agency has budgeted $150,000 to $200,000 per year for 10 years to work with business associations in the Historic Areas and the City's Economic Development staff, building upon retail support and commercial revitalization efforts funded within the existing cap. The Agency has also budgeted approximately $1 million per Historic Area for Concept Plan/Specific Plan Implementation, for activities such as zoning amendments and related improvements that will help realize the vision of each Area's Concept or Specific Plan.

The various property acquisition, parking development and redevelopment/re-use projects that make up the Post-$400 million cap Merged Redevelopment Program represent a combination of ongoing and new efforts, and their associated costs have been estimated by the City's Engineering Department. Expenditure of $22.5 million for Property Acquisition includes $4.2 million for Centerville (for the Peralta Gas Station, Center Theatre, and some properties near Bill Ball Plaza), $7.8 million for Irvington (including an allocation for High Street of $5.6 million for land/improvement and relocation), and $10.5 million for Niles (for a portion of the Henkel site acquisition). The $9.4 million for parking facilities, intended to complement ongoing commercial revitalization activities, is based on projected development costs of $8,000 to $12,000 per parking space. The total figure includes $5.2 million for Centerville (with a focus on acquiring land for parking near Maple and Peralta Streets and behind commercial properties on Fremont Boulevard) and $2.1 million each for Niles and Irvington (representing anticipated funding for future parking opportunity sites). Most redevelopment and re-use projects build upon pre-development and land acquisition activities and their costs range according to scale of

activities and size of land. For example, the Monument Center costs are relatively higher as they include acquisition costs, potential site assembly and financial assistance to a private entity to redevelop the 6.3-acre site, which currently possesses an underperforming shopping center with multiple long-term leases. Bay Street and Main Street properties' redevelopment costs are much less as they represent potential property acquisition of an acre of land in each location at approximately $2.6 million per acre. Similarly, the Peralta Gas Station and Fire Station 6 sites are small and either do not require extensive Agency work (Fire Station 6) or have some additional moneys budgeted under a different redevelopment program category (hazardous materials remediation in the case of the Peralta Gas Station). The Henkel site redevelopment project covers $6.2 million in financial and development assistance to a private entity, estimated as the cost to overcome significant development challenges at the site.

The remainder of projects in the Economic Development and Redevelopment category mainly represent new efforts, and the associated cost estimates are based on related Agency experience, agreements with other entities, and/or the City's Engineering Department. The $1.0 million cost of the Tourist/Visitor Attraction Program is based on an agreement in which the Agency pays the Niles Essanay Silent Film Museum $100,000 per year for 10 years for the implementation of the Golden Spike Program, which includes economic development and promotional activities to enhance the Niles district's attractiveness for visitors. Promotion of entertainment and cultural venues includes a $5 million dollar budget for the rehabilitation of the Center Theater, and over $2 million for both the relocation and rehabilitation of the Irvington Depot and also some rehabilitation work on the Historic Winery site near the proposed BART station. The Center Theater budget, accounting for land, relocation and physical improvements costs, is based on the Theater's business plan while the estimates for the other two projects are derived from the historic costs of the Centerville Depot move and rehabilitation ($1.2 million several years ago). Finally, the Agency's projected contribution for the Business and Learning Center is based on its recent experience with other public-private partnerships and the Engineering Department's estimate of total project costs.

3. Building Rehabilitation, Façade Improvement and Historic Preservation

Building Rehabilitation, Façade Improvement and Historic Preservation projects and activities will conserve local historic resources while simultaneously improving the physical appearance and safety of buildings in the Merged Project Area. The Agency will implement projects in this Merged Redevelopment Program category throughout the Historic Areas.

a. Redevelopment Program

Building Rehabilitation, Façade Improvement and Historic Preservation projects and activities include the following:

- Historic Building Assessment—Identify and prepare assessments for potentially significant historic buildings and prepare a list of character defining features related to the historic districts in order to streamline and guide future development.
- Façade Improvement and Commercial Rehabilitation—Provide loans and grants for the restoration and rehabilitation of commercial buildings and facades in key locations within each Historic Area.
- Graffiti Abatement—Implement graffiti abatement activities within the Historic Areas.

- Seismic Retrofit and Safety Upgrades—Encourage seismic retrofit and safety upgrades, including assistance for upgrading older structures to meet current earthquake and safety codes.

b. Relationship Between Projects and Activities and Blight Alleviation

As described in Section D, Building Rehabilitation, Façade Improvement and Historic Preservation projects and activities will alleviate the following blighting conditions:

- Unsafe or Unhealthy Buildings
- Conditions Hindering the Viable Use of Buildings or Lots
- Indicators of Economically Distressed Buildings
- High Crime Rates

Appendix F describes the specific blight-alleviating properties of each proposed project.

c. Estimated Costs

Building Rehabilitation, Façade Improvement and Historic Preservation projects and activities will cost almost $17 million in 2010 dollars. Of this total cost, slightly over $3 million will be able to be funded within the existing $400 million Industrial Area tax increment cap. Over $13 million more in projects and activities will be possible only with the Plan Amendment and the resulting increase in the Industrial Area tax increment cap to $1.5 billion. Table III-7 shows this breakdown.

Table III-7
Estimated Cost of Building Rehabilitation, Façade Improvement and Historic Preservation Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Historic Building Assessment	Historic Areas	$0.5	$1.6
Façade Improvements and Commercial Rehabilitation	Historic Areas	$2.4	$3.1
Graffiti Abatement	Historic Areas	$0.3	$1.0
Seismic Retrofit & Safety Upgrades	Historic Areas	N/A	$7.8
Subtotal Building Rehabilitation, etc.		$3.2	$13.6

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

The Pre-$400 million cap activities include historic building assessments, commercial grants and loans, and graffiti abatement programs that the Agency already has established and intends to continue into the future. However, the $3 million available under the existing cap will not fulfill the historic preservation, building rehabilitation and graffiti abatement needs in the Historic Areas. For example, the Agency estimates that the average commercial building rehabilitation

project costs $200,000, through a combination of loans and grants. Therefore the Agency could upgrade approximately 12 buildings before reaching the cap and an additional 16 with the resources made available by the Plan Amendment. The rehabilitation of 28 buildings would correspond to 27 percent of all commercial buildings currently rated category 1 and 2 (deteriorated and dilapidated buildings), would represent a significant alleviation of unsafe and unhealthy buildings in the Historic Areas, and would serve as a critical catalyst for the private sector reinvestment in and rehabilitation of the balance of the unsafe and unhealthy buildings in the Historic Areas.

Furthermore, seismic retrofitting would be a significant investment in the safety of historic buildings that would only be possible with the Plan Amendment. Seismic retrofitting typically costs up to $80,000 per project.[7] The Agency has budgeted $7.8 million for this activity and could retrofit at least 96 homes, or almost two-thirds of all the buildings in the Historic Areas displaying the serious seismic risk conditions of cracked foundations and misalignment.

4. Public Infrastructure, Facilities and Landscaping

Public Infrastructure, Facilities and Landscaping projects and activities will help stimulate private investment in the Merged Project Area through strategic investments in public infrastructure. Most projects in this Merged Redevelopment Program category will occur as-needed throughout the Merged Project Area, particularly in the Historic Areas, but some specific projects have been identified in each Constituent Project Area.

a. Redevelopment Program

Public Infrastructure, Facilities and Landscaping projects and activities include the following:

- Neighborhood Sidewalk and Landscaping Improvements—Fund implementation of planned improvements along H Street in Niles, Grimmer Boulevard in Irvington and several streets in Centerville.
- Bill Ball Plaza Improvements—Facilitate integration of the Bill Ball Plaza into the surrounding commercial areas, including enhanced features and amenities in the area surrounding the Centerville Depot.
- Streetscape Improvements and Signage—Fund design, right of way and construction costs of streetscape and sidewalk improvements throughout the Historic Areas, as well as Area-specific signage enhancements.
- Fremont Boulevard Streetscape Improvements—Focus streetscape and landscaping improvements on various sections of Fremont Boulevard that run through the central commercial districts of the Historic Areas.
- Street, Circulation and Traffic Operation Improvements—Encourage street and intersection improvements, enhance traffic circulation, reduce pedestrian/vehicle conflicts, and achieve safer and more consistent street widths as appropriate; implement traffic calming projects at various locations within the Historic Areas.
- Fremont Boulevard Widening—Facilitate widening of Fremont Boulevard between Cushing and Warren. (Industrial)

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[7] Seismicsafety.com

- Niles Alley Improvements—Work with private property owners to rehabilitate alleys, such as Iron Horse Lane between 2nd Street and Niles Boulevard.
- Niles Pedestrian Accessway—Fund feasibility and design analysis, land acquisition, site clean-up, ADA-related improvements, and other construction costs for a pedestrian accessway across the Union Pacific railroad tracks to connect the Historic Train depot to the Niles Town Plaza.
- Re-use of Dusterberry/Peralta Site—Facilitate the creation of a potential new recreational or community gathering place opportunity at Dusterberry and Peralta Avenues, through feasibility studies, planning and design efforts. (Centerville)
- Vallejo Mills Park—Reconstruct a historic mill in Vallejo Mills Park. (Niles)
- Utility Undergrounding—Facilitate utility undergrounding where appropriate.
- Storm Drain, Sewer and Water Improvements—Implement storm drainage, sewer and water system improvements, including the upgrading of water mains, laterals and fire hydrants, and contributions to a Regional Stormwater Treatment Facility.
- Future Capital Projects of Regional Benefit—Facilitate projects of regional benefit that are proximate to and will attract visitors to businesses in the Merged Project Area, such as Roberts Avenue Creek restoration, Quarry Lakes improvements, Alameda Creek Trail, and public access to Vargas Plateau from the Niles Canyon.

b. Relationship Between Projects and Activities and Blight Alleviation

As described in Section D, Public Infrastructure, Facilities and Landscaping projects and activities will alleviate the following blighting conditions in the Merged Project Area:

- Unsafe and Unhealthy Buildings
- Conditions Hindering the Viable Use of Buildings or Lots
- Adjacent or Nearby Incompatible Uses
- Indicators of Economically Distressed Buildings
- High Crime Rates
- Inadequate Public Improvements

These projects and activities will also improve safety and enhance the overall physical appearance and economic climate of the Merged Project Area. Appendix F describes the specific blight-alleviating properties of each proposed project.

c. Estimated Costs

Public Infrastructure, Facilities and Landscaping projects and activities will cost an estimated $81.9 million in 2010 dollars. Of this total cost, just under $10 million will be able to be funded within the existing $400 million Industrial Area tax increment cap. The Agency has budgeted most of this $10 million for specific neighborhood sidewalk, streetscape and landscaping improvements in the Historic Areas, based on recent cost estimates for the projects as they are currently designed. The Agency intends to spend the remainder on improvements to Bill Ball Plaza in Centerville and initial feasibility and design work for a potential pedestrian bridge in Niles and a new recreation facility in Centerville. The remainder of the proposed projects, including the construction of the pedestrian bridge and the other recreation opportunities, will

only be possible with the Plan Amendment and will cost an estimated $72.2 million, as shown in Table III-8.

Table III-8
Estimated Cost of Public Infrastructure, Facilities and Landscaping Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Neighborhood Sidewalk and Landscaping Improvements	Historic Areas	$6.9	N/A
Bill Ball Plaza Improvements	Centerville	$0.3	N/A
Streetscape Improvements & Signage	Historic Areas	N/A	$3.1
Fremont Blvd. Streetscape Improvements	Historic Areas	N/A	$4.2
Street, Circulation & Traffic Operation Improvements	Historic Areas	N/A	$16.2
Fremont Blvd. Widening	Industrial	N/A	$5.2
Niles Alley Improvements	Niles	N/A	$3.1
Niles Pedestrian Accessway	Niles	$0.8	$5.2
Re-use of Dusterberry/Peralta Site	Centerville	$1.8	$2.1
Vallejo Mills Park	Niles	N/A	$2.1
Utility Undergrounding	Historic Areas	N/A	$3.1
Storm Drain, Sewer & Water Improvements	Historic Areas	N/A	$3.1
Future Capital Projects of Regional Benefit	Historic Areas	N/A	$24.7
Subtotal Public Improvements, etc.		$9.7	$72.2

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

The City's Engineering and Circulation and Operations departments provided cost estimates for the street and circulation improvements that make up the Post-$400 million cap Merged Redevelopment Program. The $16.2 million for street, circulation and traffic operation improvements includes $2 million for Niles (for work on two underpasses, new bicycle lanes, and traffic calming), $10.5 million for Irvington (for a contribution to the $30 million Blacow Road undercrossing project, widening Grimmer Boulevard and creating a landscaped median and bicycle lanes, and additional pedestrian, bicycle, and traffic calming improvements throughout the Irvington Area), and $3.7 million for Centerville (for intersection improvements on at least five intersections in the Centerville Area, as well as additional bicycle lanes, traffic calming improvements and a bus shelter). These estimates were based on the recent cost of similar improvements elsewhere in Fremont plus an allowance for cost inflation. Engineering staff used a similar methodology to arrive at the estimates shown in Table III-8 for Fremont Boulevard

streetscape improvements and widening, Niles alley improvements, utility undergrounding and storm drain, sewer & water improvements. The estimated construction costs for the Niles pedestrian accessway include increased costs over previous estimates to accommodate ADA requirements.

The City's Parks and Recreation Services department provided estimates for the reuse of the Dusterberry/Peralta site in Centerville and the reconstruction of the mill at Vallejo Mills Park in Niles, based on past costs of recreational development and historic restorations (such as the renovation of the Centerville Depot). Finally, the costs of future capital projects of regional benefit, such as Roberts Avenue Creek restoration, Quarry Lakes improvements, Alameda Creek Trail, and public access to Vargas Plateau from the Niles Canyon, stem from estimates provided by the other local and regional agencies with which the Agency expects to partner. The cost in Table III-8 for this line item represents the net cost to the Agency and not the total estimated cost of each potential project, which will be shared with the partner agencies.

5. Hazardous Materials Clean-up

Hazardous Materials Clean-up projects and activities will provide assistance for the remediation of hazardous materials sites in those cases where it has been determined infeasible for the private sector to accomplish this activity in a timely manner. The Agency has not yet identified specific sites on which to spend funds budgeted for this category, but expenditures will likely occur throughout the Historic Areas and in conjunction with other Agency-facilitated redevelopment efforts.

a. Redevelopment Program

The Hazardous Materials Clean-up category includes the following activity:

- Hazardous Materials Clean-up—Provide hazardous materials clean-up assistance in those cases where it has been determined that it is infeasible for the private sector to accomplish it in a timely manner, and where such cleanup will serve as a catalyst for redevelopment of specific parcels.

b. Relationship Between Projects and Activities and Blight Alleviation

As described in Section D, Hazardous Materials Clean-up projects and activities will alleviate the following blighting conditions in the Merged Project Area:

- Unsafe or Unhealthy Buildings
- Conditions Hindering the Viable Use of Buildings or Lots
- Adjacent or Nearby Incompatible Uses
- Impaired Property Values Due to Hazardous Wastes

Appendix F describes these blight-alleviating properties in more detail.

c. Estimated Costs

Hazardous Materials Clean-up projects and activities will cost an estimated $8.4 million in 2010 dollars. These activities cannot be funded within the existing $400 million Industrial Area tax increment cap and will only be possible with the Plan Amendment. Table III-9 shows this cost.

Table III-9
Estimated Cost of Hazardous Materials Clean-up Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Hazardous Materials Clean-up	Historic Areas	N/A	$8.4

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

The Agency has identified several sites likely to need hazardous materials clean-up, including the UP Phase II and Henkel sites in Niles, High Street Plaza and potentially selected Bay/Main Street properties in Irvington, and the Peralta Gas Station in Centerville. A portion of the future hazardous materials funds that would become available under the Plan Amendment could be targeted, in coordination with the Alameda County Water District, to remediate sites that threaten local groundwater quality while simultaneously facilitating the revitalization of such sites. The environmental remediation needs vary widely from site to site, and exact costs per site are difficult to estimate without further detailed study. However, the Agency has successfully estimated and budgeted for the costs of previous clean-up work, including the recently completed Niles Town Plaza clean-up for $1.8 million.

F. Affordable Housing Merged Redevelopment Program

The Affordable Housing Merged Redevelopment Program is a critical component of the Merged Redevelopment Program. It enables the Agency to enhance the supply and condition of affordable housing throughout the Merged Project Area (and elsewhere in Fremont as authorized by the CRL), thereby improving both the physical condition of the Merged Project Area and the economic competitiveness of the greater Fremont region in an environment of otherwise high housing costs. All components of the Agency's Affordable Housing Merged Redevelopment Program, described in detail in this section, will continue throughout the life of each Constituent Project Area. However, the resources made available by the proposed Plan Amendment will allow for a significant expansion of the Affordable Housing Merged Redevelopment Program during the post-$400 million cap period.

1. CRL Requirements

The CRL requires community redevelopment agencies to utilize tax increment funds to enhance affordable housing opportunities for households in a wide range of income levels, setting specific allocation and production requirements targeting specific income levels. The Agency will continue to implement all provisions of the CRL both before and after reaching the $400 million cap on receipt of tax increment revenue from the Industrial Area.

The CRL requires expenditures on and production of affordable housing for households earning at or below 120 percent of median income, with particular emphasis on those households earning at or below 50 percent of median income. Section 33334.2 of the CRL requires that an agency set aside (in a Housing Set-aside Fund, sometimes referred to as the Affordable Housing Fund) and

spend 20 percent of all tax increment revenue allocated to the Agency to preserve, increase or enhance the community's supply of affordable housing. Specifically, agencies are required to expend their Affordable Housing Fund moneys to assist very low, low and moderate-income households, generally defined as:

- Very Low-Incomes up to 50 percent of area median-income, adjusted for household size;
- Low-Incomes from 50 percent up to 80 percent of area median-income, adjusted for household size; and
- Moderate-Incomes from 80 percent up to 120 percent of area median-income, adjusted for household size.

Housing assisted by the Affordable Housing Fund must be available to, and be occupied by, low and moderate-income households at an affordable housing cost in accordance with CRL Sections 50052.5 and 50053(b).

In addition, CRL Section 33413(b) establishes the following affordable housing production requirements for any Post-1975 redevelopment project area (or Merged Project Area):

- At least 15 percent of all new and substantially rehabilitated dwelling units developed within the redevelopment project area by public or private entities or persons other than a redevelopment agency must be available at an affordable housing cost to, and be occupied by, very low, low or moderate income households. Of those units, at least 40 percent (or 6 percent of the total production) must be affordable to very low-income households.
- At least 30 percent of Agency-developed or substantially rehabilitated housing units must be available at an affordable housing cost to, and be occupied by, very low, low or moderate-income households. Of those units, 50 percent (or 15 percent of the total Agency-developed production) must be affordable to very low-income households.

2. Description of Affordable Housing Merged Redevelopment Program

The Agency currently implements a range of housing programs that seek to enhance project design and leverage federal, state and private funding sources to develop high quality, attractive and affordable housing developments serving a diverse population. The Affordable Housing Fund will be used in a flexible manner in order to respond to favorable development opportunities and meet housing needs throughout the community.

In addition to increasing the production of affordable housing, the Affordable Housing Merged Redevelopment Program will help alleviate blighting conditions, including unsafe and unhealthy buildings, conditions that hinder the viable use of buildings or lots, indicators of economically distressed buildings such as low lease rates and vacant businesses, and high crime rates. The Agency may potentially designate non-housing funds to assist affordable housing projects and activities, particularly where substantial rehabilitation is required in order to upgrade existing buildings to decent, safe and sanitary housing. Unlike the Housing Set-aside Fund, these funds are not subject to the housing expenditure requirement of the CRL. Refer to Chapter IV for additional information.

In developing its Affordable Housing Merged Redevelopment Program, the Agency has been guided by the goals and objectives of the City's Housing Element of the General Plan. Through its affordable housing activities, the Agency will support and advance the overall Housing

Element programs, policies and strategies. The Agency is committed to assisting the City achieve the goals, objectives and policies presented in the Housing Element of the General Plan, including activities to:[8]

- Conserve and enhance existing residential neighborhoods.
- Assure high quality and well-designed new housing of all types throughout the City.
- Provide housing affordable and appropriate for a variety of households at all economic levels throughout the City.
- Establish a continuing leadership role in regional efforts to maintain and expand the range of housing alternatives in the San Francisco Bay Area.
- Assure that all persons have equal access to housing.

The Affordable Housing Merged Redevelopment Program also reflects the Affordable Housing Investment Strategy, which the Agency designed and adopted in 2002 to prioritize expenditures of its Housing Set-aside Fund. The Affordable Housing Investment Strategy emphasizes that the majority of Agency resources should be focused on new construction to provide rental units for very low and low-income households, especially large families, people with special needs, and seniors. Assistance to moderate-income households will largely be administered through loans to first-time homebuyers and rehabilitation loans for improvement of single-family homes. Section 3 describes the full-range of projects and activities that reflect the Affordable Housing Strategy and the City's adopted Housing Element of the General Plan.

The Affordable Housing Merged Redevelopment Program will be revised as needed to maintain consistency with the City's Housing Element.

3. Affordable Housing Projects and Activities

The Agency's Affordable Housing Merged Redevelopment Program implements projects that pertain to five categories of investment and is therefore called the Five Point Program. This Program has guided and will continue to guide appropriations and housing investments. The five categories of activities are:

- New construction, which provides loans and technical assistance to produce new affordable housing.
- First Time Homebuyer's Program, which provides loans of up to $40,000 in down payment assistance to increase ownership opportunity for Fremont first time homebuyers and stabilize neighborhoods.
- Home Improvement Loan Program, which provides low interest loans to assist low and moderate-income homeowners to improve their homes and to prevent neighborhood deterioration and to arrest blight.
- Apartment acquisition and rehabilitation, which provides acquisition and/or improvement loans at reduced interest rates to secure affordable rents over a minimum 55 year term and to prevent neighborhood deterioration and to arrest blight.
- Preservation of affordable housing, which provides technical assistance and identifies and secures necessary financial resources so that affordable units do not convert to market rate

[8] The General Plan of the City of Fremont, (California Government Code Chapter 65454)

after their restricted affordability term expires, causing a housing crisis for many Fremont households living in affordable units.

These five categories of programs characterize the Affordable Housing Merged Redevelopment Program both before and after the $400 million cap on Industrial Area tax increment is reached. Post-$400 million cap projects and activities made possible by the Plan Amendment will generally continue and expand upon Pre-$400 million cap projects and activities. However, specific projects and activities are contemplated for each of these time periods.

Specific Pre-$400 cap million cap projects and activities include funding for the development of:

- A 96-unit senior affordable rental apartment project on 3 acres of Peralta Boulevard in the Centerville Area, and
- A 65-unit extremely low, very low and low-income supportive housing project on 1.6 acres at Main and High Streets in the Irvington Area.

In addition, the Agency is exploring the purchase of the 4.5-acre former Corporation Yard in the Centerville Area from the City for an affordable housing development. Finally, within the $400 million cap, the Agency plans to administer between 15 and 25 first-time homebuyer loans and five to six home improvement loans annually, acquire and rehabilitate approximately four apartment units annually, and work to preserve affordable units as they become at risk of converting to market rate.

Since Post-$400 million cap projects would begin in FY 2012/13 and the Agency tends to identify specific housing projects as opportunities arise, few specific Post-$400 million cap projects have been identified compared to specific Pre-$400 million cap projects. However, with the significant increase in the Affordable Housing Fund made available by the Plan Amendment, the Agency could continue and significantly expand upon the annual production possible in the Pre-$400 million cap time period.

4. Estimated Costs of Affordable Housing Merged Redevelopment Program

The estimated cost of the Affordable Housing Merged Redevelopment Program is approximately $34.6 million for Pre-$400 million cap projects and activities and $148.1 million for Post-$400 million cap projects and activities, both in 2010 dollars. Table III-10 shows this cost.

Table III-10
Estimated Cost of Affordable Housing Projects and Activities
(In Million Dollars, in Constant 2010 Dollars)

Project Name	Project Location	Pre-$400 M Cap	Post-$400 M Cap
Affordable Housing	All Areas	$34.6	$148.1

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

G. Summary of Merged Redevelopment Program Costs

The total estimated cost of the Merged Redevelopment Program is approximately $556.0 million in constant 2010 dollars. The estimated cost of the Non-Housing Merged Redevelopment Program is approximately $373.3 million, which includes the costs for the five Non-Housing Merged Redevelopment Program categories described in Section E as well as a contingency allowance of $34 million. Table III-11 summarizes the Merged Redevelopment Program costs by category. Approximately $75.7 million in program costs are budgeted for the period before the $400 million cap on Industrial Area tax increment is reached, while $480.3 million in projects are planned with the resources made available by the Plan Amendment.

The costs in Table III-11 reflect the total estimated costs of all Merged Redevelopment Program projects and activities and do not take into account outside funding sources that the Agency might be able to leverage to reduce the net costs to the Agency. Chapter IV discusses these outside funding sources.

Table III-11
Summary of Merged Redevelopment Program Costs, By Category
(In Million Dollars, in Constant 2010 Dollars)

	Program Cost[a]		
Merged Redevelopment Program Categories	**Pre-$400 M Cap**	**Post-$400 M Cap**	**Total[a]**
Non-Housing			
Regional Transit and Transportation	$0.0	$122.2	$122.2
Economic Development & Property Acquisition/Redevelopment	$24.4	$85.7	$110.0
Building Rehabilitation, Façade Improvement and Historic Preservation	$3.2	$13.6	$16.8
Public Infrastructure, Facilities & Landscaping	$9.7	$72.2	$81.9
Hazardous Materials Clean-up	$0.0	$8.4	$8.4
Contingency	$3.7	$30.2	$33.9
Total Cost of Non-Housing Program	**$41.1**	**$332.2**	**$373.3**
Housing			
Affordable Housing	**$34.6**	**$148.1**	**$182.7**
Total Cost of Housing Program	**$34.6**	**$148.1**	**$182.7**
Total Cost of Merged Redevelopment Program	**$75.7**	**$480.3**	**$556.0**

a. Figures may not precisely add up due to rounding.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

Table III-12 shows the Merged Redevelopment Program Costs broken down by the Constituent Project Areas in which the activities will occur. Projects and activities that have not been allocated to a specific Constituent Project Area and those that benefit the entire Merged Project Area and region are included in the "Merged Area-wide Benefits" column. As shown in Table III-12, the great preponderance of funds in both the Pre-$400 million cap and Post-$400 million cap period are slated for projects of Merged Project Area–wide benefit and projects within the Historic Areas that exhibit the bulk of remaining blighting conditions.

Table III-12
Summary of Merged Redevelopment Program Costs, By Category and Constituent Project Area
(In Million Dollars, in Constant 2010 Dollars)

Merged Redevelopment Program	Historic Areas			Industrial	Merged Area-wide Benefits[b]	Total Pre-$400 M Cap Cost[a]
	Niles	Irvington	Centerville			
PRE-$400 MILLION CAP						
Non-Housing Program						
Regional Transit and Transportation	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Economic Development & Redevelopment	$10.5	$9.2	$4.7	$0.0	$0.0	$24.4
Building Rehabilitation, etc.	$0.0	$0.0	$0.0	$0.0	$3.2	$3.2
Public Infrastructure, etc.	$1.7	$5.0	$3.0	$0.0	$0.0	$9.7
Hazardous Materials Clean-up	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Contingency	N/A	N/A	N/A	N/A	$3.7	$3.7
Total Cost of Non-Housing Program[a]	$12.2	$14.2	$7.6	$0.0	$6.9	$41.0
Housing Program						
Affordable Housing	N/A	N/A	N/A	N/A	$34.6	$34.6
Total Pre-$400 Millon Cap[a]	**$12.2**	**$14.2**	**$7.6**	**$0.0**	**$41.5**	**$75.6**
POST-$400 MILLION CAP						
Non-Housing Program						
Regional Transit and Transportation	$0.0	$0.0	$0.0	$0.0	$122.2	$122.2
Economic Development & Redevelopment	$31.8	$29.3	$12.5	$2.6	$9.4	$85.7
Building Rehabilitation, etc.	$1.6	$1.6	$1.6	$0.0	$8.9	$13.6
Public Infrastructure, etc.	$12.5	$10.5	$5.8	$5.2	$38.3	$72.2
Hazardous Materials Clean-up	$0.0	$0.0	$0.0	$0.0	$8.4	$8.4
Contingency	N/A	N/A	N/A	N/A	$30.2	$30.2
Total Cost of Non-Housing Program[a]	$45.9	$41.3	$19.9	$7.8	$217.3	$332.2
Housing Program						
Affordable Housing	N/A	N/A	N/A	N/A	$148.1	$148.1
Total Post-$400 Million Cap[a]	**$45.9**	**$41.3**	**$19.9**	**$7.8**	**$365.4**	**$480.3**
Total Merged Redevelopment Program[a]	**$58.1**	**$55.5**	**$27.5**	**$7.8**	**$406.9**	**$555.9**

a. Figures may not precisely add up due to rounding.
b. Includes the costs of projects benefiting the Merged Project Area and region (e.g. Irvington BART and multi-modal transit facility) and costs not yet allocated to specific Constituent Project Areas.

Sources: Fremont Redevelopment Agency, Seifel Consulting Inc.

IV. Proposed Methods of Financing and Feasibility

A. Introduction

The fundamental purpose of the proposed Plan Amendment is to provide the Agency with the necessary financial and legal resources to complete the Merged Redevelopment Program, which has been designed to alleviate the remaining identified blight, promote economic development and provide additional quality affordable housing for residents of the Merged Project Area and the entire Fremont community. Chapter II documented the remaining adverse physical and economic conditions that are hindering the development and revitalization of the Merged Project Area. Chapter III demonstrated that significant capital investment is required to alleviate the remaining blight in the Merged Project Area and summarized the costs associated with the Merged Redevelopment Program. Chapter IV now describes the public and private financing methods that the Agency intends to use and assesses the financial feasibility of the Merged Redevelopment Program under the Plan Amendment, by comparing the Agency's projected revenues with the costs of the Merged Redevelopment Program. Chapter IV also explains why tax increment financing is the primary source of funding and why the Plan Amendment, including the increase in the Industrial Area tax increment cap to $1.5 billion, is necessary to accomplish and complete the goals set forth in the Merged Redevelopment Plan and alleviate the remaining documented blight in the Merged Project Area.

1. Chapter Organization

This chapter is organized into the following sections:

A. Introduction
B. Estimated Funding Requirements
C. Potential Sources Other than Tax Increment Financing
D. Tax Increment Financing as the Primary Source of Funding
E. Financial Parameters and Assumptions Used in Tax Increment Projections
F. Summary of Tax Increment Projections
G. Financial Feasibility of the Merged Redevelopment Program
H. Necessity of the Plan Amendment

2. Proposed Amendments to Fiscal Limits

The Constituent Project Areas were merged in 1998 to form the Merged Project Area for the purpose of pooling tax increment revenues generated in each Constituent Project Area for use in the same or other Constituent Project Areas, as authorized by the California Community Redevelopment Law (CRL). However, the anticipated sharing of revenues among the Constituent Project Areas has not yet occurred as was intended by the 1998 Plan Amendment. As discussed in Chapters I and III, the Agency has faced unanticipated costs for completing the I-880 interchanges and the Washington Grade Separation project due to rising materials and labor costs, design improvements and environmental issues. While these improvements will benefit the Merged Project Area as a whole, these unanticipated costs have left the Agency with inadequate

funds given the fiscal constraints of the current Redevelopment Plans. As a result, the Agency will not be able to complete its other large projects intended to mitigate the remaining blighting conditions in the Historic Areas within the current fiscal limits, particularly the $400 million cap on receipt of Industrial Area tax increment revenue.

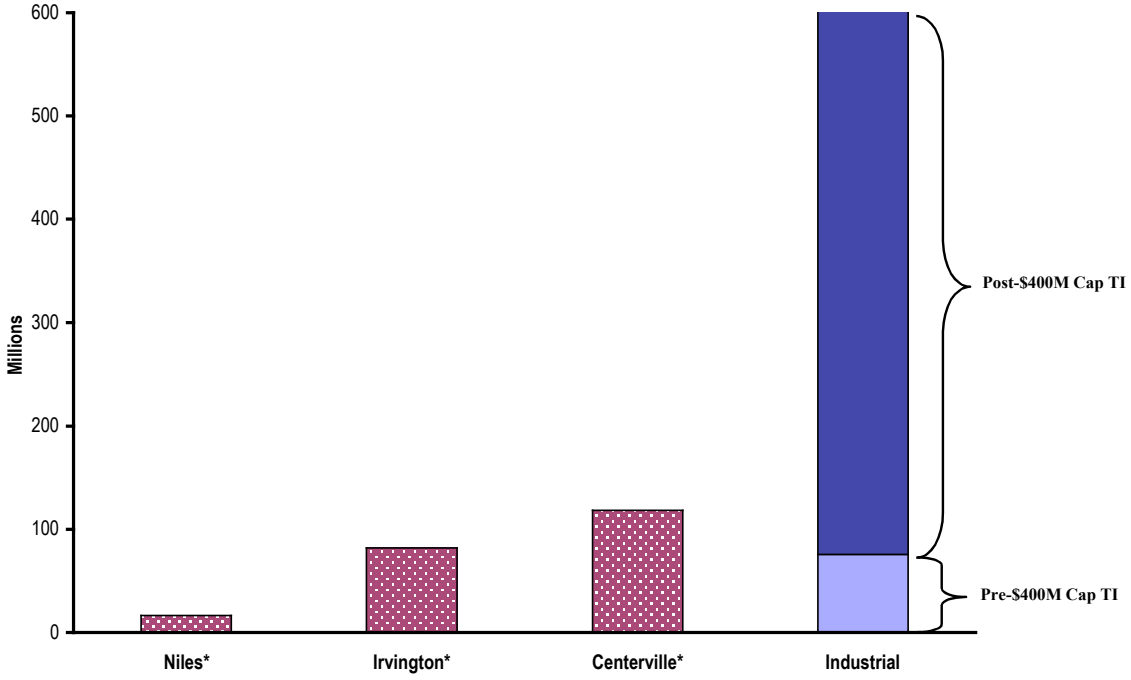
As described in Chapter III and analyzed in Section G, without the Plan Amendment only limited planned redevelopment activities can be funded under the current tax increment collection limit (also known as "tax increment cap") of $400 million in the Industrial Area. These activities will not be sufficient to eliminate the remaining adverse conditions found throughout the Merged Project Area and documented in Chapter II. The Plan Amendment would increase the limit on the amount of tax increment revenue that may be claimed by the Agency from the Industrial Area. In addition, the Plan Amendment would increase the limit on outstanding bonded indebtedness so that the Agency can capitalize on the expected future income stream and invest in key projects sooner than would otherwise be possible.

The Agency proposes a Plan Amendment that will change these fiscal limits, as follows:

- Increase the limit on the amount of tax increment revenue from the Industrial Area portion of the Merged Project Area that may be claimed by the Agency from the current limit of $400 million to a revised limit of $1.5 billion.
- Increase the limit on the principal amount of bonded indebtedness secured by tax increment revenue that may be outstanding at any time from the current combined Merged Project Area limit of $200 million to a revised combined limit of $550 million.

With these proposed amendments to the fiscal limits, the Agency is anticipated to have sufficient funds for accomplishing the large majority of the remaining housing and non-housing goals of the Merged Redevelopment Program. Figure IV-1 shows the amount of additional gross tax increment (indicated as Post-$400 million cap TI) that will be generated in the Industrial Area if the tax increment cap is raised from $400 million to $1.5 billion. A large portion of the Post-$400 million cap tax increment generated will be distributed to meet the Agency's various obligations, as described in more detail in Section F of this Chapter. The remaining tax increment, net of the Agency's obligations, will be used for housing and non-housing programs and Agency administration.

Figure IV-1
Projected Gross Tax Increment Under the Plan Amendment
FY 2009/10 Through Life of Redevelopment Plan
Fremont Merged Redevelopment Project Area
(In Constant 2010 Dollars)



* Bar graphs represent the gross tax increment anticipated for these Consitutent Project Areas over the life of the Merged Redevelopment Plan.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

3. Summary of Proposed Methods of Financing and Feasibility

To evaluate the financial feasibility of the Merged Redevelopment Program under the Plan Amendment, this chapter compares the Agency's net funding requirements to the projected tax increment revenues available to the Agency for its housing and non-housing programs. The Merged Redevelopment Program will be financed by tax increment revenues generated from the Merged Project Area in combination with other leveraged public and private financial resources.

As described in Chapter III, only a limited portion of the Merged Redevelopment Program can be implemented before the $400 million tax increment collection limit is reached in the Industrial Area. Chapter III presented the costs for these projects and activities (Pre-$400 million cap costs), and the costs for those projects and activities that require additional financial resources (Post-$400 million cap costs). Section G in this chapter will demonstrate that the Pre-$400 million cap costs are fully funded by the Pre-$400 million cap revenues. However, the Post-$400 million cap costs cannot be accomplished under the existing $400 million Industrial Area cap, leaving the majority of the total Merged Redevelopment Program costs unfunded. The remaining portion of the Merged Redevelopment Program can only be funded through tax increment revenues generated as a result of the adoption of the Plan Amendment.

The Agency anticipates that it will be able to accomplish the large majority of the goals of the remaining portion of the Merged Redevelopment Program under the proposed $1.5 billion Industrial Area tax increment collection limit and $550 million Merged Project Area bonded indebtedness limit that would be established through the adoption of the Plan Amendment.[1] As shown in Table IV-1, the Agency anticipates a limited shortfall of approximately $35.5 million in constant 2010 dollars, or 7.6 percent of the total net tax increment cost to the Agency, in meeting the Total Merged Redevelopment Program costs.[2] As further described below in Section E, if the new ERAF-related fund (called "Supplemental ERAF" or "SERAF") takeaways for FY 2009/10 and FY 2010/11 are held constitutional, the Agency will be required to contribute approximately an additional $13.2 million in constant 2010 dollars to further relieve the State of educational funding obligations. These SERAF takeaways would increase the Agency's shortfall to $48.7 million, or 10.5 percent of the total net tax increment cost to the Agency.

While the Agency is anticipated to face a modest gap in financial resources available to meet the funding requirements of the remaining Merged Redevelopment Program, it is reasonable to conclude that the Program will be financially feasible over the life of the Merged Plan established under the Plan Amendment, as will be discussed further in Section G. However, the Agency may have to modestly limit the projects it can fund if future revenues are not sufficient to undertake all of the proposed projects in the Merged Redevelopment Program.

Table IV-1
Total Merged Redevelopment Program Feasibility Summary
Fremont Merged Project Area
(In Million Dollars, In Constant 2010 Dollars)

	Non-Housing Projects	Housing Programs	Total
Net Tax Increment Cost to Agency[a]	302.5	163.2	465.7
Future Tax Increment Available to Agency[b]	267.1	163.2	430.3
Gap/Surplus	**-35.5**	**0.0**	**-35.5**
Gap/Surplus (With SERAF Takeaways)[c]	**-48.7**	**0.0**	**-48.7**

a. The net cost of the Agency's non-housing and affordable housing projects after taking into account funding sources other than tax increment revenue, as described in Section C of Chapter IV.
b. Future tax increment available to the Agency after deducting 2% inflation allocation, county property tax administration, pass-through payments to taxing entities, existing bond debt service payments, and Agency administration costs.
c. The potential gap/surplus after taking into account the State SERAF takeaways for FY 2009/10 and FY 2010/11 (approximately $13.2 million in total) if the Fremont Redevelopment Agency is required to contribute to SERAF. (Please see Section E of this chapter for further discussion.)

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

[1] See Appendix G for the calculations supporting the proposed bonded indebtedness limit.

[2] The Merged Redevelopment Program costs and the tax increment projections have been updated since the publication of the Preliminary Report in August 2009. The Merged Redevelopment Program costs have been adjusted to account for the modest increase in the total cost since they were originally estimated for the Preliminary Report. The tax increment projections have been adjusted to use the latest property assessed values from FY 2009/10. The term "constant 2010 dollars" is used to indicate the present value of future dollars discounted back to 2010. For more information, refer to the discussion on the present value assumption in Section E of this chapter.

B. Estimated Funding Requirements

The continued implementation of the Merged Redevelopment Program will require substantial funding. Chapter III described this program and summarized the costs associated with the projects and activities needed for its completion. Table IV-2 summarizes the net tax increment cost of the Merged Redevelopment Program to the Agency after taking into account the local, state and federal funding sources that are likely to be available (also known as "other funding sources") and the Agency's remaining fund balances and interest income.[3] The net tax increment cost to the Agency is the gap that must be filled using tax increment revenues from the Merged Project Area. The total net tax increment cost of all of the Agency's non-housing and affordable housing projects (not including Agency administration costs) is approximately $465.7 million in constant 2010 dollars. Of this total, approximately $43.7 million can be funded with tax increment revenues under the current $400 million cap on Industrial Area tax increment, leaving approximately $422.0 million of net tax increment costs to the Agency for funding under the increased cap for the Industrial Area that would become available if the Plan Amendment is approved (as shown in Tables IV-1 and IV-2). However, if the Agency is required to make payments for the FY 2009/10 and FY 2010/11 SERAF takeaways, the Agency may have to shift projects and activities that would otherwise have been fully funded under the pre-$400 million cap redevelopment program to the post-$400 million cap redevelopment program. Agency administration costs are addressed below in Section F.

[3] See Section C and Appendix H for more detail on these other funding sources.

Table IV-2
Net Tax Increment Cost of Merged Redevelopment Program to Agency
Fremont Merged Redevelopment Project Area
(In Constant 2010 Dollars)

Merged Redevelopment Program Categories	Pre-$400 M Cap	Post-$400 M Cap	Total[a]
Non-Housing			
Regional Transit and Transportation	$0.0	$122.2	$122.2
Economic Development & Property Acquisition/Redevelopment	$24.4	$85.7	$110.0
Building Rehabilitation, Façade Improvement and Historic Preservation	$3.2	$13.6	$16.8
Public Infrastructure, Facilities & Landscaping	$9.7	$72.2	$81.9
Hazardous Materials Clean-up	$0.0	$8.4	$8.4
Contingency	$3.7	$30.2	$33.9
Total Cost of Non-Housing Program	**$41.1**	**$332.2**	**$373.3**
Less: Agency Fund Balance and Other Funding Sources[b]	$17.0	$53.8	$70.8
Net Tax Increment Cost to Agency	**$24.1**	**$278.4**	**$302.5**
Housing			
Total Cost of Affordable Housing Program	**$34.6**	**$148.1**	**$182.7**
Less: Agency Fund Balance and Other Funding Sources[c]	$15.0	$4.5	$19.5
Net Tax Increment Cost to Agency	**$19.6**	**$143.6**	**$163.2**
Total Net Tax Increment Cost to Agency[d]	**$43.7**	**$422.0**	**$465.7**

a. Figures may not precisely add up due to rounding.
b. For the Non-Housing Program, the Agency estimates that $17.0 million in additional funds will be available from the Agency's non-housing fund balance in FY 2008/09 of $10.2 million and estimated interest income of $6.8 million, which may be used to fund the Pre-$400 million cap costs. The Other Funding Sources are shown in more detail in Appendix H.
c. For the Housing Program, the Agency estimates that $15.0 million in additional funds will be available from the Agency's ending housing fund balance in FY 2008/09 of $14.2 million and estimated interest income of $0.8 million, which may be used to fund the Pre-$400 million cap costs. The Other Funding Sources are shown in more detail in Appendix H.
d. The total net cost of the Agency's non-housing and affordable housing projects after taking into account Agency fund balances and funding sources other than tax increment revenue, as described in Section C of this chapter.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

C. Potential Sources Other than Tax Increment Financing

The proposed Merged Redevelopment Plan that would be adopted through the Plan Amendment authorizes the Agency to finance the Merged Redevelopment Program using all available funding sources, including local, state and federal sources. The Agency will make every effort to obtain alternative funding sources as a means to accelerate the implementation of the Merged Redevelopment Program and minimize the required investment of tax increment revenues. The Agency will also work with the City of Fremont and other government bodies to use their combined resources to secure federal, state and private funding. As appropriate, the Agency will also pursue available loan programs to maximize the leveraging of its funds. However, tax increment financing is the most reliable source of long term funding available to the Agency. It is the only source that will generate substantial revenue to meet the projected funding needs of the Merged Redevelopment Program.

This section describes a wide range of funding sources that may be available to assist in financing the portion of the Merged Redevelopment Program that is not funded under the existing

$400 million cap in the Industrial Area, also known as the Post-$400 million cap portion of the Merged Redevelopment Program. The funding sources for the Pre-$400 million cap portion of the Merged Redevelopment Program, comprised of the Agency's estimated fund balances and interest income, are summarized in Table IV-2.

This section also summarizes the likelihood of each potential source to generate potential revenues for use in the Merged Project Area. Some sources described below may generate more funds than estimated, while others may generate less. On balance, the estimate of funding sources provides an initial assessment of funding availability to determine the need for tax increment revenue to fill the funding gap in the Merged Redevelopment Program costs.

The funding sources below are categorized as primary, secondary and complementary sources of funding. Primary sources are the most likely to be available to provide funding for the Merged Redevelopment Program, while secondary sources are less likely to be available. Complementary sources would not provide direct funding for the projects and activities that comprise the Merged Redevelopment Program outlined in Chapter III; however, they could be used for economic development, business support and expansion, neighborhood improvements, and community enhancement, which would enhance the effectiveness of the Merged Redevelopment Program. Funding sources considered to be unavailable or unlikely are also described below.

Based on Agency staff experience with the funding sources, it is anticipated that approximately $58.3 million (in 2009 dollars) in funding other than tax increment revenues are reasonably likely to be available. Table IV-3 summarizes the Agency's estimate of other funding sources by redevelopment program category. Please refer to Appendix H for a matrix that summarizes all of the secondary and complementary funding sources and presents the anticipated amounts of funding from each source, if known. Sources for which estimated funding is "unknown" are too speculative to count in the financial feasibility analysis, but may generate funds in the long run to meet any remaining funding shortfall in the Merged Redevelopment Program.

Table IV-3
Other Funding Sources for Post-$400M Merged Redevelopment Program
Fremont Merged Redevelopment Project Area
(In Constant 2009 Dollars)

Other Funding Sources by Program Category	Total
Non-Housing	
Regional Transit and Transportation	$ 39,450,000
Economic Development & Property Acquisition/Redevelopment	$ -
Building Rehabilitation, Façade Improvement and Historic Preservation	$ -
Public Infrastructure, Facilities & Landscaping	$ 14,300,000
Hazardous Materials Clean-up	$ -
Subtotal	**$ 53,750,000**
Housing	
Subtotal	**$ 4,500,000**
Total	**$ 58,250,000**

Sources: Fremont Redevelopment Agency, Seifel Consulting Inc.

1. Primary Funding Sources

a. Tax Increment Revenue

The Agency anticipates that tax increment (TI) revenue, generated by the increase in property values within the Merged Project Area, will continue to be the only primary source of financing for the Agency's programs. Other funding sources, such as those detailed below, will support redevelopment efforts, but tax increment financing will be necessary to finance the majority of the Post-$400 million cap portion of the Merged Redevelopment Program costs, as further described in Section D.

2. Secondary Funding Sources

While less significant or less likely to be available than primary funding sources, secondary sources, such as federal and state funds, can potentially help the Agency in meeting its redevelopment goals and objectives. Based on the Agency's experience, the following funding sources are the most likely secondary funding sources that will be available to the Agency to implement the Merged Redevelopment Program:

a. Congestion Mitigation and Air Quality Improvement Program (CMAQ)

This is a federal program contained within the Safe, Accountable Flexible and Efficient Transportation Equality Act: A Legacy for Users (SAFETEA-LU) program for projects and activities that reduce congestion and improving air quality. SAFETEA-LU programs are funded in part by the Federal Highway Trust Fund, which in turn is funded by the Federal Gasoline Tax. SAFETEA-LU funds for the Bay Area are administered by the Metropolitan Transportation Commission (MTC). This funding is allocated through a competitive process and requires a local match of at least 11.47% of the total project cost.

b. Transportation Development Act (TDA)

Transportation Development Act (TDA) funds are generated statewide through a one-quarter cent tax on retail sales in each county. TDA funds may be used for transit projects, special transit projects for disabled persons, and bicycle and pedestrian purposes. The City receives an annual TDA apportionment, and the MTC determines the ways in which the funds are spent. Activities funded by TDA generally include regional and municipal transit programs, bikeway improvements and other programs designed to reduce automobile usage, such as pedestrian and bicycle networks. In past years, the City's apportionments have typically been small amounts.

c. Transportation Fund for Clean Air (TFCA)

The Bay Area Air Quality Management District (BAAQMD) manages the Transportation Fund for Clean Air (TFCA) Regional Fund. The TFCA program awards grants for transportation projects that reduce motor vehicle emissions. Approximately $25.5 million was available for distribution in the Bay Area by the BAAQMD for FY 2006/07. Eligible projects include the purchase of low emission, alternative fuel vehicles with a gross vehicle weight of 10,000 pounds or more, including school buses and transit buses; shuttle and feeder bus service to train stations; ridesharing programs; bicycle facility improvements; arterial management projects that improve the flow of traffic on major roadways; transit information projects; and smart growth and traffic

calming projects. TFCA grants are typically small grants that could help fund circulation improvements and help mitigate incompatible uses.

d. Congressional Earmarks

This funding source represents congressional earmarks for transportation projects, which are contained in the annual surface transportation appropriations bill or the federal surface transportation reauthorization bill. In the last five years, Fremont received approximately $1.3 million and $2.6 million in separate congressional earmarks, both of which were allocated to the Mission/I-880 Interchange.

e. State Transportation Improvement Program (STIP)

The State Transportation Improvement Program (STIP) lists all capital improvement projects approved by the California Transportation Commission (CTC) to be funded with State transportation funds, including proceeds from bond acts (such as Proposition 116) and motor vehicle fuel taxes. The STIP also includes Federal funds apportioned to the State for transportation purposes. Fremont applies for a competitive award of STIP funds through the MTC, in cooperation with Alameda County Congestion Management Agency (ACCMA), who then forwards a list of the region's highest priority transportation projects to the CTC for approval. In 2006, Alameda County received roughly $50.1 million in STIP funds, of which the City received $10 million.

f. Measure B Alameda County Transportation Sales Tax

In November 2000, Alameda County voters approved Measure B, a ballot measure to continue the County's one half-cent sales tax for transportation projects through March 2022. The Alameda County Transportation Improvement Authority (ACTIA) is the agency that administers the sales tax and provides funding to maintain local streets and roads and implement bike and pedestrian improvements in the County. Measure B funds have been used in the past for planning the BART extension project, the Mission/I-880 Interchange ($29.3 million) and the Washington/Paseo Padre Grade Separation ($15 million).

g. Traffic Impact Fees

The City collects Traffic Impact Fees on new private development within Fremont to mitigate specific consequences of new growth. Traffic Impact Fee is calculated based on new development's share of traffic improvements required to accommodate future growth in the City. The traffic improvements needed in the City consist of four major types: intersections, roadway segments (links), freeway interchanges, and traffic signals and signal interconnects. Under applicable state laws regarding the imposition of development impact fees, such fees can be imposed on new private development only to the extent that a direct nexus or relationship exists between the need for public facilities caused by such new development and the level of fees imposed. As impact fees cannot be used to address existing deficiencies, and many of the needed improvements in the Merged Project Area are primarily attributable to existing deficiencies, redevelopment tax increment has been used by the Agency in conjunction with City impact fees to help fund improvements that are required to meet the combined needs of existing and new development and/or to build a needed improvement prior to accumulation of sufficient funds in the City's impact fee fund. The Agency will continue to collaborate with the City to fund needed

improvements, as it has done, for example, to help fund the Interchange Improvements, which were partially funded out of Traffic Impact Fees.

h. Transportation for Livable Communities (TLC)

The Transportation for Livable Communities (TLC) program offers three types of financial assistance: planning grants, capital grants and the Housing Incentive Program. Planning grants are awarded to help sponsors refine and elaborate on promising project concepts, such as design guidelines for Main Street Programs and implementation plans. Capital grants directly support construction activities such as streetscape improvements, transit villages and pedestrian plazas. Funding for capital grants is through federal SAFETEA-LU funds. The Housing Incentive Program awards grants to cities and counties building high-density housing within one-third mile of a major transit station or corridor with peak period service intervals of 15 minutes or less. Projects must be at least 25 units per acre. Additional grants are available if affordable units are included. The San Francisco Bay Area Metropolitan Transportation Commission (MTC) obtains and administers TLC funds.

In 2002, the City applied for and received a TLC grant to facilitate a community-wide workshop and planning process for the future of Bay Street near the proposed Irvington BART station. In addition, the City applied for and received $1.6 million in grants from the TLC program to implement streetscape and pedestrian improvements along Bay Street.

i. State Fuel Tax

The State of California imposes taxes on several types of fuel. Approximately one third of the fuel tax revenues are distributed to local jurisdictions on a formula based on population and other factors. These revenues may be used for street maintenance and construction activities throughout the City. Gas tax funds are currently a source of funding for roadway maintenance in Fremont and will likely remain a source in the future. However, only limited amounts of funds from fuel tax will likely be available to fund construction activities in the Merged Project Area.

j. Rule 20A Program

The Rule 20A Program, sponsored by Pacific Gas & Electric (PG&E) provides funding for the under grounding of overhead electrical wires as well as other utilities. Projects are typically in areas of communities that are used most by the general public, and must be legislated by the nominating city for conversion to under ground utilities. After an area is nominated, there is generally a significant wait for the under grounding project to be implemented as it is in high demand. The work is carried out by PG&E and paid primarily for by the benefited customers through future electric rates. PG&E requires an 85 percent concurrence from the property owners in the area. Utility under grounding also requires funding for replacement of streetlights since streetlights are mounted on utility poles.

k. Public Works Grants

Federal Public Works grants provide investment to support the construction or rehabilitation of essential public infrastructure and development of facilities necessary to generate private sector jobs and investment. Projects must also contribute to the long-term economic development of the area by creating or retaining permanent jobs and raising income levels. Sponsored by the

Economic Development Administration (EDA), eligible activities include infrastructure development such as water and sewer facilities, industrial access roads, rail spurs, port improvements, skill-training facilities, technology-related infrastructure, as well as demolition, renovation and construction of publicly owned buildings. While this grant could contribute to the improvement of public facilities and infrastructure in the Merged Project Area, allocation for these funds is very competitive, and typically the funding awards to communities like Fremont are limited.

l. Community Development Block Grants (CDBG)

Community Development Block Grants (CDBG) are allocated by HUD to fund activities such as public works; rehabilitation loans and grants; land acquisition, demolition, and relocation for redevelopment; public services; and affordable housing, social services and projects for the elderly or disabled. CDBG-funded projects and activities must principally benefit low and moderate-income persons, aid in the prevention or elimination of blight, or address an urgent need. CDBG funds have provided a limited source of revenue for many redevelopment activities in California.

In recent years, most of the CDBG funds that the City receives have been used to construct and rehabilitate housing, and provide needed services and facilities, such as day care, to low-income residents. Given the competing needs in the City coupled with federal cutbacks of this program, CDBG funds cannot be counted upon as a significant source of continuing revenue for redevelopment projects and activities other than affordable housing.

m. Federal HOME Funds

Federal HOME funds provides formula grants to state and local jurisdictions to fund affordable housing activities. HOME funds are awarded annually by HUD to the State of California and eligible local jurisdictions within the State. Eligible local jurisdictions are typically allocated at least $500,000 under the formula each year ($335,000 in years when Congress appropriates less than $1.5 billion for HOME). Fremont's funding is "pooled" with that of Alameda County, a larger consortium that serves as the local jurisdiction and provides funding for affordable housing developments in the County on a competitive basis. HOME assisted housing must comply with certain income and affordability restrictions. This grant funding is dedicated to affordable housing, and therefore cannot be used for non-housing redevelopment efforts.

n. Proposition 1C Programs

California voters approved Proposition 1C (The Housing and Emergency Shelter Trust Fund Act of 2006) on the November 2006 statewide ballot, thereby extending America's largest state-funded affordable housing assistance effort. Proposition 1C is the successor to Proposition 46 (approved in November 2002), which authorized $2.1 billion in state bonds for a variety of new housing investments. Proposition 1C authorized $2.85 billion in additional General Obligation bonds to continue several important bond-funded housing assistance programs, and begin new programs to improve infrastructure in support of housing. Proposition 1C funding is anticipated to be a supplemental revenue source to the Agency's Housing Set-Aside funds for its affordable housing program. However, potential contributions from this source to the Agency's non-housing projects and activities are yet to be determined as many of the Proposition 1C infrastructure programs are still new as of the date of this Report.

3. Complementary Funding Sources

While not providing direct funding to the Merged Redevelopment Program, complementary sources could provide funding for economic development, business support and expansion, neighborhood improvements, and community enhancement. Examples of likely potential complementary funding sources include the following:

a. Housing Incentive Program (HIP)

The Metropolitan Transportation Commission (MTC) awards this grant to local governments that build housing near transit stops. The grant may be used for improvements to sidewalks and crosswalks linking housing to nearby community facilities or streetscape improvements that support increased pedestrian, bicycle and transit activities and safety. The HIP requires an 11.5 percent minimum local match, which could be provided with tax increment funds made possible by the Plan Amendment.

b. Technical Assistance Program

The Technical Assistance Program, sponsored by the US Economic Development Administration (EDA), promotes economic development to alleviate underemployment in distressed areas. It provides funds through grants or other cooperative agreements to fund feasibility studies and other projects leading to local economic development. The program assists in the long-range economic development of areas with severe unemployment and low-income families, and aids in the development of public facilities and private enterprise to help create permanent jobs. Projects funded through this program help to solve economic development problems, respond to economic development opportunities, and expand organizational capacity for economic development. Many local technical assistance projects are used to determine the economic feasibility of various local development projects involving industrial, commercial and other activities. The Technical Assistance Program could be a potential source of funding for economic development activities that complement the Merged Redevelopment Program's economic development activities.

c. Small Business Revolving Loan Fund

Sponsored by the EDA and administered locally, the Small Business Revolving Loan Fund can be used in designated census tracts to provide low interest loans to businesses in disadvantaged neighborhoods. The loan fund can be used for a variety of assistance, such as working capital, machinery and equipment, leasehold improvements, and façade improvements that benefit disadvantaged neighborhoods. Interest accrued from the fund can be used for marketing, technical assistance and administrative costs. This program may be a possible source of funding to business owners for property improvements in the Merged Project Area or for other economic development programs but will not provide direct funding to the Agency's redevelopment program.

d. Small Business Administration (SBA)

A number of federal Small Business Administration (SBA) funding programs are available, ranging from small business loans, special loans and equity investment programs. All financing options are tailored to small business needs. Loan programs include Basic Section 7(a) Loan Guaranty, Certified Development Company (CDC), and Microloan and Loan Prequalification.

Special loan programs include the Export Working Capital Program that provides short-term working capital to exporters, and the International Trade Loan. SBA's investment program consists of privately owned and managed investment firms that provide venture capital and start-up financing to small businesses. Generally, technical assistance is provided, but grants and loans are also available. This funding source could strengthen the economic base of the business community but will not provide direct funding to the Agency's redevelopment program.

e. CDGB Section 108 Loan Guarantees

Section 108 is the loan guarantee provision of the Community Development Block Grants (CDBG) program sponsored by HUD. The objective of the loan fund is to provide communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. All projects and activities must either principally benefit low and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community. The maximum repayment period for Section 108 loans is 20 years. Primarily this program can be relied upon for economic development and rehabilitation efforts. It does not generate new funds; rather, it is a loan fund secured by CDBG or other dedicated revenues, such as tax increment revenues. The City of Fremont does not currently have any Section 108 funding.

f. Infrastructure State Revolving Funds (ISRF)

The Infrastructure State Revolving Fund (ISRF) is a low cost financing program from the California Infrastructure and Economic Development Bank (IBANK) to public agencies for a wide variety of infrastructure projects with loan terms of up to 30 years. The interest rate is fixed for the term of financing. Eligible applicants include cities, counties, special districts, assessment districts, joint powers authorities and redevelopment agencies. Eligible projects include city streets, county highways, state highways, drainage, water supply and flood control, educational facilities, environmental mitigation measures, parks and recreational features, port facilities, public transit, sewage collection and treatment, solid waste collection and disposal, water treatment distribution, defense conversion, public safety facilities, and power and communication facilities. However, it does not generate new funds for the Agency, as ISRF funds obtained by the Agency would need to be repaid out of tax increment revenues or another funding source controlled by the Agency.

g. Local Initiatives Support Corporation (LISC)

Local Initiatives Support Corporation (LISC) has been working to build stronger communities across the United States by providing local community based organizations with financing and technical expertise to revitalize distressed neighborhoods. LISC is the largest community development intermediary in the country and has been certified as a Community Development Entity (CDE). It has a long history of successfully raising capital, including its recent New Markets Tax Credit (NMTC) award. Tapping into LISC resources could help finance a portion of improvements in the Merged Project Area. LISC has previously made loans in the City of Fremont to seed projects as well as other social services, but these funds have to be repaid over time.

h. New Markets Tax Credits (NMTC)

The New Markets Tax Credits (NMTC) program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). A substantial amount of the qualified equity investment must be used by the CDE to provide investments in low-income communities. Qualified CDEs apply to the Community Development Financial Institutions (CDFI) Fund for an award of New Markets Tax Credits. The CDE seeks taxpayers to make qualifying equity investments in the CDE.

A CDE that receives a NMTC award is required to use the qualifying equity investments to make Qualified Low Income Community Investments in Qualified Active Low Income Businesses (QALICBs) located in low-income communities. The taxpayers are eligible to claim a tax credit equal to five percent of its equity investment in the CDE for each of the first three years and a six percent credit for each of the following four years.

Examples of NMTC eligible investments include loans, equity investments, capital to businesses, and purchase of certain loans made by other CDEs; financial counseling and related services to businesses; and equity investment, loans and counseling to other CDEs. Investments may also be made in community development projects, such as community health centers and charter schools. The process for the New Market Tax Credits is competitive, which will make this a less reliable funding source. Furthermore, NMTCs are designed to be used by private developers and community organizations to help fund new development activities, rather than directly fund the types of activities included within the Agency's redevelopment program.

i. California Organized Investment Network (COIN)

California Organized Investment Network (COIN) facilitates the offering of a comprehensive array of investment products responsive to capital needs of low-income and/or rural communities. COIN envisions no limit on the type or nature of capital investment that companies may provide to eligible proposals. Broadly categorized, COIN-facilitated investment products may be versions of debt, equity or credit enhancement. To be eligible, proposals must satisfy each of the three guiding investment principles: (1) Provide safe, sound and solvent investments offering an acceptable financial return; (2) Provide investments benefiting low-income or rural people and communities either directly or through intermediaries; and (3) Add value to capital products and programs currently available.

COIN administers the program by certifying Community Development Financial Institutions (CDFI) that wish to receive qualified investments, and by certifying tax credits for investors. Program activities must have either an affordable housing or economic development benefit. Affordable housing benefits include affordable rental housing, affordable ownership housing, or mixed-income and/or mixed-use development. COIN could provide funding for new development in the Merged Project Area to complement the Agency's economic development and housing programs.

j. Community Capital Investment Initiative (CCII) and the Bay Area Family of Funds

The Community Capital Investment Initiative (CCII) is a regional effort developed by the Bay Area Council to build healthy and self-reliant communities; create and recycle wealth for residents, community organizations, and institutions; reduce poverty; increase household income; produce high quality jobs; increase the number of community-serving and region-serving

businesses; expand affordable housing and home ownership among current residents; create new and improved services and amenities; avoid displacement; and mitigate adverse community impacts. Through capital investment by the Bay Area Family of Funds, CCII facilitates keystone developments such as commercial retail, mixed-use, and industrial facilities in target neighborhoods.

The Bay Area Family of Funds consists of the following three funds: (1) Bay Area Smart Growth Fund invests equity in real estate developments, including mixed-use, mixed-income, commercial, housing and industrial uses; (2) Bay Area Equity Fund invests equity in profitable growing businesses capable of generating substantial job and wealth creation in target neighborhoods; and (3) California Environmental Redevelopment Fund invests in environmental remediation and redevelopment, primarily clean up activities. Each fund requires double bottom line returns of long-term market returns for investors and significant social returns and environment benefits for communities. Private developers in the Merged Project Area could benefit from investments through the Bay Area Family of Funds, but the Family of Funds would not provide direct funding the Agency's redevelopment program.

k. Business Improvement District (BID)

A Business Improvement District (BID) is a special type of assessment district that generates revenue to support enhanced services. Two types of BID mechanisms exist under state law: 1) Business Improvement Areas (BIAs), and 2) Property Based Improvement Districts (PBIDs). BIAs have been used widely in the State and provide for an additional fee to annual business licensing charges. However, due to the limited income generated through the business license fee, BIAs have typically had a relatively narrow scope of services.

In 1994, the Property and Business Improvement District Law provided for an assessment of commercial property, paving the way for a new generation of PBIDs to eventually replace the existing BIAs. The creation of a PBID requires petition support from businesses that would pay more than 50 percent of the annual fees to be collected in the proposed area. A PBID has a cap on assessments and a five-year maximum life. PBIDs require the creation of an advisory committee of property and business owners.

PBID funds are most effective when leveraged with CDBG and redevelopment funds. Eligible activities include enhanced services such as maintenance, sidewalk cleaning, security, marketing and economic development. PBIDs can fund these activities as well as public improvements such as acquisition and maintenance of parking facilities, benches, trash receptacles, street lighting, decoration and public plazas. A PBID is a potential funding source for community enhancements; however, Fremont currently does not have a PBID in the Merged Project Area and the formation of a PBID would require support from local businesses.

l. Assessment Districts

Assessment Districts enable a city to levy additional taxes on property within designated areas in order to finance improvements directly benefiting those areas. Bonds are issued to finance local improvements such as streets, sidewalks, and parking facilities. Typically, an assessment district is formed to undertake a particular public improvement, and bonds are issued under one of two major assessment acts: the Improvement Act of 1911 or the Improvement Bond Act of 1915. Upon the issuance of bonds, the district has the power to assess all property owners within the

district in order to repay the borrowed funds. An assessment district can be established as its own jurisdiction, or it can be included under a city's taxing system, assuming that the improvement is located entirely within a city's jurisdiction. Assessment districts are not limited by Proposition 13 and Proposition 4, and have the additional advantage of placing the costs of public facilities directly on the benefiting property owners. However, Proposition 218, a 1996 state constitutional amendment, enacted more restrictive requirements for adopting an assessment district and limited the improvements and activities that can be financed through an assessment district. These requirements reduce the likelihood that an assessment district would be a viable financing option for the Merged Redevelopment Program.

m. Mello-Roos Community Facilities District (CFD)

In addition to assessment districts, the Mello-Roos Community Facilities Act of 1982 authorizes the formation of a Community Facilities District (CFD) to be used to finance capital improvement projects and to pay for ongoing operations and maintenance of certain facilities. It is similar to an assessment district, but is authorized under separate legislation with different regulations. A CFD may be established in conjunction with a redevelopment project to undertake new public projects of joint benefit. A CFD can levy special taxes above the basic one percent property tax rate and issue bonds to finance these improvements. The formation of a CFD would require City approval and the affirmative vote of two-thirds of voters, unless fewer than 12 registered voters are included within the proposed boundaries. (All of the Constituent Project Areas except the Industrial Area contain more than 12 registered voters.) Typically, CFDs are difficult to form in areas such as the Historic Areas, given the two-thirds resident voter approval requirement for formation. Furthermore, the formation of a CFD in the Industrial Area would require approval by the landowners in proportion to the acreage that they owned, and these landowners would have to vote affirmatively to be taxed at a higher rate based on a mathematical formula that takes into account property characteristics such as use of the property, square footage of the structure and lot size.

n. Development Impact Fees

The City charges Development Impact Fees on new private development within Fremont to mitigate specific consequences of new growth. Impact fees are used to increase levels of service for future residents and businesses that are needed as a result of new or increased demand on existing services and facilities. Under applicable state laws regarding the imposition of development impact fees, such fees can be imposed on new private development only to the extent that a direct nexus or relationship exists between the need for public facilities caused by such new development and the level of fees imposed. As impact fees cannot be used to address existing deficiencies, and many of the needed improvements in the Merged Project Area are primarily attributable to existing deficiencies, redevelopment tax increment has been used by the Agency in conjunction with City impact fees to help fund improvements that are required to meet the combined needs of existing and new development and/or to build a needed improvement prior to accumulation of sufficient funds in the City's impact fee fund.

o. Developer and Property Owner Participation

Funds may be advanced to a city or agency by a developer or property owner in the form of a negotiated fee or grant, or a loan for public improvements that is repaid during the course of project implementation from tax increment revenues. Whenever possible, the Agency will enter

into development agreements with developers to contribute funding for specific improvements. Property owners will provide repayment on low interest loans or will be required to provide private funds to match agency rehabilitation grants. However, often the developer cannot afford the entire cost of blight alleviating activities without Agency assistance.

p. Lease Revenues

Broad authority exists to issue revenue bonds secured by sources other than tax increment, such as tenant leases on publicly owned land or in publicly owned facilities.

q. Interest Income

Some income will accrue to the Agency from the investment of tax increment revenues and tax increment bond proceeds. Income from this source could be made available for a variety of redevelopment activities. However, much, if not all, of the interest income will likely be offset by the need for the Agency to pay interest on indebtedness, including Agency issued bonds. Actual income from this source would also be influenced by the amount of money available for investment, term of the investment and achievable interest rates.

4. Funding Sources Considered to be Unavailable or Unlikely

As permitted by law, the Agency can utilize local, state, and federal government funds, and also funds from private sector sources. A significant number of other sources were evaluated by the Agency for their potential use to fund redevelopment activities in the Merged Project Area. None of these sources provided substantial additional financial resources that the Agency could utilize to alleviate blight, and many are loans that would have to be repaid from tax increment. In addition, other sources have been found to be clearly infeasible or to have little potential of generating measurable revenues, such as the following:

a. City of Fremont General Fund

The financial turbulence in the global markets, the nationwide sub-prime mortgage crisis and housing downturn, and the State's budget problems all affect Fremont's local economic environment. In light of all of these factors, like many cities in California, Fremont continues to face a volatile and uncertain economic future and remains cautious regarding economic performance and possible State takeaways of more local revenue. City finances, and the community services that depend on those resources, have been severely strained because of years of State takeaways of traditionally local revenues, coupled with a serious recession in the early years of this decade and another impending serious economic recession in the years ahead.

The general fiscal condition of the City of Fremont makes ongoing direct financial support of redevelopment activities difficult. In its most recent budget for FY 2008/09, the City announced some of the measures that it will undertake to cut costs, such as requiring all departments to reduce their budgets by one percent, and save any remaining surplus funds to weather the current tough economic environment. State and federal governments have also continued to reduce funding and shifted costs and program responsibilities to cities and counties, straining already limited city resources. Unfortunately, cities have only limited ability to raise revenues to replace lost revenue or to offset new costs. In addition to the limited ability to fund ongoing essential functions such as police and fire, the City is faced with major capital expenditures required to

address the demands of growth on City facilities. As a result, although some funding of redevelopment activities by the City may be possible over time, no reliance can be made on the City General Fund as a major source of redevelopment funding.

b. Housing Enabled by Local Partnership Program (HELP)

The HELP Program, provided by the California Housing Finance Agency (CalHFA), offers loans with a three percent interest rate to local government agencies for their locally determined affordable housing activities and priorities. HELP loans must be used to directly produce affordable housing units; however, flexibility is given to the government agency to determine the specific housing activity and use of the funds. The Agency's affordable housing efforts could be supported by HELP loans to directly produce affordable housing through acquisition, development, rehabilitation or preservation of affordable rental or ownership housing. The HELP Program does not generate new funds; it is a loan that must be repaid, likely from tax increment revenues. However, in March 2008, this program announced the suspension of new funding assistance until further notice. While Fremont has received HELP funds in the past, it is unclear whether funding will become available in the future.

D. Tax Increment Financing as the Primary Source of Funding

Based on the extensive list of other potential funding sources reviewed and described in Section C and Appendix H, it is clear that the primary source of financing for the Merged Redevelopment Program has been, and will continue to be, tax increment revenue generated by the increase in property values within the Merged Project Area. If the Constituent Redevelopment Plans are amended as proposed by the Plan Amendment, based on the assumptions outlined in this chapter, the tax increment revenues generated over the tax increment collection period are projected to be sufficient to meet the large majority of the Merged Redevelopment Program costs for both non-housing and affordable housing activities that cannot reasonably be financed from other sources.

The Agency prepares an annual budget and a long-term budget projection each year to set forth the projected revenues and expenditures. The Agency evaluates the projected amount of funds available from tax increment and other revenue sources and sets its annual budget and long-term budget projection taking into account the level of these funding resources. The Agency will not commit more funds on an annual basis than is anticipated to be available to fund the Merged Redevelopment Program over its life.

The remainder of this section provides basic information about the collection and use of tax increment revenue in the Merged Project Area. Section E outlines the detailed assumptions for the tax increment projections summarized in Sections F, G and H to evaluate and document the financial feasibility of and need for the Plan Amendment.

1. Using Tax Increment Revenue to Eliminate Adverse Conditions

The primary purpose of redevelopment is the elimination of adverse physical and economic conditions affecting a project area. The completion of a redevelopment program results in a project area that is physically enhanced and economically stronger due to the elimination of blight. The Merged Redevelopment Program is specifically designed to stimulate private

investment and alleviate physical and economic adverse conditions in the Merged Project Area. The use of tax increment revenue is the most appropriate means of providing sufficient funding for implementing the Merged Redevelopment Program.

As described in Chapter II, the remaining blighting conditions in the Merged Project Area are substantial and prevalent and continue to represent a significant burden on the community that cannot be eliminated under the existing tax increment cap for the Industrial Area and existing bond limit for the Merged Project Area. Therefore, the Plan Amendment would increase these fiscal limits to allow the Agency to complete the Merged Redevelopment Program summarized in Chapter III, including the regional transportation improvements and Historic Area revitalization envisioned in the Constituent Redevelopment Plans. In addition, the Plan Amendment would update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area to better meet the evolving needs of the community.

2. Stabilizing and Enhancing the Property Tax Base

In many communities, redevelopment projects have led to the stabilization of property tax rolls and tax receipts for taxing entities within project areas. As a result, these communities have avoided declines in tax revenues due to the erosion of property values. In most redevelopment project areas, the investment of public redevelopment funds to leverage private investment has resulted in substantial increases in property values over time due to new construction, rehabilitation and property appreciation.

3. Establishing the Base Year Assessed Value

The base year assessed value of a project area is established at the time of redevelopment plan adoption or amendment. The base year assessed value includes the total value of taxable property within a project area's boundaries. The tax roll used is called the "base year assessment roll," or more commonly known as the "frozen base." The establishment of a frozen base provides for a segregation of assessed values between existing values and enhanced values deriving from future redevelopment efforts in a project area. Table IV-4 lists the base year and base assessed values for the Constituent Project Areas that together comprise the Merged Project Area. Both the Niles and Irvington Areas have different base years for the Original Area (the portion of the Area that was originally adopted in 1977) and the Added Area (the portion of the Area that was added during the 1998 Plan Amendments and Merger). The Plan Amendment will not change the base years or base assessed values for any of the Constituent Project Areas comprising the Merged Project Area.

Table IV-4
Base Year and Base Year Assessed Values
Fremont Merged Redevelopment Project Area

	Base Year	Base Assessed Value
Niles		
Original Area	FY 1976/77	$4,388,547
Added Area	FY 1997/98	$21,386,608
Irvington		
Original Area	FY 1976/77	$10,832,704
Added Area	FY 1997/98	$136,048,608
Centerville	FY 1996/97	$136,083,742
Industrial	FY 1983/84	$68,250,876

Sources: Fremont Redevelopment Agency, Seifel Consulting Inc.

4. Existing and Proposed Time and Fiscal Limits

The CRL imposes specific time and fiscal limits that will affect the amount of tax increment revenue the Agency can receive. Table IV-5 summarizes the existing constraints for each of the Constituent Project Areas comprising the Merged Project Area. The Niles and Irvington Areas have different time limits for their respective Original and Added Areas. Table IV-5 also indicates the proposed changes to the fiscal limits under the Plan Amendment. As shown in Table IV-5, the only changes to the time and fiscal limits that are proposed pursuant to the Plan Amendment involve increasing the current dollar caps on receipt of tax increment revenue from the Industrial Area portion of the Merged Project Area and on the total amount of authorized outstanding indebtedness.

Table IV-5
Existing and Proposed Time and Fiscal Limits
Fremont Merged Redevelopment Project Area

	Fremont Merged Project Area					
	Niles		Irvington			
	Original	Added	Original	Added	Centerville	Industrial
Background Information						
Date of Adoption	7/5/1977	7/7/1998	7/5/1977	7/7/1998	7/8/1997	11/22/1983
Base Year	FY 1976/77	FY 1997/98	FY 1976/77	FY 1997/98	FY 1996/97	FY 1983/84
Time Limits						
Debt Issuance	Eliminated[a]	7/7/2018	Eliminated[a]	7/7/2018	7/8/2017	Eliminated[a]
Plan Effectiveness	7/5/2018	7/7/2029	7/5/2018	7/7/2029	7/8/2028	11/22/2024
Receipt of Tax Increment	7/5/2028	7/7/2044	7/5/2028	7/7/2044	7/8/2043	11/22/2034
Eminent Domain	7/7/2010	7/7/2010	7/7/2010	7/7/2010	7/8/2009	7/7/2010
Existing Fiscal Limits						
Tax Increment Collection	$55 Million		$180 Million		No Limit	$400 Million
Outstanding Bonded Indebtedness	$200 Million Combined					
Proposed Fiscal Limits						
Tax Increment Collection	$55 Million		$180 Million		No Limit	$1.5 Billion
Outstanding Bonded Indebtedness	$550 Million Combined					

a. The debt issuance time limits for the Niles Original, Irvington Original and Industrial Areas were eliminated in 2006 as authorized by the CRL. As a result, the last date for debt issuance has become the same as the last date of Plan effectiveness.

Source: Fremont Redevelopment Agency, Goldfarb & Lipman LLP, Seifel Consulting Inc.

The Industrial and Irvington Areas are projected to reach their existing tax increment caps in FY 2011/12 and FY 2025/26, respectively. The Niles Area is not expected to reach its tax increment cap before the end of its tax increment collection period and the Centerville Area does not have a limit on tax increment collection.

Table IV-6 summarizes the estimated total tax increment collected for each Constituent Project Area comprising the Merged Project Area through FY 2008/09. In the Niles Area, the Agency will have collected approximately $5.6 million out of the total allowable cap of $55 million. In the Irvington Area, the Agency will have collected approximately $46.6 million out of the total allowable cap of $180 million. In the Industrial Area, the Agency will have collected a total of approximately $327.6 million out of the total existing allowable cap of $400 million. In Centerville, where there is no tax increment limit, the Agency will have collected $13.9 million.

Table IV-6
Estimated Total Tax Increment Collected Through FY 2008/09
Fremont Merged Redevelopment Project Area

	Tax Increment Dollar Limit (Cap)	Cumulative Tax Increment Revenue Through FY 2008/09
Niles	Combined limit of $55 million	5,573,290
Irvington	Combined limit of $180 million	46,641,836
Centerville	No limit	13,943,442
Industrial	$400 million	327,626,623

Sources: Fremont Redevelopment Agency, Seifel Consulting Inc.

5. Distribution of Property Taxes During Project Implementation

With the Plan Amendment, all of the entities that levy taxes in the Merged Project Area will continue to receive all property tax revenues derived from the relevant base assessed value. In addition, the taxing entities will continue to receive a portion of the property tax revenues generated from the increase in assessed value over the relevant base year assessed value, known as pass-through payments. The Agency is obligated to make two types of pass-through payments, those negotiated between the Agency and an affected taxing entity pursuant to a contractual agreement (referred to as contractual pass-through payments) and those mandated by the CRL pursuant to Assembly Bill 1290 for plans adopted, or amended in specific ways as defined in the CRL, on or after January 1, 1994 (referred to as statutory pass-through payments). (See Section E below for details regarding contractual and statutory pass-through payments and their calculation.)

6. Distribution of Property Taxes after Project Completion

When a redevelopment project is completed and loans or other indebtedness have been repaid, all property taxes flow back to the respective taxing entities.[4] Taxing entities benefit from increases in property tax revenues resulting from revitalized and redeveloped project areas. In many communities, such increases are substantial. In fact, following project completion, taxing entities can recoup revenues sufficient to make up for the property tax revenues that were allocated for redevelopment during the redevelopment implementation period. This recovery would occur because the increases in assessed valuation from revitalization of the project areas are greater as a result of redevelopment than the assessed valuation increases that would have occurred without redevelopment. Thus, payments to the affected taxing entities from a completed redevelopment project area can exceed the property taxes that the taxing entities would reasonably expect to receive from a slower-growing assessed valuation roll without redevelopment.

[4] Under the Plan Amendment and consistent with the current CRL, tax increment collection for each Constituent Project Area comprising the Merged Project Area would end according to either the time or fiscal limit on tax increment collection, whichever is reached sooner, as summarized in Table IV-4.

E. Financial Parameters and Assumptions Used in Tax Increment Projections

The tax increment projections in this Report are intended only as estimates based on the best available information as of the date of this Report, and have been updated since the publication of the Preliminary Report in August, 2009. Actual tax increments may be higher or lower than the projections. The tables in Appendix I present detailed analyses of potential tax increment revenues for the combined Merged Project Area and the Constituent Project Areas. The tax increment estimates summarized in this Chapter IV and the various appendices are based on the following financial parameters and assumptions.

1. Base Year Assessed Value

The base year and base year assessed values for the Constituent Project Areas are as shown above in Table IV-4.

2. Present Value Assumptions

The analysis below provides estimates of tax increment revenues in both future value (nominal) dollars and present value (constant 2010) dollars. The purchasing power of nominal dollars declines because of inflation and/or the cost of borrowing. Therefore, it is important to convert the annual amounts to the equivalent value in constant 2010 dollars before making a direct comparison between potential revenues and projected costs.

The present value in constant 2010 dollars is calculated by discounting future tax increment revenues by an annual rate of 6.0 percent. This discount rate accounts for the cost of inflation, as well as the average cost of borrowing money for the City and the Agency (e.g. issuing tax allocation bonds secured by a pledge of tax increment revenue), to approximate the present value of future dollars. Most of the tax increment will be pledged to the issuance of bonds, and a portion of tax increment may be used on a pay-as-you-go basis.

3. Tax Rate

In order to calculate the tax increment revenue from the Merged Project Area, the Alameda County Auditor-Controller multiplies the relevant taxable assessed value by two tax rates:

- Basic tax rate of $1.00 per $100 of taxable value.
- Tax rate levied to pay voter approved indebtedness issued prior to 1989.

The basic tax rate may not exceed 1.0 percent ($1.00 per $100 of taxable value) per Article XIIIA (Proposition 13) of the State Constitution. In addition, redevelopment agencies may receive incremental property tax revenues on voter-approved bonded indebtedness issued prior to 1989 for the tax rate areas that comprise the Constituent Project Areas. These bonded indebtedness tax rates vary from year to year as property values change in the Constituent Project Areas and as voter debt is retired.

The tax increment projections in this Report use the basic 1.0 percent tax rate only and do not include the additional tax revenues to the Agency from bonded indebtedness tax rates, since the underlying bonds are assumed to be retired over time.

4. Growth Assumptions

Tax increment revenues are generated from the growth in assessed value above the base year assessed value (incremental assessed value).[5] Tax increment revenues are projected by applying the effective property tax rate, assumed at one percent, to the incremental assessed value. Growth in assessed property values in the Merged Project Area is based upon the following three factors:

Annual Inflation Rate

The annual inflation rate is assumed at two percent per year for properties that remain in the same ownership. Two percent is the maximum annual increase that is allowed by the California State Constitution as a result of Proposition 13 in the absence of certain events that can trigger a reassessment, such as a sale or construction of new improvement. This two percent inflation factor is applied to the secured assessed value.[6]

Reassessment Adjustment

An annual reassessment adjustment represents the increases in assessed value following property reassessment, which is triggered by: (1) the transfer, or sale, of real property, (2) upgrading of real property improvements due to rehabilitation or additions to existing buildings, or (3) the reassessments of new development to market value once construction is completed. The reassessment adjustment for secured property is assumed to be one percent per year in the Merged Project Area. That is, the total assessed value of each of the Constituent Project Areas comprising the Merged Project Area for a given year is assumed to be 1 percent greater than the assessed value in the preceding year, as a result of the reassessment events noted above. This 1 percent reassessment adjustment is in addition to the 2 percent annual inflation adjustment described above.

New Development in the Merged Project Area

In addition to the annual inflation adjustment and the annual reassessment adjustment, the tax increment projections are based in part on estimates of growth, due to new construction and redevelopment in the Merged Project Area.

Tables IV-7 and IV-8 summarize the new development assumptions used in the analysis for the Historic Areas and Industrial Area, respectively. These assumptions are based on the results of the Fremont Planning Department's TAZ growth model, used to estimate future build-out potential under the land use regulations of the City's current General Plan. Rather than taking the full build-out potential, the new development assumptions were determined by taking 50 to 80 percent, depending on the future development potential of each area, of the number of dwelling units and square feet of commercial and industrial space estimated by the growth model. These assumptions result in a prudently conservative estimate of assessed valuation and tax increment growth in the Merged Project Area attributable to new development.

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[5] Tax increment projections exclude property tax revenues from overrides above the basic one percent property tax rate, as detailed in subsection 3 above.

[6] The assessed value of an area is comprised of the secured, unsecured and utility tax rolls. The secured assessed value is typically the largest of the three and consists of real property (i.e. land, structures) and personal property (i.e. equipment). Receipt of property tax from secured properties are secured, or guaranteed, by placing a lien on the property.

Table IV-7
New Development Growth Assumptions
FY 2009/10 Through Remaining Life of the Proposed Merged Plan
Historic Areas

Land Use	Niles		Irvington		Centerville	Total
	Original	Added	Original	Added		
Non-Residential (sq. ft.)						
Commercial	46,500	42,800	10,400	22,400	135,300	257,400
Industrial	-	-	22,000	48,000	-	70,000
Total	**46,500**	**42,800**	**32,400**	**70,400**	**135,300**	**327,400**
Residential (units)						
Total	**70**	**60**	**290**	**620**	**1,250**	**2,290**

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

Table IV-8
New Development Growth Assumptions
FY 2009/10 Through Remaining Life of the Proposed Merged Plan
Industrial Area

Land Use	Sq. Ft (or DU)
Non-Residential (sq. ft.)	
Cisco +ProLogis Areas	
R&D	3,938,000
Retail	165,000
Office	650,000
Other New Development	
Retail	450,000
Industrial	1,000,000
Total	**6,203,000**
Residential (units)	
Total	**-**

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

5. Agency Tax Increment Obligations

According to State Law, the Agency must use tax increment revenue to fulfill the following obligations:

a. County Fee for Property Tax Administration

Alameda County retains fees for the administration of tax increment revenues. The projections assume that this County retention will continue in about the same proportion of basic tax revenues as currently occurs, at slightly over one percent of the basic tax revenues for each of the Constituent Project Areas comprising the Merged Project Area.

b. Housing Set-Aside for Affordable Housing Program

Section 33334.2 of the CRL requires that 20 percent of the gross tax increment revenues generated be used for increasing, improving and preserving a community's supply of low and moderate-income housing. In other words, twenty cents out of each tax increment dollar generated during the life of the Merged Redevelopment Plan must be channeled into the Housing Set-Aside Fund to finance the Agency's affordable housing program. This amount must be set-aside each year by the Fremont Redevelopment Agency and will not be affected by Agency obligations to pass-through payments, administrative costs or other factors. Uses of the Housing Set-Aside revenue include the payment of principal, interest, bonds, loans, money advances or indebtedness incurred by the Agency to finance affordable housing related activities. Administrative costs related to the implementation of the Affordable Housing Program are also typically paid out of the Housing Set-Aside Fund.

c. Contractual and Statutory Pass-Through Payments

In addition to the property tax revenues received from the frozen base, the affected taxing entities in a redevelopment area may also receive a portion of the property tax revenues generated from increases in assessed value. These additional payments are called pass-through payments. Project areas adopted or amended after January 1, 1994, may include statutory pass-through payments to the affected taxing entities imposed by AB 1290 and incorporated into the CRL. Project areas adopted or amended prior to January 1, 1994, may include negotiated, contractual pass-through agreements with the affected entities, as then permitted under the CRL.

For the Industrial Area, the Agency will continue to make pass-through payments to affected taxing entities in accordance with the Agency's contractual agreements with the entities. Two exceptions are the City of Fremont, which never had a contractual agreement with the Agency and receives statutory pass-through payments, and Fremont Unified School District (FUSD), which will begin to receive statutory pass-through payments for the Industrial Area portion of the Merged Project Area if and when the Plan Amendment is adopted. The Agency is obligated to make statutory pass-through payments from the Niles, Irvington and Centerville Areas to all affected taxing entities. The Agency will continue to pay its contractual pass-through obligations according to its fiscal agreements with relevant taxing entities and statutory pass-through obligations as mandated by the CRL with relevant taxing entities. Section 6 below presents a detailed explanation of these pass-through payment calculations.

d. 2% Inflation Allocation in the Industrial Area

Pursuant to a provision of the Industrial Area's Redevelopment Plan, the portion of taxes attributable to the first 2 percent of annual increases in the base assessed value of property within the Industrial Area shall not be claimed as tax increment revenue (the "2% Inflation Allocation"), with the result that such amount is allocated to the respective taxing agencies as tax revenue to them, just like property taxes paid on the base year assessed value.

e. Annual Educational Revenue Augmentation Fund Payment (Agency ERAF Obligation)

Faced with a budget gap for FY 2003/04, the State enacted legislation, SB 1045, Chapter 260, Statutes of 2003 ("Chapter 260") requiring all redevelopment agencies that received tax increment in FY 2001/02 to contribute to the Educational Revenue Augmentation Fund ("ERAF") in FY 2003/04. Chapter 260 provides that one-half of an Agency's ERAF obligation for all project areas collectively is calculated based on the FY 2001/02 gross tax increment received by the Agency and other half of its ERAF obligation is calculated based on the FY 2001/02 net tax increment revenues after any pass-through payments to other taxing entities.

The Governor and Legislature enacted SB 1096 (Chapter 211, Statutes of 2004) in an effort to balance the FY 2004/05 and FY 2005/06 state budgets by requiring redevelopment agencies to make additional ERAF payments in those fiscal years. Further legislation, AB 2115 (Chapter 610, Statutes of 2004), clarified that the ERAF payments made in both years were to be calculated based on the most recent published edition of the State Controller's Annual Report. Thus, the FY 2004/05 payments were based on FY 2002/03 data and the FY 2005/06 payments were based on FY 2003/04 data. The Agency made payments to ERAF in FY 2003/04 through FY 2005/06, and these ERAF payments are excluded from the calculation of the tax increment collection cap for each Constituent Project Area comprising the Merged Project Area.

Faced with a state budget gap in FY 2008/09, the State Legislature passed and the Governor signed AB 1389 in September 2008 requiring redevelopment agencies to contribute to ERAF once again and transfer $350 million to fund State obligations. (The Fremont Redevelopment Agency's portion of the contribution was determined to be $2.2 million.) However, the Sacramento Superior Court found this provision to be unconstitutional and signed a judgment on May 7, 2009, forbidding any of the defendants (county auditor-controllers) from taking any actions to carry out or enforce any of the ERAF payment requirements.

On September 23, 2009, the State abandoned its appeal of the Sacramento Superior Court's ruling in favor of redevelopment agencies. As a result, the Sacramento Superior Court's ruling is now final and the Agency will not be required to make an ERAF payment for FY 2008/09. The amount the Agency had held in reserve to make the FY 2008/09 ERAF payment has now been released for use in the implementation of the redevelopment program and such availability is reflected in the analysis of financial feasibility of the proposed Plan Amendment set forth in this Chapter IV.

With a continuing major budget deficit in FY 2009/10 (and likely beyond), in late July 2009 the State Legislature approved and the Governor signed into law AB 26 4x which seeks to require that redevelopment agencies contribute a statewide total of $1.7 billion in FY 2009/10 and an additional $350 million in FY 2010/11 to a new ERAF-related fund (called "Supplemental ERAF" or "SERAF") to further relieve the State of educational funding obligations. The impact of this latest budget legislation, if held constitutional, would be to require the Agency to contribute to the SERAF the approximate amount of $10.9 million in FY 2009/10 and an additional approximately $2.2 million in FY 2010/11. The constitutionality of these additional State takeaways from redevelopment agencies is currently being challenged in court. However, for conservative planning purposes, this analysis considers the potential SERAF payments in the financial feasibility of the Merged Redevelopment Program, as discussed further below in Section G.[7]

The Agency cannot predict whether the State Legislature will enact legislation requiring deposits into ERAF in future years. Therefore, the Agency's tax increment projections do not assume a continuation of annual State ERAF payments. If the State Legislature does enact a future ERAF contribution requirement applicable to the Agency, such requirement would reduce the amount of tax increment revenue available in the applicable future year(s) for redevelopment program activities. However, if the State Legislature also follows past practice in connection with any possible future redevelopment agency ERAF contribution requirement, such possible future ERAF contributions would be excluded from the calculation of the tax increment collection cap for each Constituent Project Area comprising the Merged Project Area.

6. Calculation of Pass-Through Payments

The Agency will continue to fulfill its pass-through obligations following the terms and calculations as outlined below:

a. Pass-Through Payment Calculations for the Industrial Area

Contractual pass-through agreements (also called "fiscal agreements") are agreements that the Agency was authorized to negotiate with any of the affected taxing entities other than the City, pursuant to Health and Safety Code Section 33401 in effect prior to AB 1290. Thus, redevelopment plans adopted or amended prior to January 1, 1994, may include negotiated, contractual pass-through agreements with the affected taxing entities, as in the case of the Industrial Area. In the Industrial Area, all of the taxing entities (except the City of Fremont) entered into pass-through agreements with the Agency, and all of these taxing entities, except the Fremont Unified School District, will continue to receive their pass-through payments from the Agency based on the payment formula in their respective fiscal agreements, instead of receiving

[7] With all previous ERAF takeaways over the past two decades, the operative legislation has specified that amounts paid by a redevelopment agency will not count as tax increment received toward a redevelopment plan limit on the total amount of tax increment that a redevelopment agency may claim. The latest takeaway legislation (AB 26 4x) does not provide for the same treatment as in previous legislations. Therefore, the Agency conservatively assumes that the amounts that may be paid by the Agency to the SERAF in FY 2009/10 and FY 2010/11 will count toward the dollar caps, thereby reducing the ultimate revenue available to the Agency for its local redevelopment activities. If it turns out that the upcoming SERAF payments will be treated like all previous ERAF payments (i.e., will not count toward the dollar limits), then the modest shortfall in overall redevelopment program funding estimated in this Chapter will be correspondingly reduced.

statutory pass-through payments from the Agency.[8] The specific terms of the fiscal agreements with respect to the Industrial Area are described below.

General Governments Industrial Area Pass-Through Agreement

In connection with the 1993 Industrial Area Plan Amendment, the Agency and the 11 non-educational General Government Entities negotiated, drafted and entered into a contractual pass-through agreement, also known as the General Governments Industrial Area Pass-Through Agreement. This particular agreement prescribes the annual pass-through payments to the following taxing entities:

- County of Alameda
- Alameda County Transit District
- Alameda County Flood Control District
- Alameda County Library District
- Alameda County Mosquito Abatement District
- Alameda County Resource Conservation District
- Alameda County Water District
- Bay Area Air Quality Management District
- Bay Area Rapid Transit District
- East Bay Regional Park District
- Washington Hospital District[9]

The annual payment to each of these taxing entities is the amount, when added to the amount the entity receives in property taxes, that is equal to 50 percent of the portion of the tax increment that each entity would receive in property taxes from the Industrial Area if the Agency did not claim or receive any tax increment from the Industrial Area.[10]

Since the original agreement in 1993, in connection with the 1998 Amended Plan and the 2009 Plan Amendment, the Agency and the taxing entities determined the need to further clarify the method for determining the pass-through payments to most accurately reflect the County Auditor-Controller's ERAF Fund allocation methodology and achieve the level of payments that

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[8] As a result of the 1998 Merger Plan Amendment, the City became eligible to receive statutory pass-through payments from the Agency with respect to the Industrial Area because it was an affected taxing entity that did not have a pre-existing pass-through contract with the Agency. Currently, the Agency and the Fremont Unified School District (FUSD) propose to acknowledge that their Industrial Area fiscal agreement, entered into in connection with the 1993 Industrial Area Plan Amendment, has been fully performed and all payments made. As a result of such acknowledgement, the prior pass-through agreement with FUSD would be terminated for purposes of pass-through payments, thereby enabling FUSD to begin to receive statutory pass-through payments from the Agency with respect to the Industrial Area if the Plan Amendment is adopted.

[9] The Washington Hospital District is no longer an affected taxing entity with respect to the Industrial Area, as it never received a share of the basic one percent property tax and no longer imposes a bond override property tax, although it remains an original signatory of the General Governments Industrial Area Pass-Through Agreement.

[10] This agreement also provides for the Agency to make annual payments to any of the Taxing Agencies other than the County of Alameda that levy an override property tax in addition to the basic one percent property tax rate if that override is to pay debt service on indebtedness approved by the Taxing Agency's voters prior to 1989. The amount of any required payment is 80 percent of the tax increment the Agency receives from the Industrial Area as a result of the Taxing Agency's override property tax levy.

was intended when the agreement was initially executed. To that end, the Agency and the taxing entities entered into the Second Amendment and Restatement of the agreement in 1999 and are currently under negotiations for the Third Amendment and Restatement of this agreement. Tables B-10a through B-10n in Appendix I present the pass-through calculation methodology in more detail, as outlined in the proposed Third Amended and Restated General Governments Industrial Area Pass-Through Agreement. The tax increment projections in the analysis are based on this clarified method for the Agency's payments to the entities.

Education Entities Industrial Area Pass-Through Agreement

Also in connection with the 1993 Industrial Area Plan amendment, the Agency and the Education Entities negotiated, drafted, and entered into three separate pass-through agreements, one with each Education Entity, as outlined below.

Ohlone Community College District Fiscal Agreement

The Agency makes annual payments to the Ohlone Community College District with respect to the Industrial Area under this fiscal agreement. From FY 2009/10 until the Agency no longer receives tax increment from the Industrial Area, the annual payment is 50 percent of the portion of the tax increment (net of 20 percent housing set-aside) the Agency receives from the Industrial Area that would have otherwise been paid to the District as property taxes.

Alameda County Superintendent of Schools Fiscal Agreement

Under this fiscal agreement, the Agency is obligated to make fixed annual payments to the Alameda County Superintendent of Schools with respect to the Industrial Area in accordance with a schedule attached to the agreement. The payments began in FY 2007/08 and continue through FY 2032/33. The payment in FY 2007/08 is $14,486 and increases every year by varying percentages, generally between 3 percent and 8 percent, reaching $52,500 in FY 2032/33.

Fremont Unified School District Fiscal Agreement

Under the original fiscal agreement in 1993, the Agency was obligated to make two lump sum payments to the Fremont Unified School District (FUSD) in the aggregate amount of $3,600,724. At this time, the Agency and FUSD propose to acknowledge that their Industrial Area pass-through agreement has been fully performed and all payments made. As a result of such acknowledgement, the prior pass-through agreement with FUSD will be terminated for purposes of pass-through payments, thereby enabling FUSD to begin to receive statutory pass-through payments from the Agency with respect to the Industrial Area if and when the 2009 Plan Amendment is adopted. (See discussion below regarding the calculation of statutory pass-through payments.)

Impact of the Plan Amendment

The proposed Plan Amendment would increase the limit on the amount of tax increment revenue to be collected from the Industrial Area portion of the Merged Project Area from the current limit of $400 million to a revised limit of $1.5 billion. Appendix J analyzes the fiscal impact of the Plan Amendment on the amount of property tax revenues received by each of the three Education Entities. While taxing entities would continue to contribute their property tax share to redevelopment as a result of the Plan Amendment, the educational taxing entities would continue to receive both pass-through payments described above and the subventions that they receive from the State. Therefore, the Plan Amendment would benefit and have a positive fiscal impact

on the educational taxing entities, as shown in Tables J-1 through J-3 in Appendix J. Column 7 of Tables J-1 through J-3 also shows the estimated impact on the State general fund through State subventions to the local educational taxing entities as a result of the proposed Plan Amendment.

Statutory Pass-Through Payments to the City

As a result of the 1998 Merger Amendments, the City became eligible to receive statutory pass-through payments from the Agency with respect to the Industrial Area because it was an affected taxing entity that did not have a pre-existing pass-through contract with the Agency. In accordance with Health and Safety Code Section 33607.7(c), the Agency's statutory pass-through payments to the City with respect to the Industrial Area commenced in FY 2004/05. (See discussion below regarding the calculation of statutory pass-through payments.)

b. Statutory Pass-Through Payment Calculations

Since the passage of AB 1290, the CRL now requires statutory pass-through payments to all taxing entities without pre-existing contractual agreements that are affected by plan adoptions or amendments after January 1, 1994. The Agency must adhere to the three-tier, CRL-mandated procedure for pass-through calculations. These pass-through payments constitute the State Legislature's determination of the payments necessary to alleviate any financial burden of a merged redevelopment plan to affected taxing entities. CRL Section 33607.5(f)(1)(B) states that statutory pass-through payments are the only payments that are required of a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

Upon adoption of the Constituent Redevelopment Plan for Centerville in 1997 and adoption of the 1998 Merger Amendments that also added the Irvington Added Area and the Niles Added Area as portions of those respective project areas, the Agency automatically incurred statutory pass-through payment obligations to all of the affected taxing entities for those portions of the Merged Project Area.[11] The 1998 Merger Amendments also extended the expired deadlines for the Agency to incur indebtedness with respect to the Irvington Original Area and the Niles Original Area, so that, rather than expiring in 1989, these debt incurrence deadlines were extended to 2014.[12] Because none of the affected taxing entities had pre-existing pass-through contracts with the Agency with respect to the Irvington Original Area or the Niles Original Area that were in effect prior to 1994, every affected taxing entity became entitled to statutory pass-through payments from the Agency with respect to the Irvington Original Area and the Niles Original Area.[13]

Thus, the Agency is required to make statutory pass-through payments from the Irvington, Niles and Centerville Areas to all affected taxing entities. These pass-through payments are calculated by multiplying the property tax levy for each entity by a mandated set of three tiered pass-through percentages that are in turn multiplied by increases in assessed value above a relevant pass-through base assessed value for each tier. The CRL mandated pass-through calculation formula is the same for new project areas and territory added via plan amendments adopted on or after

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[11] These statutory pass-through obligations began in the first year of receipt of tax increment for the Centerville Area, the Irvington Added Area, and the Niles Added Area, respectively.

[12] These limits were subsequently eliminated in 2006.

[13] The Agency's statutory pass-through payments to all of the affected taxing entities with respect to the Irvington Original Area and the Niles Original Area commenced in FY 1998/99.

January 1, 1994. A similar, but slightly different, formula is used for project areas with amendments to time or fiscal limits.

For example, in the Centerville Area and Irvington and Niles Added Areas, the mandated tier one pass-through is calculated based on the difference between the assessed value in the particular year for which the pass-through payment is being calculated and the frozen base assessed valuation.[14] In the Irvington and Niles Original Areas, the mandated tier one pass-through is calculated based on the difference between the assessed value in the particular year for which the pass-through payment is being calculated and the assessed value in the year in which the first fiscal limit was reached.[15]

Over the life of the Merged Redevelopment Plan, each entity will receive its proportionate share of three "tiers" of pass-through payments, as follows:

Tier One

The Tier One pass-through is calculated based on 20 percent of the gross tax increment generated from assessed value growth above the relevant first tier statutory pass-through base year assessed value.[16] In the Centerville Area and Irvington and Niles Added Areas, Tier One pass-through payments began when the Agency first received tax increment from those respective areas. In the Irvington and Niles Original Areas, this annual payment began the year after the 1998 Merger Amendments.

Tier Two

The Tier Two pass-through is calculated based on 16.8 percent of the gross tax increment generated from assessed value growth above the relevant pass-through assessed value base for the tenth year of tax increment collection after the tier one pass-through payments begin.[17] In the Centerville Area and Irvington and Niles Added Areas, Tier Two pass-through payments began (or will begin) in the eleventh year during which the Agency receives tax increment from those respective areas. In the Irvington and Niles Original Areas, this annual payment began in the eleventh year after the first fiscal limit was reached in FY 1989/90. This Tier Two pass-through is added to the Tier One payment and continues through the remaining life of the Merged Redevelopment Plan.

Tier Three

The Tier Three pass-through payment is calculated based on 11.2 percent of the gross tax increment generated from assessed value growth above a project area's assessed value in the thirtieth year of tax increment collection after the tier one pass-through payments begin.[18] In the Centerville Area and Irvington and Niles Added Areas, Tier Three pass-through payments will begin in the 31st year during which the Agency receives tax increment from those respective areas. In the Irvington and Niles Original Areas, this annual payment will begin in the 31st year

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[14] The frozen base year is FY 1996/97 for Centerville Area and FY 1997/98 for Irvington and Niles Added Areas, as further described in Table IV-4.

[15] The first deadlines expired in FY 1989/90 for the debt incurrence limit.

[16] This is equivalent to 25 percent of net tax increment after the 20 percent affordable housing set-aside.

[17] This is equivalent to 21 percent of net tax increment after the 20 percent affordable housing set-aside.

[18] This is equivalent to 14 percent of net tax increment after the 20 percent affordable housing set-aside.

after the first fiscal limit was reached in FY 1989/90. This Tier Three pass-through is added to the Tier One and Tier Two payments and continues through the life of the Redevelopment Plan.

City of Fremont Pass-through Election

The community that creates and oversees a redevelopment project, the City of Fremont, is entitled to receive a more limited statutory pass-through payment. The City of Fremont elected to receive its proportionate share of the tier one pass-through payments in all of the Constituent Project Areas. The City may elect to receive the Tier One pass-through; however, it cannot participate in the Tier Two and Tier Three pass through payments.

Override Payments to Alameda County Water District

The Alameda County Water District (ACWD) has a separate fiscal agreement regarding the Historic Project Areas, whereby the Agency must make additional annual payments to ACWD. The annual payment required is 80 percent of the tax increment the Agency receives from each of the three respective Historic Areas as a result of the Alameda County Water District's override tax levy, in addition to the basic one percent property tax rate. This levy is imposed to pay the District's share of the costs of the State water system. However, the override payments are not included in the Tax Increment projections, as explained in subsection 3 above.

c. Educational Revenue Augmentation Fund (ERAF) Adjustments

County Auditor-Controllers are required to make contributions to the Educational Revenue Augmentation Fund (ERAF) on behalf of certain taxing entities within their jurisdiction. In order to make these payments, an Auditor-Controller may adjust the levies of taxing entities, so that their share of the total property tax decreases. Then, the remainder of the property tax for those taxing entities is instead forwarded to ERAF. Not all entities must contribute a share of their property tax to ERAF in this way; for example, school districts and taxing entities whose boundaries extend across multiple counties are not affected.

In Alameda County, the Auditor-Controller adjusts downward the levies for all entities that contribute to ERAF in redevelopment project areas and creates a separate ERAF line item to reflect the sum of their contributions to ERAF. The levies of all entities that contribute to ERAF, such as the County and the City, are adjusted downward to account for their ERAF contribution.

For purposes of calculating the statutory pass-through obligations, the tax increment projections use the "ERAF-adjusted" levy distributions for each entity plus the ERAF line allocation shown in the County Reports. To be conservative, the total Agency pass-through obligation is calculated as the total of all of the ERAF-adjusted levies for each entity plus the ERAF levy (totals to one percent). In mathematical terms, this conservative calculation of the Agency's pass-through obligation is identical to the pass-through calculation for the Agency as if there were no ERAF adjustments, and may underestimate the amount of tax increment revenue to which the Agency is entitled under legal interpretation of the statutory pass-through provisions of the CRL.

In addition, the Agency and the Alameda County Auditor-Controller are currently in discussion regarding the proper calculation of the ERAF line allocation for the Industrial Area. Although the Agency disagrees with the County's methodology, this Report conservatively uses the tax increment projections for the Industrial Area based on the County's calculations, which increases the ERAF line allocation and consequently reduces the amount of tax increment revenue that the Agency may be entitled to use for its projects and activities. If the Agency and County are able to

agree upon the Agency's calculation method, the Agency will have additional tax increment funds that will applied to the Post-$400 million Cap Merged Redevelopment Program.

7. Agency Administration

The projections for all Constituent Project Areas in the analysis estimate the Non-Housing Agency administrative costs using the Agency's administrative budget projection for 2009 and projecting forwards by an annual increase of 5 percent. As shown in Table IV-9, the Agency's administrative costs are deducted to calculate the net tax increment available for non-housing projects. As noted above, administrative costs related to the implementation of the Agency's Affordable Housing Program is paid out of the Agency's Housing Set-Aside Fund.

8. Existing Bond Debt Service

The Agency continues to make regular debt service payments on an existing bond issued in 2004. This Report assumes annual debt service payments according to the amortized schedule (due to end in FY 2013/14). For the feasibility analysis, the bond debt service is deducted, in addition to other Agency obligations, to calculate the net tax increment available for non-housing projects. The total future value and present value (in 2009 dollars) of the bond payments are shown in Table IV-9 and Figure IV-2.

F. Summary of Tax Increment Projections

Table IV-9 summarizes the projected tax increment revenues for the combined Merged Project Area.[19] The Merged Project Area is projected to generate approximately $98.6 million in gross incremental tax revenues (in constant 2010 dollars) by the time the Industrial Area will reach its $400 million tax increment cap in FY 2011/12. With the Plan Amendment, the Merged Project Area will generate, approximately $722.8 million in total gross incremental tax revenues (in constant 2010 dollars) over the life of the Merged Redevelopment Plan.

Table IV-9 also shows how the gross tax increment will be distributed to the County for property tax administration, to the taxing entities via pass through payments, for debt service payments, and to the Agency for the Housing Set-Aside Fund, non-housing projects and redevelopment administration. Figure IV-2 illustrates the distribution of future tax increment revenues over the remaining life of the Merged Redevelopment Plan. After portions of the gross tax increment is distributed to meet the Agency's various obligations and Agency administration costs, approximately $430.2 million in present value dollars will remain and be available to accomplish the Merged Redevelopment Program's non-housing and housing projects and activities. Most of this amount—$386.4 million in constant 2010 dollars—will become available only if the Plan Amendment is adopted.

[19] Tax increment projections for the Niles, Irvington, Centerville, and Industrial Areas are calculated separately as each of the Constituent Project Areas have their own base assessed values and time and fiscal limits. The underlying projections for each of the Constituent Project Areas and for the combined Merged Project Area are presented in Appendix I.

Table IV-9
Summary of Tax Increment Revenue Distribution Over the Remaining Life of the Proposed Merged Plan
Fremont Merged Redevelopment Project Area

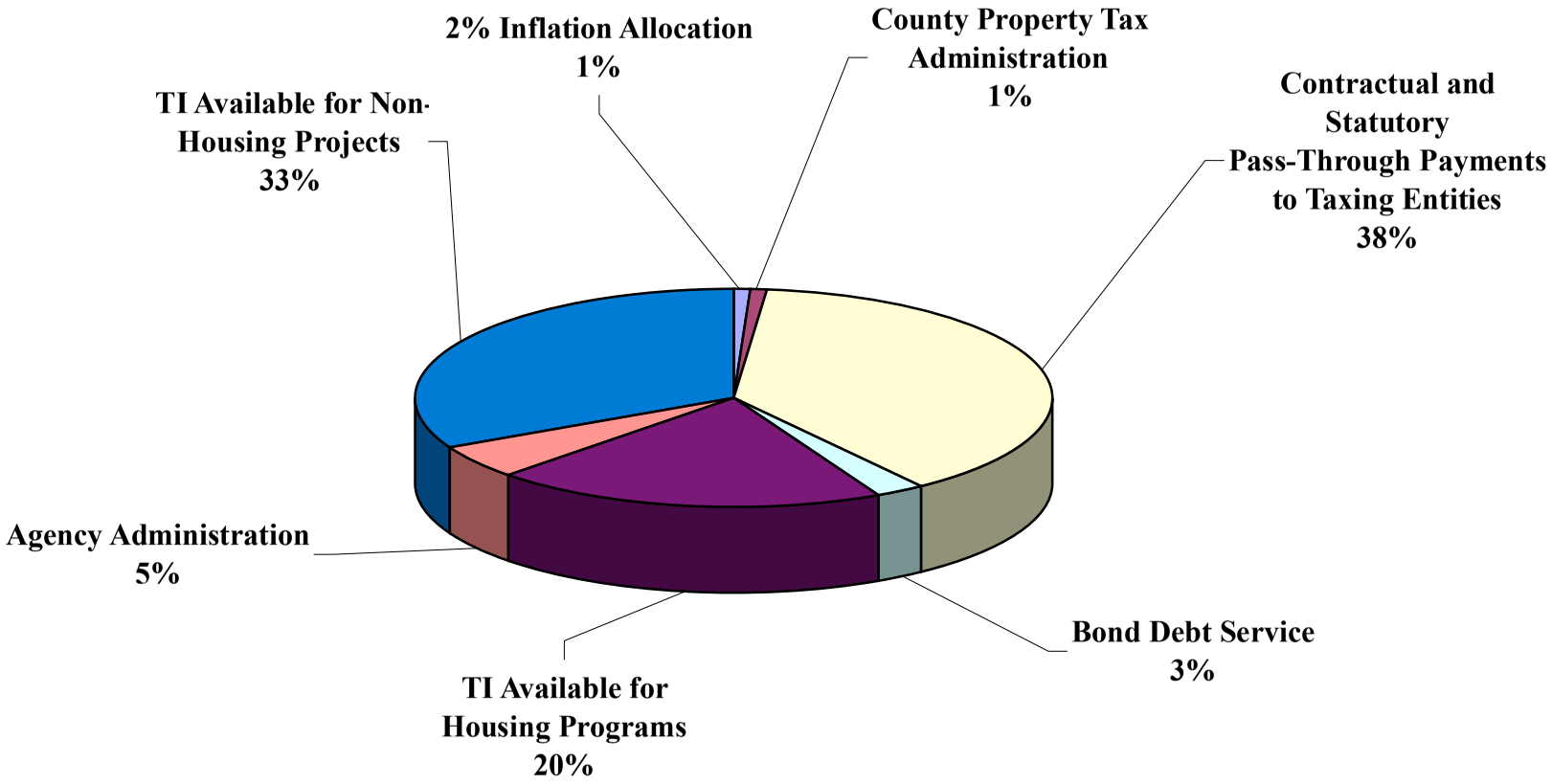
	Pre-$400 M Cap [a]	Post-$400 M Cap [b]	Total
In Nominal Dollars			
Gross Tax Increment Revenues	$103,800,000	$1,629,900,000	$1,733,700,000
Less: 2% Inflation Allocation	$800,000	$10,900,000	$11,700,000
Less: County Property Tax Administration	$1,100,000	$17,900,000	$19,100,000
Net Tax Increment Remitted to Agency	$101,800,000	$1,601,100,000	$1,702,900,000
Less: Pass-Through Payments to Taxing Entities	$36,300,000	$639,800,000	$676,100,000
Less: Bond Debt Service	$14,800,000	$9,900,000	$24,700,000
Tax Increment for Housing and Non-Housing Projects	$50,800,000	$951,400,000	$1,002,100,000
Less: 20% Set-Aside for Affordable Housing	$20,600,000	$323,800,000	$344,400,000
Tax Increment Availabe for Non-Housing Projects	$30,200,000	$627,600,000	$657,700,000
Less: Agency Administration	$5,500,000	$80,200,000	$85,700,000
Net TI Available for Non-Housing Projects	**$24,600,000**	**$547,400,000**	**$572,000,000**
Total TI Available for Housing and Non-Housing Projects and Activities	**$45,200,000**	**$871,200,000**	**$916,400,000**
In Constant 2010 Dollars[c]			
Gross Tax Increment Revenues	$98,600,000	$722,800,000	$821,400,000
Less: 2% Inflation Allocation	$700,000	$5,100,000	$5,800,000
Less: County Property Tax Administration	$1,100,000	$8,000,000	$9,000,000
Net Tax Increment Remitted to Agency	$96,800,000	$709,800,000	$806,500,000
Less: Pass-Through Payments to Taxing Entities	$34,500,000	$279,500,000	$314,000,000
Less: Bond Debt Service	$13,200,000	$7,600,000	$20,800,000
Tax Increment for Housing and Non-Housing Projects	$49,100,000	$422,700,000	$471,800,000
Less: 20% Set-Aside for Affordable Housing	$19,600,000	$143,500,000	$163,100,000
Tax Increment Availabe for Non-Housing Projects	$29,500,000	$279,100,000	$308,600,000
Less: Agency Administration	$5,300,000	$36,300,000	$41,500,000
Net TI Available for Non-Housing Projects	**$24,200,000**	**$242,900,000**	**$267,100,000**
Total TI Available for Housing and Non-Housing Projects and Activities	**$43,800,000**	**$386,400,000**	**$430,200,000**

a. Pre-$400 million cap tax increment revenues include projections for FY 2009/10 through the year that the Industrial Area's $400 million tax increment cap is anticipated to be reached in 2011/12.
b. Post-$400 million cap tax increment revenues include projections for FY 2012/13 through the life of the Merged Redevelopment Plan.
c. Equal to net present value of future revenue stream discounted at 6.0% per year, assuming Agency would issue bonds during the life of the redevelopment project.

Note: Amounts may not precisely match due to rounding.

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

Figure IV-2
Distribution of Tax Increment Revenue Over the Remaining Life of the Proposed Merged Plan
Fremont Merged Redevelopment Project Area
(In Constant 2010 Dollars)



Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

G. Financial Feasibility of the Merged Redevelopment Program

To evaluate the financial feasibility of the Merged Redevelopment Program, the following analysis compares the funding requirements with the projected tax increment revenues available to the Agency for its housing and non-housing programs. Section B of this chapter discusses the net tax increment cost of the Merged Redevelopment Program after taking into account the Agency's fund balances, interest income and other funding sources. Section C and Appendix H describe and estimate the funding sources other than tax increment revenue that are likely to be available to finance a portion of the total Merged Redevelopment Program cost. Together with these other public and private revenue sources, tax increment revenues will be a critical funding component in allowing the Agency to meet the required costs of the Merged Redevelopment Program.

The total tax increment revenues available to the Agency for its Merged Redevelopment Program by the time the Industrial Area will reach its $400 million tax increment cap in FY 2011/12 is projected to be about $43.7 million (in constant 2010 dollars), as shown in Table IV-10. This amount falls far short of the $465.7 million needed by the Agency to accomplish the Merged Redevelopment Program and will likely only cover the Pre-$400 million cap projects and activities.[20] With the Plan Amendment, the Agency is projected to receive a total of approximately $430.3 million (in constant 2010 dollars) in tax increment revenues, as shown above in Table IV-9. Therefore, the Plan Amendment is necessary to generate the additional tax increment revenues required to accomplish the remaining projects and activities for the Merged Project Area.

Table IV-10 below summarizes the Agency's estimated funding gap for the Merged Redevelopment Program. As shown, the Agency is anticipated to fully meet its Pre-$400 million cap costs with its Pre-$400 million cap tax increment revenues.[21] The Plan Amendment would further allow the Agency to accomplish the large majority of the Post-$400 million cap housing and non-housing projects and activities outlined in Chapter III. Based on current projections, the Agency would have sufficient tax increment revenues to fund most of the proposed activities in the Merged Redevelopment Program. As shown in Table IV-10, with the proposed $1.5 billion tax increment receipt cap for the Industrial Area, the Agency projects a limited shortfall of approximately $35.5 million in constant 2010 dollars. However, as further described above in Section E, the Agency may have an additional funding shortfall of $13.2 million (in constant 2010 dollars) due to the potential FY 2009/10 and FY 2010/11 SERAF takeaways, resulting in a larger funding gap for the total Merged Redevelopment Program, as shown in Table IV-10.

While the Agency may not quite have sufficient financial resources available to meet all of the funding requirements of the Merged Redevelopment Program, it is reasonable to conclude that the Program will be financially feasible over the remaining life of the Merged Redevelopment Plan under the Plan Amendment for the following reasons:

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[20] See Chapter III for details on the Agency's Pre-$400 million cap and post-$400 million cap projects and activities.

[21] If the Agency is required to make the FY 2009/10 and FY 2010/11 SERAF payments, the Agency will likely shift certain pre-$400 million cap projects and activities to the post-$400 million redevelopment program to accommodate the takeaways.

- The Agency may be able to receive additional funding from federal, state and local sources for its projects and activities, particularly for the Regional Transit and Transportation program category.[22]
- Future tax increment revenues may grow more quickly.
- Cost of borrowing may be less than currently anticipated.
- By achieving most of the Merged Redevelopment Program, the Agency will create an investment environment in which the private sector will have incentives to invest the remaining funds to complete the program.
- As described above in Section E, if redevelopment agencies prevail in a constitutional challenge to the FY 2009/10 and 2010/11 SERAF takeaways, the Agency would be able to reduce its potential funding gap in the amount of the combined SERAF takeaways of approximately $13.2 million.
- As described above in Section E, if the Agency and County are able to agree upon the Agency's calculation method for the ERAF line allocation for the Industrial Area, the Agency will have additional tax increment funds that will be applied to the Merged Redevelopment Program.
- Finally, as described in Section E.4 of this Chapter IV, the tax increment projections used in this Chapter IV financial analysis are based on conservative assumptions about the development build-out in the Merged Project Area. If actual build-out more closely approximates the level envisioned in the City's General Plan as a result of successfully achieving the Merged Redevelopment Program under the Plan Amendment, then the total amount of tax increment available to pay for such redevelopment activities will be greater than projected in this analysis.

For the various reasons stated above, the Agency anticipates that it will be able to accomplish the large majority of the goals of the Merged Redevelopment Program under the proposed $1.5 billion Industrial Area tax increment collection limit. However, the Agency may have to limit the projects it can fund if future revenues are not sufficient to undertake all of the proposed projects in the Merged Redevelopment Program. In keeping with its balanced financial approach, the Agency will continue to adopt an annual budget and Implementation Plan every five years for funding the specific action items in the Merged Redevelopment Program. The Agency will ensure through its annual budget process that the Merged Redevelopment Program is financially feasible throughout the remaining life of the Plan.

[22] The Agency is currently shown as funding the majority of the Regional Transit and Transportation costs.

Table IV-10
Comparison of Estimated Tax Increment Revenues and Agency Funding Requirements
Fremont Merged Redevelopment Project Area
(In Million Dollars, In Constant 2010 Dollars)

	Non-Housing Projects	Housing Programs	Total
Pre-$400M Cap Merged Redevelopment Program			
Net Tax Increment Cost to Agency[a]	24.1	19.6	43.7
Future Tax Increment Available to Agency[b]	24.2	19.6	43.8
Gap/Surplus	**0.1**	**0.0**	**0.1**
Post-$400M Cap Merged Redevelopment Program			
Net Tax Increment Cost to Agency[a]	278.4	143.6	422.0
Future Tax Increment Available to Agency[b]	242.9	143.6	386.5
Gap/Surplus	**-35.5**	**0.0**	**-35.5**
Total Merged Redevelopment Program			
Net Tax Increment Cost to Agency[a]	302.5	163.2	465.7
Future Tax Increment Available to Agency[b]	267.1	163.2	430.3
Gap/Surplus	**-35.5**	**0.0**	**-35.5**
Gap/Surplus (With SERAF Takeaways)[c]	**-48.7**	**0.0**	**-48.7**

a. The net cost of the Agency's non-housing and affordable housing projects after taking into account funding sources other than tax increment revenue, as described in Section C of Chapter IV.
b. Future tax increment available to the Agency after deducting 2% inflation allocation, county property tax administration, pass-through payments to taxing entities, existing bond debt service payments, and Agency administration costs.
c. The potential gap/surplus after taking into account the State SERAF takeaways for FY 2009/10 and FY 2010/11 (approximately $13.2 million in total) if the Fremont Redevelopment Agency is required to contribute to SERAF. (Please see Section E of this chapter for further discussion.)

Source: Fremont Redevelopment Agency, Seifel Consulting Inc.

H. Necessity of the Plan Amendment

This section summarizes the extent of physical and economic blighting conditions in the Merged Project Area, and explains why private enterprise and governmental action, working alone or together, cannot reasonably be expected to reverse existing blighting conditions without the amended, consolidated and restated Merged Redevelopment Plan. This section also summarizes why the changes in fiscal limits proposed in the Plan Amendment are necessary to alleviate the remaining identified blight in the Merged Project Area.

1. Extent of Physical and Economic Blighting Conditions

The remaining physical and economic blighting conditions in the Merged Project Area are so prevalent and substantial that they cannot reasonably be expected to be reversed without continued redevelopment assistance. The documentation of the adverse physical and economic

conditions in the Merged Project Area in Chapter II and the photographs contained in Appendix D demonstrate that substantial blight is still prevalent.

The Merged Project Area contains a substantial number of buildings that suffer from deficiencies, and a significant percentage of these are unsafe or unhealthy for persons to live or work. The seismic susceptibility of many of these buildings also contribute to unsafe building conditions. Inadequate public infrastructure including missing or damaged curbing and sidewalks, above ground utilities, and circulation and access deficiencies negatively impact portions of the Merged Project Area.

Factors that substantially hinder the viable use or capacity of buildings or lots in the Merged Project Area include old buildings that do not meet modern building standards and buildings with a current use that is inconsistent with the original design or current zoning designations. Incompatible or conflicting uses are present at several locations in the Merged Project Area, including residential uses that abut railway lines, busy streets or industrial uses. Portions of the Merged Project Area also suffer from irregular parcelization.

Several adverse economic conditions cause a reduction or lack of proper use of the Merged Project Area, including impaired property values due to the presence of hazardous wastes. Other adverse factors affecting the Merged Project Area include vacant businesses, abandoned buildings, low lease rates, a lack of neighborhood commercial facilities, and a high crime rate.

These physical and economic conditions are a hindrance to the area that cannot be reversed or alleviated without the continued assistance of the Agency through the authority of the CRL. These blighting conditions have caused a reduction of, or lack of, proper utilization in the Merged Project Area and constitute a serious physical and economic burden on the community, which cannot be reversed or alleviated without the assistance of the Agency through the authority of the CRL.

2. Significant Burden on the Community

Chapter II documented that blighting conditions have become a burden on the community and that portions of the Merged Project Area are not being used to the same potential as properties in other parts of the City. The reduction, or lack, of proper utilization constitutes a serious physical and economic burden on the community in at least the following respects:

- Deprives residents of Fremont and surrounding areas of employment opportunities.
- Contributes to an inadequate supply of high quality affordable and other housing.
- Deprives property and business owners of a competitive return on their investments.
- Hinders the enhancement of the physical environment.
- Prevents proper usefulness and development of land.
- Creates an unsafe and unwelcoming environment for residents and visitors.
- Deprives the City, County, education districts, and other affected taxing entities of an expanding tax base.
- Hinders the development of a stronger economic base for the community.

3. Limitations of Private Enterprise

The alleviation of blighting conditions in the Merged Project Area is not financially feasible for the private sector acting alone. Without redevelopment, many of the program costs would have to be borne solely by the private sector. This chapter and Appendix H present a discussion of possible sources of private sector funds for redevelopment. By themselves, these sources would not be able to provide the resources necessary to eliminate blighting conditions and revitalize the area.

The private sector's ability to alleviate blight is limited by the following factors, among others:

- The remediation of parcels contaminated with toxic or hazardous waste is costly and a financial disincentive to reinvestment or development.
- High levels of vacant and underutilized property.
- Irregular parcelization and substandard lots.
- Incompatible and conflicting uses.
- A high crime rate is a deterrent to business located and locating in the area.
- Limited accessibility and circulation.
- Inadequate public facilities and infrastructure deficiencies hinder private sector development.

4. Inability of Private Enterprise or Government to Alleviate Blight

Alleviating blighting conditions is not feasible by governmental action alone because governmental action is limited by the lack of a reliable flow of federal, state, or local financial resources available to fund a comprehensive revitalization program, as discussed earlier. Redevelopment assistance in the form of tax increment revenue is a last-resort funding source that is essential to fund the alleviation of the remaining blighting conditions and an effective revitalization effort for the Merged Project Area. As described earlier and in Appendix H, all other feasible sources of non-tax increment revenue will be applied toward Merged Redevelopment Program costs. However, the costs of the Merged Redevelopment Program to alleviate blighting conditions are significant, and the projects and activities of the Merged Redevelopment Program could not be undertaken without redevelopment assistance.

5. Conclusion

Tax increment financing is a necessary financing tool, which will continue to be used to support the Merged Redevelopment Program costs. The costs to alleviate the remaining documented blighting conditions, as discussed in Chapter III, substantially exceed available funding from public and private sources. Tax increment financing is the only source available to fill the substantial gap between the costs of the Merged Redevelopment Program and other public and private revenue sources.

The projected tax increment revenues under the current fiscal limits will not be sufficient to fund all of the Agency's programs and activities to mitigate the remaining blight in the Merged Project Area. Therefore, the Plan Amendment proposes to revise the tax increment collection limit in the Industrial Area and the limit on bonded indebtedness for the Merged Project Area to provide the Agency with the funds necessary to complete the Merged Redevelopment Program. This chapter demonstrated the general economic feasibility of the Plan Amendment, as required by the CRL.

This chapter and Chapter III demonstrated that the proposed Plan Amendment is necessary to eliminate the remaining documented blight in the Merged Project Area.

Neither the private sector alone, the public sector alone, nor the private and public sectors working together without redevelopment assistance can financially support the costs of the redevelopment efforts in the Merged Project Area. Because these projects and activities are critical to the revitalization of the Merged Project Area, tax increment financing will continue to be a critical funding source enabling the Agency to accomplish the goals and objectives of the complete Merged Redevelopment Program.

Finally, the proposed increases in fiscal limits proposed pursuant to the Plan Amendment are in amounts reasonably related to the net Agency cost of the proposed projects and activities in the Merged Redevelopment Program, and the Merged Redevelopment Program is, in turn, reasonably designed to alleviate the documented remaining blight in the Merged Project Area. Specifically:

- Chapter III explains in detail the relationship of the proposed projects and activities in the Merged Project Area to the elimination of the remaining blight documented in Chapter II, and develops reasonable cost estimates for completing the Merged Redevelopment Program;
- Chapter IV, Section C and Appendix H document the reasonably available non-tax increment funding sources to finance a portion of the estimated Merged Redevelopment Program cost, in order to then estimate the net tax increment cost to the Agency of the Merged Redevelopment Program;
- Chapter IV, Sections F and G demonstrate that only a very limited portion of the net tax increment cost of the needed Merged Redevelopment Program could be funded and accomplished without the $1.1 billion increase in Industrial Area tax increment revenue cap proposed by the Plan Amendment;
- Chapter IV, Sections F and G further demonstrate that, with the $1.1 billion Industrial Area tax increment cap increase that would be made possible through adoption of the Plan Amendment, the Merged Redevelopment Program becomes financially feasible, with funding available for the great majority of the Merged Redevelopment Program costs; and
- Appendix G explains the justification for the proposed increase in the cap on outstanding bonded indebtedness from the current $200 million limit to a new $550 million limit, in order to give the Agency the flexibility to finance the costs of the Merged Redevelopment Program in the most cost efficient and timely manner.

V. Five Year Implementation Plan

The Implementation Plan is a guide that incorporates an agency's goals, objectives and potential programs over a five year implementation plan period, while providing flexibility so the agency may adjust to changing circumstances and new opportunities. The Agency's Implementation Plan for the Fremont Merged Redevelopment Project describes how the Agency is planning to implement the goals and objectives outlined in the Merged Redevelopment Plan in a focused way during the five year period in order to maximize the ability of the existing funds to eliminate blight and revitalize the Merged Project Area. The Agency will greatly enhance its ability to revitalize the Merged Project Area by strategically targeting the use of its limited funds. In addition, the Implementation Plan provides a mechanism for the Agency to monitor its progress in meeting its affordable housing obligations as required by CRL.

The Agency adopted its current Five Year Implementation Plan (FY 2008/09—2012/13) in June 2008 (the "Initial 2008-13 Implementation Plan"). In compliance with the requirement of CRL Section 33451.5(c)(7), Appendix K of this Report contains an amendment to the Initial 2008-13 Implementation Plan (the "Amended 2008-13 Implementation Plan").

A. Statutory Requirement

This chapter and Appendix K satisfy CRL Section 33451.5(c)(7), which states:

> *No later than 45 days prior to the public hearing on a proposed plan amendment by an agency or a joint public hearing by the agency and the legislative body, the agency shall prepare a report that contains all of the following…(7) An amendment to the agency's implementation plan that includes, but is not limited to, the agency's housing responsibilities pursuant to Section 33490. However, the agency shall not be required to hold a separate public hearing on the implementation plan pursuant to subdivision (d) of Section 33490 in addition to the public hearing on the amendment to the redevelopment plan.*

B. Analysis

The Initial 2008-13 Implementation Plan and the Amended 2008-13 Implementation Plan contained in Appendix K supplement the description of the overall Merged Redevelopment Program, as described in Chapter III. The purpose of the Initial 2008-13 Implementation Plan and the Amended 2008-13 Implementation Plan contained in Appendix K is to describe:

- Specific goals and objectives of the Agency for the Merged Project Area;
- Specific projects proposed by the Agency, including a program of both non-housing and affordable housing actions and expenditures proposed to be made within the next five years; and
- How the agency's proposed objectives, projects and expenditures will improve or alleviate the blighting conditions in the Merged Project Area (as described in Section 33031), and implement the affordable housing requirements (as described in Sections 33334.2, 33334.4, 33334.6, 33413).

For the purposes of this Report, the Initial 2008-13 Implementation Plan has been revised by the Agency with minor changes and updates in the form of the Amended 2008-13 Implementation Plan contained in Appendix K to address the Plan Amendment process and to highlight the expanded Merged Redevelopment Program activities that will become possible in the later years of the five-year implementation period if the Plan Amendment is adopted and becomes effective. As stated in the attached Amended 2008-13 Implementation Plan, the Agency will have further opportunity to update the Amended 2008-13 Implementation Plan, as well as the projects and estimated expenditures, during the Midterm Review process, which will occur within the second and/or third year of the five year implementation plan period, and will be completed no later than June 30, 2011.

VI. Method or Plan for Relocation

If Agency acquisition or redevelopment of property with Agency assistance pursuant to the Merged Redevelopment Program were to result in displacement of occupants, the Agency will comply with applicable relocation requirements, as set forth in this chapter.

A. Statutory Requirements

California law stipulates that the report to the legislative body include a relocation plan. Section 33352(f) of the CRL requires that the report to the legislative body contain:

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
>
> *(f) A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which method or plan shall include the provision required by Section 33411.1 that no persons or families of low- and moderate-income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement.*

B. Analysis

It should be noted at the outset that the Plan Amendment does not contemplate the imminent relocation of any households or businesses to accomplish their goals. Furthermore, relocation will only be used if it is reasonably necessary to redevelop a property. The Agency would not commence any reasonably necessary relocation until it has firm commitments from public funding sources or competent developers that the desired redevelopment of the areas will take place in a timely manner and with the least disruption to existing homes and businesses.

In addition, the Plan Amendment will not change or extend the status of Merged Project Area's eminent domain authority. Eminent domain authority for the Centerville Area has expired and eminent domain authority for the Niles, Irvington and Industrial Areas expires on July 7, 2010. The Plan Amendment will not modify these limits.

The Agency has established for the Merged Project Area a method and plan for relocation in the event that households or businesses were to be displaced in connection with any redevelopment project. The adopted relocation policy complies with CRL Section 33367(d)(7), requiring that a redevelopment agency have a feasible relocation method or plan if the agency's plans for redevelopment are to result in the displacement of any households or businesses in a project area. In order to implement the California Relocation Assistance Act in the Merged Project Area, the Agency has adopted for local use the relocation guidelines issued by the State of California, Department of Housing and Community Development, pursuant to Government Code Section 7268 and Health & Safety Code Section 50460 (the "Relocation Act"). These relocation guidelines are set forth in the California Code of Regulations, Title 25, Chapter 6, Subchapter 1 (Section 6000 et seq.), and are incorporated fully herein by this reference. Information on the relocation policies relevant to the Merged Project Area can be found in the each of the redevelopment plans for the Constituent Project Areas.

If household relocation becomes necessary, specific relocation plans containing detailed household and housing availability surveys will be prepared at the initiation of each project. Land assembly involving relocation will be authorized by the Agency only if the specific relocation plan can ensure the availability of sufficient suitable and affordable housing units to meet the specific relocation needs created by the land assembly project.

In summary, it is reasonable to conclude that at the time of adoption of the Plan Amendment, the Agency has in place a feasible method of meeting the maximum foreseeable relocation needs that may result from implementation of the Plan Amendment.

C. Relocation Policies and Procedures

In order to implement the California Relocation Assistance Act in the Merged Project Area, the Agency has adopted for local use the relocation guidelines issued by the State of California, Department of Housing and Community Development, pursuant to Government Code Section 7268 and Health & Safety Code Section 50460 (the "Relocation Act"). These relocation guidelines are set forth in the California Code of Regulations, Title 25, Chapter 6, Subchapter 1 (Section 6000 et seq.), and are incorporated fully herein by this reference. Relocation of displaced persons, families, and businesses within the Merged Project Area will be accomplished in full compliance with the State guidelines as they currently exist or as they may be amended from time to time, except that to the extent the Relocation Act provides a different standard, requirement or benefit with respect to a particular matter than the standard, requirement or benefit provided by the state guidelines, the Agency may elect to apply the standard, requirement, or benefit of the Relocation Act to such matters.

It is the policy of the City Council and the Agency that:

1. Redevelopment activities will be carried out in a manner that minimizes relocation and hardship.
2. No persons or families of low- and moderate-income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such persons which is safe, decent and sanitary and available at comparable rents.
3. All displaced families and individuals will be afforded the opportunity to live in a decent, safe and sanitary dwelling without overcrowding.
4. The cost of such housing shall be reasonable relative to family income.
5. There will be no discrimination based upon race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in relocation activities.
6. Displaced households will be offered the opportunity to occupy housing that is reasonably accessible to their places of employment, public transportation, shopping and public facilities.
7. Business concerns and nonprofit organizations to be displaced will be provided assistance to aid in their satisfactory re-establishment with a minimum of delay and loss of earnings.
8. Eligible persons will be made aware of the availability of relocation benefits and assistance within 15 days following the initiation of negotiations for a parcel of property.
9. Each eligible person and business will be provided information on availability and prices of comparable sales and rental housing and commercial properties. When necessary, counseling and referral service will be provided.

10. Persons and families of low- and moderate-income displaced by the redevelopment projects will be given priority in renting or buying low- or moderate-income housing units developed or assisted by the Agency.

Rules and regulations detailing procedures for providing services and making payments will be made in accordance with the above-mentioned guidelines and applicable state law.

D. Relocation Standards

1. Physical Standards

All relocation housing must be decent, safe, and sanitary. The units must be structurally sound, in clean and weather-tight condition, in good repair, and adequately maintained. The units must also be in conformance with the applicable State and local building, plumbing, electrical, housing and occupancy codes or similar ordinances or regulations.

All relocation dwellings must be comparable to the existing dwelling with respect to number of rooms, habitable living space, and type and quality of construction, and must be adequate in rooms and living space to accommodate the displaced person.

2. Financial Means

All relocation dwellings must be within the financial means of the displaced person. A relocation dwelling will be considered within the financial means of a displaced person if the monthly housing cost (including payments for mortgage, insurance, fees, and property taxes) or rental cost (including utilities and other reasonable recurring expenses) minus the relocation payments available to the person does not exceed the applicable State relocation law standard for affordability of relocation housing.

A relocation dwelling is also within the financial means of a displaced person if the purchase price of the dwelling, including increased interest costs and other reasonable expenses, does not exceed the total amount of just compensation provided for the acquired dwelling and the replacement housing payment available to the person.

3. Environmental Standards

Relocation dwellings shall be in areas not subject to unreasonable adverse environmental conditions from either natural or man-made sources, and not generally less desirable than the acquired dwelling with respect to public utilities, public and commercial facilities and public services, and reasonable access to the displaced person's place of employment.

4. Equal Opportunity Standard

Relocation housing shall be available to all persons regardless of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry or any other characteristic protected by State or Federal law.

E. Methods for Assuring Availability of Relocation Housing

The Agency will work with the Alameda County Housing Authority and nonprofit sponsors of other subsidized housing to assist eligible persons in applying for priority placement in affordable housing within the City.

The following sections provide an assessment of relocation needs and resources at the time of the adoption of the Plan Amendment to provide the City Council with a basis for determining whether the implementation of the Plan Amendment will require relocation, and whether even minimum relocation is feasible.

If, during the course of the implementation of the Merged Redevelopment Program, it is determined that adequate relocation housing is not available and cannot otherwise be made available, the Agency shall take action to develop such housing in accordance with State law and guidelines.

F. Relocation Needs and Services

1. Determination of Need

Prior to the preparation of a detailed relocation plan for a project-specific activity to be undertaken pursuant to the Plan Amendment, the Agency will interview all eligible persons, business concerns and nonprofit organizations to obtain information to plan for housing and business accommodations, as well as counseling and other needs. The Agency will cooperate with any other organization, which might be conducting surveys in the area at the same time to avoid duplication. A referral system for social service needs will be established. Survey results will be updated as appropriate.

The purpose of the survey and nature and extent of relocation payments and assistance that may become available will be discussed with each individual during the interview. On the basis of information obtained during the interview, the Agency will prepare and maintain a relocation record for each person to be displaced. The record will contain a description of the pertinent characteristics and the assistance that will be required.

2. Information Programs

Written informational materials will be prepared and distributed to all potential displacees. Public meetings with the relocation staff will also be held. The address, telephone number and business hours of the Agency and the name of the Agency staff person supervising relocation will be made available, as well as a written description of the procedure for filing grievances.

3. Assistance in Obtaining Housing

Displacees will be provided full access to relocation resources and assistance will be provided in obtaining and moving to suitable locations. Information on sizes, rental and sales prices of units will be recorded and made available at the Agency office to those seeking housing referrals.

Contacts will be maintained with real estate agents, brokers, landlords and others for the purpose of obtaining listings of standard relocation housing. Units will be inspected prior to referral to determine whether they are decent, safe and sanitary.

4. Social Services

Displacees who require assistance will be referred to the appropriate social service resource. Counseling will be available prior to, during and after relocation. Employment, financial, educational, health and other services will be offered, and relocation staff will follow up on all referrals to determine whether appropriate assistance has been provided.

5. Assistance to Business Concerns and Nonprofit Organizations

Should it become necessary for the implementation of the Plan Amendment to displace businesses or non-profit organizations in the Merged Project Area, Agency staff assistance will be provided to aid in nearby relocation of such businesses. Information will be maintained on the availability, costs and square footage of commercial and industrial locations, and listings will be requested from real estate brokers who may be able to provide information on suitable accommodations for businesses. Efforts will be made to keep displaced businesses and non-profit organizations within the Merged Project Area, if possible.

6. Eviction Policy

To the extent possible, the Agency will attempt to acquire property through voluntary purchases. Occupants of acquired properties will be evicted only as necessary. Eviction will not affect the eligibility of displacees to receive relocation payments.

G. Relocation Payments

Relocation payments will be made to all eligible displaced persons, businesses and non-profit organizations pursuant to Section 7260 of the Government Code. Assistance in completing applications will be provided.

H. Grievance Procedure

Any person who disagrees with a determination regarding eligibility for, or amount of, a relocation payment, or who believes the Agency has failed to refer him or her to comparable replacement housing, may have his or her claim reviewed. As a first step, a grievance should be brought to the Executive Director of the Agency. If a displaced person believes that his or her complaint has not been satisfactorily answered, he or she may appeal to the City's Relocation Appeals Board. This Board will promptly hear all complaints relating to relocation and will determine if the Agency has complied with applicable laws. After the public hearing, the Relocation Appeals Board will present its findings and recommendations to the Agency. The final decision regarding the Relocation Appeals Board findings and recommendation shall be made by the Agency Board.

I. Potential Relocation Workload

The Plan Amendment does not contemplate the relocation of any households or businesses at this time; however, it is possible that some of the redevelopment projects and activities slated for the Merged Project Area may require the relocation of a small number of households and businesses if it is necessary for the redevelopment of a property. However, the Agency will make every reasonable effort to minimize the extent of relocation in the Merged Project Area.

While the exact number of persons or businesses to be displaced due to redevelopment activity will not be known until specific project activities are approved, all affected households will be eligible for the Agency's relocation program. When the relocation of households and/or businesses affects more than one displacee, the Agency will consider hiring a consultant to assist in relocation activity.

J. Housing Resources Available to Meet Relocation Needs

The Plan Amendment provides for the allocation of a minimum of 20 percent of tax increment revenue for development of low and moderate income housing (Housing Set-Aside Fund) in each Constituent Project Area. These funds will be spent on housing to serve persons in the very low, low, and moderate income categories. These resources can readily be applied to produce additional housing for relocation purposes, if any, to the extent that public and private market units may prove inadequate to meet these needs. Displaced households, if any, would have first priority to occupy any housing constructed with Agency assistance. The tax increment projections in Chapter IV show the anticipated deposits into the Housing Set-Aside Fund. As discussed in this Chapter and in Chapter V on the Implementation Plan, these funds will provide sufficient resources should the need for relocation emerge. Pursuant to State law requirements and Agency goals, a substantial number of the newly constructed units will be affordable to low- and moderate-income households, including households earning less than 50 percent of the area median income. All necessary financial assistance will be made available to assist any displacees who are relocating into housing which is not within their "financial means."

K. Developer Assistance

Developer assistance to meet relocation costs will be sought wherever feasible and will be required as a condition for land assembly assistance when other sources of assistance payments are unavailable. In addition, to minimize the impact of relocation costs on worthwhile, but economically marginal, private developments, the Agency anticipates the use of tax increment revenue in selected instances to write-down land assembly costs, and thus effectively pay any necessary relocation assistance.

L. Relocation of Businesses

It is anticipated that the Plan Amendment would not cause the relocation of businesses at this time. However, in the event that relocation would become necessary, Agency staff will provide relocation assistance to the business(es), and efforts will be made to keep the business(es) within the Merged Project Area, if possible. The Agency will give preference to businesses currently within each Constituent Project Area to continue or to re-enter the business in the manner set forth in the Agency's adopted Rules for Business Preference and Owner Participation.

VII. Analysis of Preliminary Plan

This chapter analyzes the Amendments to the Preliminary Plans for the Constituent Project Areas (the "Preliminary Plan Amendments") comprising the Merged Project Area, which were adopted in connection with the Plan Amendment process and are included in Appendix L.

A. Statutory Requirements

CRL Section 33352(g) states:

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
> *(g) An analysis of the preliminary plan.*

The preliminary plan is organized into five elements as required by CRL Section 33324, and must address the following:

> *A preliminary plan need not be detailed and is sufficient if it:*
> *(a) Describes the boundaries of the project area.*
> *(b) Contains a general statement of the land uses, layout of principal streets, population densities and building intensities and standards proposed as the basis for redevelopment of the project area.*
> *(c) Shows how the purposes of this part would be attained by such redevelopment.*
> *(d) Shows that the proposed redevelopment is consistent with the community's general plan.*
> *(e) Describes, generally, the impact of the project upon the area's residents and upon the surrounding neighborhood.*

B. Analysis

The Preliminary Plans for each of the Constituent Project Areas were approved by the Planning Commission as a precursor to establishment of the Constituent Project Areas at the following times: Niles Area and Irvington Area in 1977; Industrial Area in 1983; and Centerville Area in 1996. The Preliminary Plans for each of the Constituent Project Areas include a general statement of boundaries, land uses, layout of principal streets, population densities, building intensities, and standards proposed as the basis for redevelopment of the Merged Project Area. Although not technically required by the CRL, the Planning Commission was requested to consider the Preliminary Plan Amendments to incorporate the intent of the proposed Redevelopment Plan Amendment into the existing Preliminary Plans. On January 10, 2008, the Planning Commission adopted the Preliminary Plan Amendments pursuant to Resolution No. PC-2210 in the form contained in Appendix L.

Pursuant to the Preliminary Plan Amendments, the Preliminary Plan for each of the Constituent Project Areas was amended to either revise or insert a new section that supports the Redevelopment Plan Amendment. The Preliminary Plan Amendments added the following language to the Preliminary Plans for each of the Constituent Project Areas: *(excerpted language is in italics)*

1. *Amend, restate, and consolidate the current Constituent Redevelopment Plans into the form of a single "Consolidated Redevelopment Plan for the Fremont Merged Redevelopment Project Area (including the Irvington, Niles, Centerville, and Industrial Project Area Components)," which will incorporate the applicable provisions from each of the Constituent Redevelopment Plans;*
2. *Increase the limit on the amount of tax increment revenue from the Industrial Project Area component of the Merged Project Area that may be claimed by the Agency from the current limit of $400 million to a revised limit that will be the subject of a future action of the Agency Board and the City Council; and*
3. *Update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area.*

Boundaries, land uses and other provisions are unchanged from those contained in the previously existing Preliminary Plans. The Plan Amendment does not add territory to the Merged Project Area, modify the Merged Project Area boundaries, or modify other required aspects of the previously existing Preliminary Plans. Rather, the previously existing Preliminary Plans were simply amended in order to add language that explicated the purpose of the proposed Plan Amendment. In addition, the impacts of the Plan Amendment upon the Merged Project Area residents and the surrounding community are described in Chapters X and XIII of this Report.

VIII. Report and Recommendations of the Planning Commission

On December 10, 2009, the Planning Commission considered the Plan Amendment for its conformance with the General Plan of the City of Fremont and made recommendations regarding approval and adoption of the Plan Amendment. Appendix O of this Report sets forth the report and recommendations of the Planning Commission regarding the Plan Amendment. The Report to Council must include the report and recommendations of the Planning Commission.

A. Statutory Requirements

CRL Section 33352(h) and (j) state:

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
>
> *(h) The report and recommendations of the planning commission.*
>
> *(j) The report required by Section 65402 of the Government Code.*

Section 65402 of the Government Code states:

> *(a) If a general plan or part thereof has been adopted, no real property shall be acquired by dedication or otherwise for street, square, park or other public purposes, and no real property shall be disposed of, no street shall be vacated or abandoned, and no public building or structure shall be constructed or authorized, if the adopted general plan or part thereof applies thereto, until the location, purpose and extent of such acquisition or disposition, such street vacation or abandonment, or such public building or structure have been submitted to and reported upon by the planning agency as to conformity with said adopted general plan or part thereof. The planning agency shall render its report as to conformity with said adopted general plan or part thereof within forty (40) days after the matter was submitted to it, or such longer period of time as may be designated by the legislative body.*
>
> *(c) A local agency shall not acquire real property for any of the purposes specified in paragraph (a) nor dispose of any real property, nor construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof. Failure of the planning agency to report within forty (40) days after the matter has been submitted to it shall be conclusively deemed a finding that the proposed acquisition, disposition, or public building or structure is in conformity with said adopted general plan or part thereof. If the planning agency disapproves the location, purpose or extent of such acquisition, disposition, or the public building or structure, the disapproval may be overruled by the local agency.*

The following sections of the CRL describe the purpose and requirements for review of a redevelopment plan (or plan amendment) by the Planning Commission:

33346. Before the redevelopment plan of each project area is submitted to the legislative body, it shall be submitted to the planning commission for its report and recommendation concerning the redevelopment plan and its conformity to the general plan adopted by the planning commission or the legislative body. The planning commission may recommend for or against the approval of the redevelopment plan.

33347. Within 30 days after a redevelopment plan is submitted to it for consideration, the planning commission shall make and file its report and recommendation with the agency. If the planning commission does not report upon the redevelopment plan within 30 days after its submission by the agency, the planning commission shall be deemed to have waived its report and recommendations concerning the plan and the agency may thereafter approve the plan without the report and recommendations of the planning commission.

B. Analysis

The proposed Plan Amendment does not make changes to the Redevelopment Plan that affect the City's General Plan. No changes are included in the Plan Amendment that modify or alter the boundaries of the Merged Project Area, the land uses in the Merged Project Area, or the type or intensity of development permitted in the Merged Project Area.

The Planning Commission was sent the Preliminary Report, Draft Subsequent Environmental Impact Report (SEIR) and Draft Redevelopment Plan Amendment on August 19, 2009. The Planning Commission then conducted a public hearing on the SEIR on September 10, 2009. Planning Commissioners provided comments that have been incorporated into the Redevelopment Plan Amendment and accompanying documents.

The Agency referred the Plan Amendment to the Planning Commission for its report and recommendation of conformance with the General Plan on December 1, 2009. On December 10, 2009, the Planning Commission reviewed the Plan Amendment for its conformance with the General Plan pursuant to CRL Section 33352(h) and (j), CRL Section 33453 and Government Code Section 65402.

The report and recommendations of the Planning Commission on the Plan Amendment are incorporated in this Report as Appendix O.

IX. Consultations with the Community

The Agency has provided extensive opportunities for the public to participate and comment during the Plan Amendment process.

A. Statutory Requirements

Section 33385.3(a) of the CRL requires the legislative body to form a Project Area Committee ("PAC") for a proposed plan amendment in the following situations:

> *If a project area committee does not exist, and the agency proposes to amend a redevelopment plan, the agency shall establish a project area committee pursuant to Section 33385 if the proposed amendment to a redevelopment plan would do either of the following:*
>
> > *(1) Grant the authority to the agency to acquire by eminent domain property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside.*
> >
> > *(2) Add territory in which a substantial number of low- and moderate-income persons reside and grant the authority to the agency to acquire by eminent domain property on which persons reside in the added territory. The project area committee may be composed of persons from only the added territory or both the added area and the existing project area.*

A PAC does not exist for the Merged Project Area. However, as further described in Chapter I, the proposed Plan Amendment neither grants authority to acquire property by eminent domain nor adds territory to the Merged Project Area. Indeed, the Plan Amendment has no effect, directly or indirectly, on the Agency's eminent domain authority. Consequently, neither of the conditions cited in Section 33385.3(a) of the CRL that would trigger the requirement for formation of a PAC exists with respect to the Plan Amendment.

By resolutions of July 24, 2007, and based on the reasons set forth above, the City Council and the Agency Board made findings that no PAC is required to be formed under the CRL for the proposed Plan Amendment, and instead directed that staff "seek, the input of the community, including consultation with the Redevelopment Advisory Committee, in the manner provided in Section 33385 of the Redevelopment Law for redevelopment plan amendments not requiring the formation of a statutory PAC."

B. Analysis

The Agency has received and will continue to receive public input regarding the proposed Plan Amendment through active involvement of the Redevelopment Advisory Committee ("RAC"), as further described below, community meetings and public hearings described in this section.

1. Redevelopment Advisory Committee

In 2001, the Agency established the 11-member RAC, which includes residential property owners, business owners and community activists. The RAC was initially formed to provide input

on redevelopment matters in general. As noted above, the City Council and the Agency Board determined that the RAC could also serve as a useful community forum for obtaining input on the Plan Amendment in the absence of a statutory PAC. The RAC has met to review and discuss the Agency's progress, receive information from staff and consultants, and provide guidance regarding the Plan Amendment process. The RAC's responsibilities are to provide input and feedback during the Plan Amendment process.[1] To date, the RAC has reviewed documents including the Preliminary Report, Draft Plan Amendment and SEIR.

Topics discussed during the RAC meetings included general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities. The RAC has inquired and requested information about the Irvington BART station project, the Agency's plans for specific housing projects under the proposed Plan Amendment, and the Plan Amendment process.

Section 33385.5 of the CRL requires the Agency to submit to the PAC (if one exists) copies of the Plan Amendment at least 30 days prior to the hearing by the legislative body. This requirement does not apply to the proposed Plan Amendment because, for the reasons set forth above, there is no requirement to have a PAC for the Plan Amendment. As an alternative means to receive organized feedback from a citizens group involved in redevelopment matters, the Agency will submit the Redevelopment Plan Amendment, Report to Council, and Final SEIR to the RAC and intends to meet with RAC at that time to review the documents and garner feedback, if any, prior to the joint hearing. The RAC may prepare a report outlining its recommendations and submit it to the Agency. The results of the RAC's input will be forwarded to the City Council and Agency Board in preparation for the joint public hearing on the Plan Amendment described in Section B.3 below.

2. Community Meetings

On February 13, 2008, Agency staff and its consultants conducted a general scoping meeting with the public for the proposed Plan Amendment. Staff intends to hold a community workshop in conjunction with the RAC meeting to receive input and provide a progress report on the Plan Amendment in January 2010. However, throughout the Plan Amendment process, the Agency has met with several community groups to keep them advised of the progress of the Plan Amendment. These include the following groups below.

a. Niles Property Owners' Association

The Niles Property Owners' Association is an informal group of property and business owners in the Niles district of Fremont dedicated to advocating economic and infrastructure development initiatives in the Niles commercial district. The association schedules its monthly meetings on the 3rd Thursday of each month. The Agency has attended several of the group's monthly meetings to provide updates on the Plan Amendment. As of the date of this Report, the Agency has attended meetings on August 22, 2007, July 16, 2009, August 20, 2009, and September 17, 2009.

Discussions with the Niles Property Owners' Association have included general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities.

[1] A list of RAC members and the agendas of all RAC meetings are included in Appendix M.

The group has inquired about several items, such as each district's share of the future funding stream that would be available under the $1.5 billion cap proposed under the Plan Amendment; proposed projects for the Niles district; Agency projects currently underway in the Niles Area (Niles Town Plaza, Pedestrian Accessway, Fire Station 2, etc.); and any major roadblocks in consultations with affected taxing entities.

b. Centerville Business and Community Association (CBCA)

The Centerville Business and Community Association (CBCA) is a non-profit organization dedicated to promoting the economic and social welfare of the Centerville District of the City of Fremont. CBCA has meetings on the 1st and 3rd Wednesday of each month. The Agency has attended several of the group's monthly meetings to provide updates on the Plan Amendment. As of the date of this Report, the Agency has attended meetings on September 5, 2007 and August 5, 2009.

Discussions with the CBCA have included general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities. The group has had several inquiries, including the Agency's current projects in the Centerville Area (Centerville Unified Site, Center Theatre, etc), the blight analysis necessary for the Plan Amendment, and the potential effects on the property values and businesses in the Centerville Area.

c. Glenmoor Community Group (GCG)

The Glenmoor Community Group (GCG) is a neighborhood group of over 1900 homeowners dedicated to enhancing communication within the neighborhood and strengthening partnerships among local schools, city officials, law enforcement groups and neighbors. Their mission is to ensure that the community of Glenmoor Gardens maintains, protects, and enhances its beauty, value and secure lifestyle with the help and participation of the City of Fremont, the Fremont Unified School District, the Glenmoor Gardens Homeowner's Association, and neighboring communities. The GCG meets on the 2nd Thursday of each month.

The Agency has met with the group to review the Plan Amendment. As of the date of this Report, the Agency has attended the March 5, 2009 and November 12, 2009 meetings. The discussion included general Centerville project status updates and highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program. The group had questions about the approval process and funding for future projects in Centerville and raised concerns about traffic and parking impacts, and the effects on property values.

d. Irvington Business Association (IBA)

The Irvington Business Association (IBA) is a non-profit, non-political, community-based business organization dedicated to local issues. The mission of the IBA is to promote the economic and social welfare of the Irvington District of the City of Fremont by fostering its industrial and commercial development, improving its public facilities, providing social advantages, and sponsoring improvement of general living conditions. IBA has meetings on the 4th Tuesday of each month. The Agency has attended several of the group's monthly meetings to provide updates on the Plan Amendment. As of the date of this Report, the Agency has attended meetings on August 28, 2007 and August 25, 2009.

Discussions with the IBA have included general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities. The IBA has inquired about the proposed Irvington BART station, the Agency's current projects in the district (Bay Street Streetscapes), financial feasibility of the proposed Plan Amendment and general progress.

e. Fremont Chamber of Commerce – Governmental Affairs Committee

The Fremont Chamber of Commerce is a non-profit, member-based business organization whose mission is to promote and enhance a positive business and community environment. The Governmental Affairs (GA) Committee of the Fremont Chamber of Commerce is the advocacy arm of the Public Policy Division. The GA Committee operates effectively by tracking legislative and regulatory activities at the local, state and federal levels. The GA Committee analyzes a broad spectrum of issues, with an emphasis on transportation, education, housing, and other issues affecting the business climate, and then makes recommendations to the Board. The GA Committee usually meets on the fourth Wednesday of every month. As of the date of this Report, the Agency has attended meetings on October 20, 2008 and July 22, 2009.

Discussions with the GA Committee have consisted of general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities. The group has inquired about several items, such as the financial mechanism of tax increment financing, potential fiscal impact on local schools by the tax increment cap increase proposed by the Plan Amendment, impacts on the City's General Fund, and potential benefits and/or losses for businesses located in the Merged Project Area.

f. League of Women Voters of Fremont, Newark and Union City

The League of Women Voters is a non-partisan political membership organization that advocates the exercise of citizenship responsibilities, builds and expands citizen participation in the democratic process, educates the public about the relationship between the vote and responsive and accountable government, acts to achieve solutions in the public interest on key community issues at all government levels, and engages communities in promoting positive solutions to public policy issues through education and advocacy. As of the date of this Report, the Agency attended the organization's July 8, 2009 meeting.

Agency staff conducted a 30-minute television interview with one of the League Members (former Fremont Mayor Gus Morrison) about redevelopment in Fremont and the proposed Plan Amendment. The interview focused on:

- The basics of tax increment financing;
- Past redevelopment projects in the City that have been accomplished under the current tax increment cap, such as the Interstate 880 interchanges and revitalization efforts in the Historic Districts; and
- The expanded revitalization efforts made possible under the proposed Plan Amendment, including the Irvington BART station, redevelopment of the Historic Districts, enhanced public infrastructure, etc.

g. Economic Development Advisory Commission (EDAC)

The Economic Development Advisory Commission (EDAC) promotes and facilitates economic development in the City of Fremont and enhances and supports current businesses in the City. EDAC consists of nine members representing various business interests of the Fremont community and meets on the first Thursday of January, March, May, July, September and November. As of the date of this Report, the Agency attended the July 9, 2009 meeting.

The Agency has discussed several topics with EDAC, including general project status updates, highlights of proposed projects and funding for the post-$400M cap Merged Redevelopment Program, and general updates regarding negotiations with various taxing entities. EDAC has made inquiries about the potential fiscal impact on the City's General Fund, use of redevelopment funding for the City's ongoing maintenance and capital needs, and potential benefits and/or losses for businesses located in the Merged Project Area.

h. Local Legislators

During July and August 2008, Agency staff met with local legislators representing Fremont, which included State Senator Ellen Corbett (Democrat, 10th District) and State Assembly Member Alberto Torrico (Democrat, 20th District). The Agency has provided information to the legislators regarding the project goals, status, and the anticipated impacts on the local community and the region.

i. Additional Community Outreach

The Agency continually updates the City's website with the progress made on the Plan Amendment. An article on the Plan Amendment was published in the City News in the Fall of 2008.[2] Documentation related to the RAC and community meetings are included in Appendix M.

3. Public Hearings

In addition to the RAC and other public participation, the Agency and the City Council will also consult and obtain the advice of property owners and occupants and community members on the adoption of the Plan Amendment at the joint public hearings on the Plan Amendment. Per CRL Section 33349, the Agency will send a first class mailing containing the required notice of the joint public hearing to the last known assessee (the "property owner") of each parcel of land and to all tenants and business owners ("occupants") within the Merged Project Area. The notice will explain the purpose of the joint public hearing and contain other pertinent information, such as the meeting dates, times and locations. It is currently anticipated that the Agency and City Council will commence the joint public hearing on February 16, 2010.

[2] City News is a City publication distributed to all households in Fremont on a quarterly basis.

X. Environmental Review

The Draft Subsequent Environmental Impact Report ("Draft SEIR") and the Final Subsequent Environmental Impact Report ("Final SEIR") for the Plan Amendment have been prepared by the City of Fremont. As required by law, the Draft SEIR was distributed to the affected taxing entities, the State Clearinghouse, all State trustee agencies, and other interested parties on August 19, 2009. The public review period for the Draft SEIR was August 19, 2009 to October 2, 2009.[1] On December 2, 2009, the Final SEIR was completed and submitted to the Planning Commission for its report and recommendation and to all entities that commented on the Draft SEIR. The Final SEIR includes responses to all comments received on the Draft SEIR. The Draft and Final SEIR (together, the "SEIR") provide the environmental documentation required by the CRL and the California Environmental Quality Act (CEQA) for the Plan Amendment, and are incorporated by this reference into this Report. The joint public hearing on the Redevelopment Plan Amendment and the SEIR is scheduled currently for February 16, 2010.

A. Statutory Requirements

Section 33352(k) of the CRL requires that this Report include the report required by Section 21151 of the Public Resources Code, i.e., the Subsequent Environmental Impact Report.

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
>
> *(k) the report required by Section 21151 of the Public Resources Code.*

CA Public Resources Code Section 21151:

> *(a) All local agencies shall prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on any project that they intend to carry out or approve which may have a significant effect on the environment. When a report is required by Section 65402 of the Government Code, the environmental impact report may be submitted as a part of that report.*
>
> *(b) For purposes of this section, any significant effect on the environment shall be limited to substantial, or potentially substantial, adverse changes in physical conditions which exist within the area as defined in Section 21060.5.*
>
> *(c) If a nonelected decision-making body of a local lead agency certifies an environmental impact report, approves a negative declaration or mitigated negative declaration, or determines that a project is not subject to this division, that certification, approval, or determination may be appealed to the agency's elected decision-making body, if any.*

[1] According to its website, the State Clearinghouse indicated an October 5, 2009 expiration date for the Draft SEIR comment period.

B. Analysis

The SEIR is intended to serve as a public disclosure document. It identifies and describes environmental impacts associated with the Plan Amendment that are expected to be significant and describes mitigation measures that could minimize or eliminate significant adverse impacts. The SEIR also identifies and evaluates a range of reasonable alternatives to the Plan Amendment. The SEIR is incorporated in this Report by this reference.

Chapter XIII of this Report includes the "Neighborhood Impact Report," a summary of the impacts of the redevelopment activities associated with the Plan Amendment, as addressed by the SEIR.

XI. Analysis of the County Fiscal Officer's Report

Section 33352(l) of the CRL requires under certain circumstances that a Report to Council contain the County Fiscal Officer's Report (33328 Report), and Section 33352(n) requires inclusion of the analysis of the County Fiscal Officer's Report. This chapter of the Report to Council includes the analysis of the County Fiscal Officer's Report.

A. Statutory Requirements

Section 33352(n) of the CRL requires:

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
>
> *An analysis by the agency of the report submitted by the county as required by Section 33328, which shall include a summary of the consultation of the agency, or attempts to consult by the agency, with each of the affected taxing entities as required by Section 33328. If any of the affected taxing entities have expressed written objections or concerns with the proposed project area as part of these consultations, the agency shall include a response to these concerns, additional information, if any, and, at the discretion of the agency, proposed or adopted mitigation measures.*

B. Analysis

The Plan Amendment will increase the limit on tax increment collection for the Industrial Area and will increase the limit of the bonded indebtedness for the Merged Project Area. However, because the Plan Amendment does not add new territory to the Merged Project Area, the County Fiscal Officer's Report is not required. A summary of consultations with the affected taxing entities is included in Chapter XII of this Report.

XII. Consultations with Taxing Entities

Section 33328 of the CRL requires that prior to the public hearing on the Plan Amendment, the Agency must consult with each taxing entity that levies taxes, or for which taxes are levied, on property in the Merged Project Area. The Agency must consult on the proposed Plan Amendment and the allocation of tax increment revenues. Pursuant to Section 33352(n), if any of the affected taxing entities express written objections or concerns about the Plan Amendment as part of these consultations, the Agency must include a response to these concerns, additional information, if any, and, at the discretion of the Agency, proposed or adopted mitigation measures.

A. Statutory Requirements

CRL Section 33352(n) provides the following:

> *Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing…the following:*
>
> *(n) (1) An analysis by the agency of the report submitted by the county as required by Section 33328, which shall include a summary of the consultation of the agency, or attempts to consult by the agency, with each of the affected taxing entities as required by Section 33328. If any of the affected taxing entities have expressed written objections or concerns with the proposed project area as part of these consultations, the agency shall include a response to these concerns, additional information, if any, and, at the discretion of the agency, proposed or adopted mitigation measures.*
>
> *(2) As used in this subdivision:*
>
> *(A) "Mitigation measures" may include the amendment of the redevelopment plan with respect to the size or location of the project area, time duration, total amount of tax increment to be received by the agency, or the proposed use, size, density, or location of development to be assisted by the agency.*
>
> *(B) "Mitigation measures" shall not include obligations to make payments to any affected taxing entity.*

B. Communications and Meetings with Taxing Entities

On August 19, 2009, the Agency sent by certified mail a copy of the Preliminary Report, Draft Plan Amendment and Draft SEIR to the following 13 affected taxing entities for review and comment:[1]

- Alameda County Flood Control District
- Alameda County Library District
- Alameda County Mosquito Abatement District
- Alameda County Office of Education

[1] The Washington Hospital District is no longer an affected taxing entity with respect to the Industrial Area, as it never received a share of the basic one percent property tax and no longer imposes a bond override property tax, although it remains an original signatory of the General Governments Industrial Area Pass-Through Agreement.

- Alameda County Resource Conservation District
- Alameda County Transit District
- Alameda County Water District
- Bay Area Air Quality Management District
- Bay Area Rapid Transit District
- County of Alameda
- East Bay Regional Park District
- Fremont Unified School District
- Ohlone Community College District

The Agency consulted or attempted to consult with each of the affected taxing agencies through a series of meeting and telephone follow-up as indicated in Table XII-1. Appendix N contains additional documentation regarding the Agency's consultations with the affected taxing entities.

C. Comments Received from Taxing Agencies and Agency Responses

The Agency's letter dated August 17, 2009 transmitted the Preliminary Report, Draft Plan Amendment and Draft SEIR to the taxing agencies. The comment period for the taxing entities on the Draft SEIR ended October 2, 2009. As of the publication of this Report, the Agency has not received any comments from the affected taxing entities on the Plan Amendment, the Preliminary Report, or the Draft SEIR.

The taxing agencies will continue to have the opportunity to comment on the Redevelopment Plan Amendment at, or prior to, the joint public hearing of the Agency and City Council. Notice of these hearings will be sent by certified mail to County officials and affected taxing agencies at least thirty (30) days prior to the joint public hearing of the Agency and City Council. If any written comments are received from the taxing entities prior to or at the public hearing, the City/Agency will respond in writing, and those letters and such responses will be presented to the City Council for approval prior to any action to adopt the Plan Amendment.

Table XII-1
Summary of Consultations with Taxing Entities
Fremont Redevelopment Plan Amendment

Taxing Entity	Meeting Dates	Notes
Alameda County- County Administrator's Office	4.27.07 7.17.07 10.16.07 1.30.08 7.2.08 10.21.09	Initial Consultation regarding Plan Amendment Tour of Fremont RDA areas Technical discussion regarding ERAF Discussion of fiscal impacts (included also a discussion of impacts on AC Flood Control District and AC Library) Conference call discussion regarding pass-through payment obligations Meeting regarding pass-through payment obligations
Alameda County Flood Control	6.15.07 2.6.08	Initial Consultation regarding Plan Amendment Discussion regarding fiscal impacts Note: Subsequent discussions regarding ACFCD were handled via County Administrator's Office (see above)
Alameda County Library	5.29.07	Initial Consultation regarding Plan Amendment Note: Subsequent discussions regarding Alameda County Library were handled via County Administrator's Office (see above)
Alameda County Resource Conservation District	3.12.08	Discussion regarding fiscal impacts
Alameda County Mosquito Abatement	2.8.08	Discussion regarding fiscal impacts
Alameda County Office of Education	3.10.08	Note: Meeting was canceled 3/9/08 per ACOE request, transmitted pertinent documents via e-mail 3/13/08
Alameda County Transit	3.14.08	Discussion regarding fiscal impacts
Alameda County Water District	6.21.07 6.13.08 10.8.08 11.20.08	Initial Consultation regarding Plan Amendment Discussion of the pass-through payment obligations and auxiliary RDA/ACWD agreements Follow up discussion of the pass-through payment obligations and auxiliary RDA/ACWD agreements Follow up discussion of the pass-through payment obligations and auxiliary RDA/ACWD agreements
BART	4.28.08	Discussion regarding fiscal impacts
Bay Area Air Quality Management District	3.25.08	Discussion regarding fiscal impacts
East Bay Regional Parks District	2.26.08 4.18.08	Discussion regarding fiscal impacts Discussion of the pass-through payment obligations and auxiliary RDA/EBRPD agreements Conference call regarding the pass-through payment obligations and auxiliary RDA/EBRPD agreements
Fremont Unified School District	5.29.07 2.27.08	Initial Consultation regarding Plan Amendment Discussion regarding fiscal impacts and RDA/FUSD pass-through payment obligations
Ohlone College	4.20.07 2.7.08 10.29.08	Initial Consultation regarding Plan Amendment Discussion regarding fiscal impacts and pass-through payment obligations Follow up discussion re fiscal impacts and pass-through payment obligations with the new college president

XIII. Neighborhood Impact Report

Section 33352(m) of the CRL requires that a report to the legislative body contain a neighborhood impact report if the proposed project area contains low or moderate income housing. Section 33451.5(c)(8) also requires a neighborhood impact report for the Report to the State Departments, if Section 33352(m) requires one. The purpose of the neighborhood impact report is to describe in detail the impact of the proposed actions upon the residents of the project area and surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, and property assessments and taxes.

This chapter summarizes the potential impacts of the proposed Plan Amendment on the neighborhoods in the Merged Project Area, in accordance with Section 33352(m) and 33451.5(c)(8) of the CRL. The Subsequent Environmental Impact Report (SEIR) for the Plan Amendment, prepared by the City, is the source of much of the information included in this chapter.[1]

A. Statutory Requirements

Section 33352(m) of the CRL requires that this Report include a neighborhood impact report:

> *If the project area contains low- or moderate-income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of the project area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The neighborhood impact report shall also include all of the following:*
>
> *(1) The number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low and moderate income housing market as part of a redevelopment project.*
>
> *(2) The number of persons and families of low or moderate income expected to be displaced by the project.*
>
> *(3) The general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413.*
>
> *(4) The number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation, other than replacement housing.*
>
> *(5) The projected means of financing the proposed dwelling units for housing persons and families of low and moderate income planned for construction or rehabilitation.*
>
> *(6) A projected timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.*

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[1] City of Fremont, *Draft Subsequent Environmental Impact Report for the Proposed Fremont Merged Redevelopment Project Area Plan Amendment*, August 2009, and *Final Subsequent Environmental Impact Report for the Proposed Fremont Merged Redevelopment Project Area Plan Amendment*, November 2009.

Section 33451.5(c) states:

> *No later than 45 days prior to the public hearing on a proposed plan amendment by the agency or the joint public hearing by the agency and the legislative body, the agency shall prepare a report that contains all of the following:…*
>
> *(8) A new neighborhood impact report if required by subdivision (m) of Section 33352.*

B. Analysis

The intent of the proposed Plan Amendment is to provide a means for the Fremont Redevelopment Agency to continue and expand activities to overcome adverse physical and economic blighting conditions and facilitate revitalization in designated areas of Fremont. To achieve these goals, the proposed Plan Amendment would:

- Amend, restate, and consolidate the current Constituent Redevelopment Plans into the form of a single "Consolidated Redevelopment Plan for the Fremont Merged Redevelopment Project Area (Including the Irvington, Niles, Centerville, and Industrial Areas)." This Merged Redevelopment Plan (or Merged Plan) would incorporate the applicable provisions from each of the current Constituent Redevelopment Plans;
- Increase the limit on the amount of tax increment revenue from the Industrial Area portion (as further described below) of the Merged Project Area that may be claimed by the Agency from the current limit of $400 million to a proposed revised limit of $1.5 billion;
- Increase the limit on the principal amount of bonded indebtedness secured by tax increment revenue that may be outstanding at any time from the current combined Merged Project Area limit of $200 million to a revised combined limit of $550 million;
- Update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area; and
- Update various text provisions to conform to the current requirements of the CRL.

The proposed Plan Amendment would provide for implementation of a combination of redevelopment activities in the Merged Project Area, including:

- Regional Transit and Transportation
- Economic Development and Property Acquisition/Redevelopment
- Building Rehabilitation, Façade Improvement and Historic Preservation
- Public Infrastructure, Facilities and Landscaping
- Hazardous Materials Clean-up
- Affordable Housing

For a more detailed description of potential redevelopment activities, please refer to the Merged Redevelopment Plan and Chapters III and V of this Report.

The direct impact of redevelopment activities will be to aid in the revitalization of the Merged Project Area. The Merged Redevelopment Program will revitalize areas that exhibit adverse physical and economic conditions; stimulate private investment in Fremont's commercial areas; improve housing conditions and infrastructure in residential neighborhoods; and provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

The secondary impacts of redevelopment activities will be to: improve transportation and circulation; preserve and create civic, cultural, and educational facilities and amenities as a catalyst for area revitalization; upgrade, modernize and expand public infrastructure; revitalize business areas in the Merged Project Area through business retention, expansion and attraction; and preserve residential neighborhoods. The resulting growth and stabilization from these redevelopment activities will in turn produce several impacts, which are discussed in the following sections.

1. Major SEIR Findings

The SEIR for the Plan Amendment assessed the environmental impacts of the Plan Amendment and the program of redevelopment activities (referred to in this Report as the Merged Redevelopment Program) made possible by and proposed to be undertaken pursuant to the Plan Amendment. The following summary of the environmental impact is based in part on the analysis presented in the SEIR.

The SEIR analysis and findings identified the following significant, unavoidable impacts:[2] (1) operational impacts at nine major intersections, (2) peak hour impacts on State Route 84 between Mission Boulevard and Interstate 680, both east and west bound, (3) long term regional emissions increases due to traffic increases, (4) net increase in carbon dioxide and other GHG emissions resulting in global climate change impact, (5) water supply system impacts and potential for reductions in that supply, (6) historic structures may be demolished, (7) loss of archeological resources, (8) impacts on cultural resources, and (9) traffic noise impacts on existing housing on specific busy routes. Other impacts that were identified as potentially significant could be reduced to less-than-significant levels by inclusion of the mitigation measures listed in the SEIR.

2. Relocation

The Plan Amendment will not modify the existing framework for eminent domain authority, and the Merged Redevelopment Plan does not contemplate the imminent relocation of any households to accomplish its goals. The Agency would not commence any relocation until it had firm commitments from public funding sources or competent developers that the desired redevelopment of the area would take place in a timely manner, with the least disruption to existing homes and businesses. See further discussion of relocation issues in Section C of this Chapter and Chapter VI of this Report.

California law requires public agencies to provide relocation assistance and benefits to displaced businesses. The CRL requires redevelopment agencies to reduce any business displacement impacts of redevelopment actions through the following measures:

- The Agency must extend reasonable preferences to persons who are engaged in businesses in the redevelopment area, which are displaced by Agency actions to re-enter in business within

[2] The SEIR identifies those adverse project environmental impacts that are expected to be "significant," and the corresponding mitigation measures warranted to eliminate or reduce those impacts to less-than-significant levels. Where it is determined that a particular impact cannot be mitigated to a less-than-significant level, the SEIR identifies that impact as "unavoidable." Please refer to Chapter 17.2 of the Draft SEIR for a more complete summary of significant unavoidable impacts of the Plan Amendment.

the redevelopment area if their activities otherwise meet the requirements of the redevelopment plan.

- The owners of an acquired property must be given a reasonable opportunity to participate in the project, provided that such participation is consistent with the requirements and goals and objectives of the plan.

These CRL-mandated relocation assistance and business preference rules would be expected to reduce the potential adverse impacts resulting from business dislocation to less-than-significant levels.

The Agency has established a method and plan for relocation of families and persons to be displaced in connection with any Fremont Redevelopment Agency project as previously described in Chapter VI.

3. Transportation and Circulation

The transportation system serving the Merged Project Area and the City of Fremont consists of a network of local roadways, regional roadways, transit services, and pedestrian and bicycle facilities.

a. Cumulative Impacts on Road System Operation

New development within the Merged Project Area would contribute to increased traffic on the local and regional roadways within the Merged Project Area and the City of Fremont.

Since the new development assumptions applied in the SEIR for the Merged Project Area are generally consistent with the adopted Fremont General Plan, the contribution of Plan Amendment-generated growth to citywide anticipated growth would be approximately the same as those associated with the General Plan. Also, specific future development projects within the Merged Project Area would be subject to General Plan policies. Consistent application of these policies would reduce most potential transportation and circulation impacts to less-than-significant levels.

However, as a result of growth generated as a result of the Plan Amendment, there are two study intersections that would have significant operational impacts (exceeding the Level of Service (LOS) standard), specifically[3]:

- Intersection #10 – Mission Boulevard and Niles Canyon Road-Niles Boulevard in the Niles Area (AM),
- Intersection #15 – Grimmer Boulevard and Blacow Road in the Irvington Area (AM)

In order to avoid the existing and potential intersection impacts, major modifications to both intersections would be required. Despite City commitment to the mitigation measures, they have been deemed infeasible due to the jurisdictional, right-of-away acquisition, infrastructure and

[3] Level of Service (LOS) indicates the degree of congestion that occurs during peak travel periods and is the principal measure of roadway and intersection performance. LOS can range from "A," representing free-flow conditions, to "F," representing extremely long delays. Intersection numbers refer to the numbering system used in the SEIR.

associated costs, which are substantial. Therefore, the impact of the intersection effects is considered to be a significant unavoidable impact.

The significant operational impacts (exceeding the LOS standard) extend to additional intersections when considering the cumulative citywide growth, as well as growth related to the Plan Amendment. These include:

- Intersection #11 – Paseo Padre Parkway and Grimmer Boulevard in the Irvington Area (AM),
- Intersection #13 – Fremont Boulevard and Grimmer Boulevard in the Irvington Area (PM)
- Intersection #19 – Fremont Boulevard/Union Street and Washington Boulevard in the Irvington Area (AM/PM)
- Intersection #24 – Osgood Road and BART driveway in the Irvington Area (AM/PM)
- Intersection #27 – Fremont Boulevard and Blacow Road in the Irvington Area (PM)
- Intersection #30 – Christy Street and Auto Mall Parkway in the Industrial Area (PM)
- Intersection #31 – Cushing Boulevard/Boyce Road and Auto Mall Parkway in the Industrial Area (AM)

The improvements identified in the SEIR would mitigate the identified intersection impacts to less-than-significant levels; however, the implementation of the mitigation measures is infeasible due to jurisdictional, right-of-way acquisition, infrastructure and associated cost constraints. Therefore, the Merged Project Area would experience impacts, which would be significant and unavoidable.

In addition, the growth-inducing effects from the Plan Amendment would impact major roadway segments. Based on the cumulative effects of citywide growth in addition to redevelopment of the Merged Project Area, State Route 84 between Mission Boulevard and Interstate-680 is significantly impacted. In the AM peak hour, the eastbound roadway segment operations would deteriorate from LOS A to LOS F under the cumulative buildout condition. In the PM peak hour, the westbound roadway segment operations would deteriorate from LOS A to LOS F under the cumulative buildout scenario. To improve the LOS, State Route 84 would need to be modified from a single lane in each direction, to three lanes eastbound and four lanes westbound. However, implementation of this improvement is infeasible given physical and jurisdictional constraints. The impact is considered to be significant and unavoidable.

However, if the Plan Amendment is adopted, the improvements to the transportation system through the Merged Redevelopment Program would provide long-term beneficial impacts. The Plan Amendment would facilitate activities such as public transit infrastructure improvements, enhancement of intersections, streetscape improvements, such as coordinated development of paving, curbs, gutters and landscaping, and reduction of pedestrian and vehicle conflicts. Overall, the Merged Redevelopment Program made possible by the Plan Amendment would provide a benefit to the Merged Project Area as well as the City as a whole.

b. Impacts on Transit

New development in the Merged Project Area would generate increased demand for local and interregional transit services, but would not be expected to have a significant adverse impact on these services. The proposed redevelopment activities within the Merged Project Area would not be expected to disrupt, interfere, or conflict with existing or planned transit services, and would

facilitate public transit opportunities. Any increased demand for transit service associated with the Plan Amendment would therefore represent a less-than-significant impact.

In addition, the Plan Amendment would facilitate positive transit improvements within the Merged Project Area that would benefit the City and the region. The Merged Redevelopment Program includes activities such as developing the Irvington BART Station, improving a variety of transit stations, as well as improving grade crossings for vehicles and pedestrians. The Merged Redevelopment Program under the proposed Plan Amendment would afford long-term beneficial impacts for the Merged Project Area residents and the Fremont community.

c. Impacts on Bicycle and Pedestrian Systems

New development in the Merged Project Area may also generate additional traffic on existing and planned bicycle and pedestrian systems. As this additional traffic could be accommodated by existing and planned systems, the potential impact is considered to be less-than-significant.

4. Environmental Quality

Redevelopment activities will generally enhance the environmental quality of the proposed Merged Project Area by improving neighborhoods and facilitating a hazardous materials cleanup program. Achievement of the basic redevelopment objective of blight elimination, as made possible by the Plan Amendment, is in itself, a positive environmental impact.

a. Hazardous Materials

The Merged Project Area and surrounding properties contain numerous contaminated sites where Plan Amendment-related construction has the potential for exposing construction workers to spills, leaks and other discharges of existing hazardous materials or wastes. The SEIR recommends measures that would be expected to reduce the potentially significant health and safety impacts associated with potential exposure to hazardous materials to a less-than-significant level. At a minimum, the City will require a Phase I environmental site assessment to provide information of site contamination, if any. This, along with the appropriate remediation measures, will reduce the impact of contaminated sites to a less-than-significant level.

Several sites in or adjacent to the Merged Project Area contain underground storage tanks (USTs). New development of these sites will likely mean removal of the UST as part of the development, which can be a potentially significant impact. However, by complying with the applicable UST remediation policies and programs set forth in the General Plan, the impact would be less-than-significant because the requirement for remediation is to a level that protects human and environmental health.

The Merged Project Area may also contain other hazards, such as asbestos, lead based paints and PCBs, and potential for accidental hazardous materials release. The City of Fremont is aware of these potential hazards and has put in place policies and implementation programs relevant to the proposed Merged Redevelopment Program and its relationship to hazardous materials conditions in its General Plan, which would reduce any impact to a less-than-significant level.

The proposed projects may result in the significant expenditure of redevelopment funds for hazardous waste remediation in the Merged Project Area, if it is determined that such assistance would provide a public benefit and an individual property owner could not afford the remediation

costs. Such expenditures would be expected to have a beneficial impact on the environment by remediating some of the existing public health hazards described above.

b. Population

The Plan Amendment could potentially stimulate population and employment growth in the Merged Project Area. The improvement and additions to the housing stock could result in population growth within the Merged Project Area. The SEIR estimates that implementation of the Plan Amendment could potentially result in as much as 9,111 additional residents, 3,017 additional housing units, and 2,161 additional jobs by the year 2030. The anticipated growth of population and housing units associated with the Plan Amendment is based on the Fremont General Plan land use provisions and represents a less-than-significant impact.

For purposes of "worst case" environmental impact assessment, the SEIR assumes that the Plan Amendment would be highly successful in stimulating local employment growth, creating as many as 2,161 additional jobs by the year 2030. This increase in local jobs would constitute a significant beneficial economic impact and is a Merged Redevelopment Plan goal. Additionally, new employment opportunities, such as construction jobs, would represent a significant, beneficial economic impact of the Plan Amendment. The SEIR does not identify any significant adverse environmental impact as a result of the employment growth.

c. Land Use and Applicable Land Use Plans and Policies

Redevelopment under the Merged Redevelopment Program will provide opportunities for the City to enhance its residential character, promote economic development, and stimulate private investment. All activities undertaken by the Agency, including all development activities facilitated by the Plan Amendment, must be consistent with the goals and policies of the City's General Plan. The City's General Plan, currently in the process of a comprehensive update, plays a central planning role in correlating all city land use issues, goals, and objectives into one set of development policies. The General Plan land use designations, goals, policies and guidelines are expressly incorporated into the Plan Amendment, and would govern all development actions set forth in the Plan Amendment.

The SEIR states that new or accelerated development encouraged or facilitated by the Plan Amendment would be controlled by existing and future General Plan land use policies. As a result, future development within the Merged Project Area would occur primarily as infill, with no significant change in established community-wide land use patterns. Encouragement of such infill development would generally foster land use consolidation and nuisance reduction, resulting in a positive land use effect, as well as further the overall revitalization and economic development goals of the General Plan.

The SEIR recommends that consistency with the General Plan Land Use policies would minimize potential land use compatibility impacts to a less-than-significant level.

d. Biology

Although most of the Merged Project Area is urbanized with ornamental landscaping and vegetation, various natural habitat types exist within the Merged Project Area. These include wetland, riparian and other sensitive natural communities. Development in these areas could produce a potentially significant adverse effect. These habitats occur in or adjacent to the

Irvington Area, Niles Area and Industrial Area. In order to reduce the impacts to a less-than-significant level, future development will be reviewed through the City's standard development, design, and environmental review process, which will enforce any necessary measures to preserve and protect the habitats.

Development in the Merged Project Area could disturb a variety of special status plant species and special status animal species. Of the approximately 12 special status plant species, a potential habitat for eight occurs in all portions of the Merged Project Area, and the remaining four special status plant species can inhabit the Industrial Area. Of the 22 special status animal species, a potential habitat for 12 species occurs in all portions of the Merged Project Area, with the potential habitat for the remaining 10 in the Industrial Area. During the City's standard development, design, and environmental review process for future development, the City will coordinate review with representatives from the appropriate protection entity and will incorporate mitigation protocols into the proposed development plans. This will ensure that potential impacts would be reduced to less-than-significant levels.

The Merged Project Area includes areas that contain potential habitats for Nesting Raptors or Bat Nurseries. The migratory raptors are protected under the Migratory Bird Treaty Act, and the Pallid bat and Yuma bat, which are "Federal Species of Concern" and protected by the Federal Endangered Species Act. Should either animal inhabit proposed development areas prior to the start of construction, individual animals and/or their nests could be destroyed. To reduce the impact by new development on wildlife, the City will implement appropriate mitigation measures during the standard development, design and environmental review process, which will reduce the impact to a less-than-significant level.

Development of the Merged Project Area could convert existing remaining wetland and riparian habitats into urban uses, substantially diminishing associated habitats for plants and wildlife. Impacts could also occur if the proposed development were to impinge on buffers needed to maintain wildlife populations or affect a movement corridor that connects two or more habitats. However, all redevelopment-facilitated development must be consistent with adopted General Plan policies. Existing policies, implementation programs, and regulations included in the General Plan and enforced during the City's development review process for individual projects were formulated and adopted to ensure that such potential vegetation and wildlife impacts remain less-than-significant.

e. Drainage and Water Quality

Future development within the Irvington Area facilitated by the proposed Plan Amendment could exceed the capacity of local Laguna Creek storm drain systems and potentially require construction of new or improved systems. However, any new development in the Irvington Area would be required as part of the City review process to produce a flood control management and design plan that results in runoff volumes consistent with the Alameda County Flood Control and Water Conservation District (ACFCWCD) modeling assumptions or result in no net increase in runoff from existing conditions. By respecting the ACFCWCD parameters, the impact would be reduce to a less-than-significant level.

Surface water pollutants associated with construction activity facilitated by the Plan Amendment, such as soil disturbance associated with grading activities, could significantly degrade the quality of the receiving waters, which represents a potentially significant impact. Future development

would be subject to all current state, regional and City water quality provisions, and where required under adopted Regional Water Quality Control Board (RWQCB) regulations:

- File with the RWQCB a Notice of Intent to comply with the Statewide General Permit for Construction Activities.
- Prepare and implement a project-specific Storm Water Pollution Prevention Plan (including an erosion control plan) if grading is involved.
- Implement a monitoring, inspection, and documentation program to assure the effectiveness of control measures, including post-construction measures.
- Obtain or comply with existing General Storm Water Discharge Permit(s) for Industrial Activities, where applicable.
- Comply with the National Pollutant Discharge Elimination System (NPDES) Phase II Non-Point Discharge program and the City's Stormwater Management and Discharge Control Ordinance.

Other surface water pollutants associated with new development facilitated by the Plan Amendment, including urban pollutants generated from runoff from new impervious surfaces and increased vehicular use, and possible increases in herbicide, pesticide, and fertilizer use (for landscaping), and runoff from pollutant materials processed or improperly disposed of, could combine to degrade the water quality in downstream receiving waters. This combination of factors represents a potentially significant impact. However, the SEIR suggests requiring the applicant for each future development to comply where applicable with all current local and County requirements, such as:

- Comply with applicable City Municipal Code requirements (Title VIII, chapters 4 and 11).
- Follow the Alameda countywide National Pollutant Discharge Elimination System (NPDES) permit.
- Follow the City’s Storm Water Pollution Prevention Program as set forth in the City’s NPDES stormwater permit.

In addition, the City will require new development to be designed to minimize erosion and untreated stormwater runoff in order to protect groundwater quality. As part of the Plan Amendment, the Merged Redevelopment Program would carry out storm drainage and sewer improvements within the Merged Project Area, likely causing a beneficial effect. Implementation of the recommended measures would reduce the impact to a less-than-significant level.

f. Cultural Resources

Prehistoric Resources

The Merged Project Area has the potential to contain buried or obscured prehistoric cultural resources due to the following historic information known about the area:

1. The presence of Alameda Creek and other water sources made the area favorable for prehistoric inhabitants;
2. Fremont is within the known territory of the Ohlone tribe; and
3. The Merged Project Area is considered to have “moderate” to “high” sensitivity regarding archeological resources.

Due to the broad nature of the proposed redevelopment activities under the Plan Amendment, and the lack of extensive archaeological field data on the area, it is difficult to forecast the specific effects of future development on archaeological resources. However, additional development facilitated by redevelopment under the Plan Amendment could disturb existing known or unrecorded sensitive archaeological resources in the Merged Project Area during construction activities. Therefore, the SEIR recommends that during the City's normal project-specific environmental review (Initial Study) process for all future, discretionary, public improvement and private development projects in the Merged Project Area, the City shall determine the possible presence of, and the potential impacts on, archaeological resources. For projects involving substantial ground disturbance, the individual project sponsor or environmental consultant shall be required to contact the California Historical Resources Information System (CHRIS) to determine whether the particular project is located in a sensitive area. Future development projects that the CHRIS determines may be located in a sensitive area—i.e., on or adjoining an identified archaeological site—shall proceed only after the project sponsor contracts with a qualified archaeologist to conduct a determination with regard to cultural values remaining on the site and warranted mitigation measures.

The SEIR also states that to make an adequate determination in these particular instances, the archaeologist shall conduct a preliminary field inspection to: (1) assess the amount and location of visible ground surface, (2) determine the nature and extent of previous impacts, and (3) assess the nature and extent of potential impacts. Such field inspection may demonstrate the need for some form of additional subsurface testing (e.g., excavation by auger, shovel, or backhoe unit), or, alternatively, the need for on-site monitoring of subsurface activities (i.e., during grading or trenching).

If a significant archaeological resource is identified through this field inspection process, the City and project applicant shall seek to avoid damaging effects to the resource. Preservation in place to maintain the relationship between the artifact(s) and the archaeological context is the preferred manner of mitigating impacts to an archaeological site. Preservation may be accomplished by:

- Planning construction to avoid the archaeological site;
- Incorporating the site within a park, green space, or other open space element;
- Covering the site with a layer of chemically stable soil; or
- Deeding the site into a permanent conservation easement.

When in-place mitigation is determined by the City to be infeasible, a data recovery plan, which makes provisions for adequate recovery of culturally or historically consequential information about the site, shall be prepared and adopted prior to any additional excavation being undertaken. An EIR prepared for the project would evaluate the feasibility of preservation in place, a data recovery plan and other mitigation measures as required by CEQA Guidelines section 15126.4(b)(3).

In the event that subsurface cultural resources are otherwise encountered during approved ground-disturbing activities for construction activity within the Merged Project Area, work in the immediate vicinity shall be stopped and a qualified archaeologist retained to evaluate the finds following the procedures described above. If human remains are found, special rules set forth in State Health and Safety Code section 7050.5 and CEQA Guidelines sections 15064.5(d) and (e) and 15126.4(b) shall apply.

Implementation of these measures would supplement the City's existing General Plan Land Use policies and implementation programs, and would reduce this impact to a less-than-significant level. However, given the number of potential archeological sites, it is possible that a project undertaken could result in the loss of an archeological resource. In the event that the impact cannot be reduced to an insignificant level, the impact would be potentially significant and unavoidable.

Historic Resources

The City has several historic properties in Fremont that are listed as local historic landmarks, sites and districts per the Fremont Register; State Historic Landmarks; and properties listed on the National Register of Historic Places. Future development facilitated by the Plan Amendment could affect one or more individual potentially significant historic properties in the Merged Project Area such that a historic resource is "materially impaired." A historic resource is considered to be "materially impaired" when a project demolishes or materially alters the physical characteristics that justify the determination of its historic significance.

Therefore, the SEIR recommends that projects facilitated by the Plan Amendment would be required to conform with the City's extensive set of applicable historical resource protection policies, design guidelines, regulation and programs as set from in the General Plan, Concept Plans for the individual Areas, and applicable ordinances. The Plan Amendment would also serve to mitigate any impact to the historic properties by implementing the Merged Redevelopment Program activities, such as façade improvement, building restoration, protecting character-defining features, and other similar measures. In addition, if the City determines through its design review process that a proposed project within the Merged Project Area may cause a "substantial adverse change" to an identified historic resource, the City and applicant shall incorporate measures to improve the affected resource in accordance with either of the following publications:

- Secretary of Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings; or
- Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

The SEIR states that successful incorporation of these measures would supplement the City's existing General Plan policies and implementation programs and reduce the impact to a less-than-significant level. However, given the number of potential historic sites, it is possible that a project undertaken could result in the loss of a historic resource. In the event that the impact cannot be reduced to an insignificant level, the impact would be potentially significant and unavoidable.

Paleontological Resources

The Merged Project Area may contain paleontological resources such a fossils. The SEIR recommends that during the City's normal project-specific environmental review (Initial Study) process for all future, discretionary, public improvement and private development projects in the Merged Project Area, the City shall determine the possible presence of, and the potential impacts on, paleontological resources. If a project involves substantial ground disturbance in an area where the City has determined the possible presence of paleontological resources, the EIR recommends that the City require applicants to implement the following measures:

1. Education Program that includes the following elements:
   - Resource identification training procedures for construction personnel;
   - Spot checks by a qualified paleontological monitor of all excavations deeper than seven feet below ground surface; and
   - Procedures for reporting discoveries and their geologic content.
2. Procedures for Resources Encountered.[4]

Implementation of these measures would reduce this impact to a less-than-significant level. However, given the number of potential paleontological sites, it is possible that a project undertaken could result in the loss of a paleontological resource. In the event that the impact cannot be reduced to an insignificant level, the impact would be potentially significant and unavoidable.

5. Community Facilities and Services

The proposed Plan Amendment could affect community facilities and services, as described in this section. The Plan Amendment and associated Merged Redevelopment Program will help alleviate these impacts by providing resources to help improve these community facilities within the Merged Project Area.

The Plan Amendment and the associated Merged Redevelopment Program would make new recreational facilities possible, enhance existing recreational amenities, improve public utility systems and underground utility lines, and rehabilitate public historic properties. In summary, the Plan Amendment would assist in producing positive improvements to community facilities and services that otherwise would not be possible without redevelopment.

a. Water

The proposed Plan Amendment could affect the City's water sources and distribution system. Water supply is a local, regional and statewide issue, which can mean uncertainty in the availability of the sources of water. As stated in the SEIR, the current projections show an adequate supply in normal years to meet projected cumulative demand to 2030, with an estimated demand of 77,500 acre-feet and supply of 77,900 acre-feet. With the uncertainty in the overall water supply system due to complex water planning issues, there is a potentially significant cumulative impact due to the Plan Amendment.

The Plan Amendment would facilitate development consistent with the General Plan. The Alameda County Water District (ACWD) prepared its Urban Water Management Plan (UWMP)

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[4] If subsurface paleontological resources are encountered, excavation will halt in the vicinity of the resources and the project paleontologist shall evaluate the resource. The monitor shall be empowered to temporarily halt or redirect construction activities to ensure avoidance of adverse impacts on the resource. During monitoring , if potentially significant paleontological resources are found, "standard" samples shall be collected and processed by a qualified paleontologist. If significant fossils are found and collected, they shall be prepared to a reasonable point of identification. Significant fossils collected during this work, along with the itemized inventory of these specimens, shall be deposited in a museum repository for permanent curation and storage. When the report and inventory are submitted to the lead agency, it signifies the completion of the program to mitigate impacts on paleontological resources.

based on the General Plan's buildout assumptions and potential water demand, and the redevelopment of the Merged Project Area is within the envelope of the General Plan. By law, all development facilitated by the Plan Amendment would be consistent with the General Plan and would incorporate policies, programs, and regulations to mitigate potential impacts on water supply. In order to mitigate any potential impacts, the City should work with ACWD to coordinate planning activities for the 2010 UWMP update. However, implementation of the UWMP is outside of the City's control, and measures for ensuring water supply through 2030 have not been secured at this time. With the slight water surplus in addition to the uncertainties in water supply, it is possible that the water supply may be inadequate in 2030. This in turn may mean new and expanded water sources are needed. The resulting water shortage is considered a significant unavoidable cumulative impact.

b. Wastewater Services

The Plan Amendment would facilitate development consistent with the General Plan that would in turn increase demand for wastewater treatment in Fremont. Since the Union Sanitary District (USD) serves Fremont, Newark and Union City, the Merged Project Area in its entirety is served by USD. As stated in the SEIR, USD facilities are adequate to support the level of new development allowed by the General Plan. However, all new developments must pay its fair share of wastewater collection and treatment capacity improvements.

By law, development under the Plan Amendment would be consistent with the General Plan and would incorporate policies, programs, and regulations to mitigate potential impacts on wastewater treatment. The Plan Amendment Merged Redevelopment Program proposes to provide public improvements, including new wastewater connection lines needed to support new development and redevelopment plan objectives, which would be a beneficial effect of the Plan Amendment. Therefore, this potential impact is considered less-than-significant.

c. Police and Fire Protection and Emergency Medical Service

Implementation of the Merged Redevelopment Plan may lead to an increase in the need for police protection, fire protection, and emergency medical services. Full buildout of the Merged Project Area as anticipated by the General Plan would increase population and the number of businesses in the City of Fremont. However, the City has adopted a Fire Facilities Fee to mitigate impacts related to incremental demand of fire protection services created by new development.

Police

The Plan Amendment would facilitate development consistent with the General Plan that in turn may increase demand for police service in Fremont. The Fremont Police Department has a tiered service response model that adjusts to the volume of calls for service and prioritizes them. As the Plan Amendment would not provide for development beyond that allowed by the General Plan, and because these policies have already been relied on to mitigate potential impacts associated with General Plan buildout, the potential impact is considered less-than-significant.

Fire and Emergency Services

The Plan Amendment would facilitate development consistent with the General Plan that would in turn increase demand for fire protection and emergency services in Fremont. As the Plan Amendment would not provide for development beyond that allowed by the General Plan, and

because these policies have already been relied on to mitigate potential impacts associated with General Plan buildout, the potential impact is considered less-than-significant. According to the SEIR, with temporary Station 11 and the construction of the permanent Station 11, the Fire Department anticipates that it could meet the demands of the Merged Project Area.

Additionally, as stated above, the City has adopted a Fire Facilities Fee to ensure that adequate facilities are provided to accommodate future development in the City. The fee for fire facilities is dependent on the use, currently $106 to $386 per dwelling unit (depending on the type of unit), while the fees for non-residential uses range from $59 per 1,000 square feet of industrial development to $257 per bed for convalescent homes. This too ensures that the potential impact of the Plan Amendment is less-than-significant.

d. Parks and Recreation

The Plan Amendment would facilitate development consistent with the General Plan that would in turn increase demand for parks and recreational facilities in Fremont. The City of Fremont has established park dedication and development impact fees, which were updated by Resolution No. 2008-3 and adopted January 22, 2008. The current fee for new residential development ranges from $3,196 to $11,578 per dwelling unit (depending on the type of unit). New development would provide the financial resources to address the increased demand and mitigate any potential impacts. The SEIR states that park facilities fees would mitigate impacts to a less-than-significant level.

In addition, the planned improvements for parks and recreational facilities described in the Merged Redevelopment Program are considered to provide a long-term beneficial effect to the Merged Project Area and community in general.

e. Solid Waste and Recycling Service Impacts

The Plan Amendment would facilitate development consistent with the Fremont General Plan that would in turn increase demand for solid waste disposal and recycling services in Fremont.

By law, development facilitated by the Plan Amendment would be consistent with the Fremont General Plan and would incorporate policies, programs, and regulations to mitigate potential impacts on solid waste services as described in the General Plan EIR and SEIR. These provisions call upon the City to implement the goals of the City Waste Handling Guidelines and to meet the City Council's mandate of a 75 percent waste diversion goal. The City of Fremont's Environmental Services Division reviewed the Plan Amendment and concluded that the solid waste and recycling service required under the "with project" scenario would easily be met by the City's service providers. Therefore, the potential impact is considered less-than-significant.

6. School Population and Quality of Education

The Fremont Unified School District (FUSD) serves all the public schools in the City. The FUSD currently operates 28 elementary schools, five junior high schools, six high schools, and two alternative schools in the City of Fremont. Ohlone College also operates in Fremont and is overseen by the Alameda County Office of Education.

FUSD schools are funded via property tax revenue, state general aid and school apportionments, and federal subventions. The State-mandated school impact fee levied on new development varies

from school district to school district, depending on the current documented capacity and enrollment. Within the FUSD, the current 2009 school impact fees for new construction is $5.23 per square foot for residential and $0.47 per square foot for commercial/industrial.

The Plan Amendment would facilitate development consistent with the General Plan that would contribute to an increase in the demand for FUSD services. Based on the estimated 3,017 new housing units in the Merged Project Area, FUSD could expect approximately 646 new elementary school students, 205 new middle school students, and 383 new high school students over the 20-year life of the Redevelopment Plan. This translates into 32 elementary, 10 middle school, and 19 high school students per year on average.

This student increase may exceed the capacity of some FUSD schools. This may cause "overloading" where a student who registers in their home school would put the class above the standard student teacher ratios.[5] The most impacted Merged Project Area schools are Chadbourne, Forest Park, Leitch, and Parkmount.[6] However, the FUSD has a balance capacity policy where it revises attendance to redirect students from their home school to schools with available capacity, and in general, the FUSD has capacity for more students. Furthermore, overall district enrollment is expected to decrease because the population growth indicates that there will be fewer school-age children. As a result, the growth inducing impacts of the Plan Amendment are not anticipated to require any significant construction of additional school facilities.

By law, development under the Plan Amendment would be consistent with the General Plan and would incorporate policies, programs, and regulations to mitigate potential impacts on school services. Specifically, applicable provisions cited include General Plan Policy PF 2.1.2. This provision outlines that the City will ensure the school impact fees are collected in a timely manner in order support the school system and mitigate any financial impacts. In addition, new development would be required to pay a school facilities development fee prior to building permit issuance. These fees are used to maintain school performance standards. Also, pursuant to Health and Safety Code Sections 33401, 33607.5 and 33607.7, the Agency is required to make pass-through payments of tax increment revenue to FUSD, Ohlone Community College and Alameda County Office of Education. The Agency is not required to provide mitigation for school impacts beyond these payments. Section E.6 of Chapter IV and Appendix J present a summary of the potential positive fiscal impact of the Plan Amendment on the three Educational Entities.

These provisions would help to reduce school impacts resulting from development facilitated by the proposed Merged Redevelopment Program. Nevertheless, development that could occur within the Merged Project Area as a result of the Plan Amendment would contribute to the overall level of development associated with citywide buildout of General Plan land uses. The SEIR concluded that, based on current school capacities, current and projected enrollments, the collection of school impact fees, FUSD facility balancing policies and General Plan policies, the

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[5] The student teacher ratio for grades K-3 is 20:1 and for grades 4-6 is 30:1. This information was found on the Fremont Unified School District's website: http://www.fremont.k12.ca.us/168110928113242853/lib/168110928113242853/Questions_andAnswers_Overloads.pdf.

[6] http://www.fmtusd.org/168110928113242853/blank/browse.asp?a=383&BMDRN=2000&BCOB=0&c=61947&1681Nav=%7C&NodeID=209

Plan Amendment would have a less-than-significant area-wide impact on school services, and would not require any significant construction of additional school facilities.

The SEIR states that the increase of 3,017 housing units as well as non-residential development could also generate increased enrollment at Ohlone Community College. The Plan Amendment could mean an increase of 338 students for Ohlone Community College between 2009 and 2030, or 34 students per year. Since Ohlone Community College has the ability to levy tuition and fees to help finance additional facilities, the SEIR states that the increase in student population from the Plan Amendment would be considered a less-than-significant impact.

The proposed redevelopment activities also include the development of a Business and Learning Center in the Industrial Area to provide advanced technology, life-long learning facilities and resources accessible to residents of and businesses locating to Merged Project Area, as well as to the broader Fremont community. The facility would be expected to provide educational services in the City, and therefore is a positive effect on the Merged Project Area and the surrounding community.

7. Effect on Property Assessments and Taxes

Chapter IV of this Report has already provided an overview of the tax increment financing process proposed to be employed by the Agency to fund the Merged Redevelopment Program described in Chapter III. Under this process, all entities collecting property tax revenues would continue to receive the base year levels of revenue from the Constituent Project Areas within the Merged Project Area at a constant annual rate during the redevelopment period.

Any additional revenues generated by new development in the Merged Project Area are used to pay for the Merged Redevelopment Program, including the Agency's low and moderate income housing activities and the contractual or statutory mandated pass-through payments to affected taxing entities. Affected taxing entities would continue to receive annual increases in property tax revenue from other portions of their tax rate areas lying outside of the geographic boundaries of the Merged Project Area. (Further detail on the taxing entities and pass-through payments can be found in Chapter IV, Section D.6.)

Adoption and implementation of the Plan Amendment would not result in any change in normal property tax rates or any new or increased property tax assessments payable by any property owner in the Merged Project Area.

As documented in Chapter II, without redevelopment assistance, the Merged Project Area will continue to suffer from a multitude of adverse physical and economic conditions that will continue to discourage new investment and growth in property values. Since the redevelopment activities are expressly designed to alleviate these conditions and encourage economic growth, it is reasonable to conclude that a significant portion of the projected growth in property values would be attributed to redevelopment. In other words, without redevelopment, a major portion of the tax increment revenue would not have been generated in the first place.

The Merged Redevelopment Plan's fiscal impacts upon services would be offset by substantial benefits (both physical and fiscal), and would be derived from the planned public improvements, improved housing stock, increased sales tax revenues, and a revitalized physical environment anticipated from the Merged Redevelopment Plan.

8. Physical and Social Quality of Neighborhood

a. Air Quality

Construction Activity Air Quality Impacts

Construction activities associated with public and private development in the Merged Project Area may include building demolition, building renovation or modification, grading, new building construction, and paving. Such construction would generate pollutants intermittently. Generally, the most substantial air pollutant emissions would be dust generated from building demolition or site grading and diesel exhaust from construction equipment. The physical demolition of existing structures and other infrastructure can generate substantial dust. In addition to the dust created during demolition, substantial dust emissions could be created as debris is loaded into trucks for disposal. Without adequate dust control measures, visible dust clouds extending beyond the construction or demolition site could occur.

Wind erosion and disturbance to exposed (graded) ground areas would also be sources of dust emissions. Dust can continue to affect local air quality during construction. Construction activities can generate exhaust emissions from vehicles/equipment and fugitive particulate matter emissions that would affect local air quality. Construction activities are also a source of organic gas emissions. Solvents in adhesives, non-waterbase paints, thinners, some insulating materials, and caulking materials can evaporate into the atmosphere and participate in the photochemical reaction that creates urban ozone. Asphalt used in paving is also a source of organic gases for a short time after its application.

If uncontrolled, such emissions could lead to both health and nuisance impacts. Although temporary, such effects would represent a potentially significant adverse impact on local air quality. Construction activities facilitated by the proposed Plan Amendment could generate construction period exhaust emissions and fugitive dust that could affect local air quality.

The SEIR suggests implementation of the following measures, which would reduce the construction related air quality impact of the Plan Amendment to a less-than-significant level. For all discretionary grading, demolition, or construction activity in the Merged Project Area, the following dust control measures would be required of construction contractors, where applicable:

During demolition of existing structures

- Consult with Bay Area Air Quality Management District (BAAQMD) prior to demolition of structures suspected to contain asbestos to ensure that demolition/construction work is conducted in accordance with the applicable rules and regulations.
- Water active demolition areas to control dust generation during demolition of structures and break-up of pavement.
- Cover all trucks hauling demolition debris from the site.
- Use dust-proof chutes to load debris into trucks whenever feasible.

During all construction phases

- Water all active construction areas at least twice daily.
- Water or cover stockpiles of debris, soil, sand, or other materials that can be blown by the wind.

- Cover all trucks hauling soil, sand, and other loose materials, or require all trucks to maintain at least two feet of freeboard.
- Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites.
- Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites.
- Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.
- Hydroseed or apply (non-toxic) soil stabilizers to inactive construction areas (previously graded areas inactive for ten days or more).
- Enclose, cover, water twice daily, or apply (non-toxic) soil binders to exposed stockpiles (dirt, sand, etc.).
- Limit traffic speeds on unpaved roads to 15 miles per hour.
- Install sandbags or other erosion control measures to prevent silt runoff to public roadways.
- Replant vegetation in disturbed areas as quickly as possible.

Project-Related Long-Term Effects on Regional Air Quality

The Plan Amendment is expected to induce an increased rate and amount of growth, consistent with the City's General Plan, within the Merged Project Area. The SEIR determined that future Plan Amendment growth would generate regional emissions increases from both mobile and stationary sources that would exceed the applicable thresholds of significance for reactive organic gases (ROG), nitrous oxide (NOx), and particulate matter (PM10).

The SEIR recommends that the City apply the following emissions control strategies where applicable to discretionary residential, commercial, and industrial development activities within the Merged Project Area in order to reduce overall emissions from traffic and area sources:

- Where practical, future development proposals shall include physical improvements, such as sidewalk improvements, landscaping and the installation of bus shelters and bicycle parking, that would act as incentives for pedestrian, bicycle and transit modes of travel.
- New or modified roadways should include bicycle lanes where identified in the City Bike Plan, where feasible.
- Where practical, employment-intensive development proposals (e.g., office, retail, R&D) shall include measures to encourage use of public transit, ridesharing, van pooling, use of bicycles, and walking, as well as to minimize single passenger motor vehicle use.
- Parking lots or facilities should provide preferential parking for carpool, vanpool, electric, or alternatively fueled vehicles.
- Architectural coatings and interior finished shall be low VOC and no VOC products, respectively.
- Use of gasoline-powered landscape equipment should be discouraged.

Implementation of these measures would assist in reducing the Plan Amendment-related impacts on long-term regional ROG, NOx, and PM10 emissions levels by perhaps 5 to 10 percent by 2030, but may not reduce these impacts to a less-than-significant level. The anticipated project effects on ROG, NOx, and PM10 emissions levels would therefore represent a significant unavoidable impact.

Cumulative Long-Term Effects on Regional Air Quality

Development activity due to the Plan Amendment would contribute to ROG, NOx, and PM10 emissions levels. Additionally, development outside the Merged Project Area would continue to occur, which would also contribute to the emission levels. When combined, the anticipated development would likely produce a substantial increase in regional air pollutant emissions resulting in a significant cumulative air quality impact. However, existing and future carbon monoxide levels under the year 2030 "with project" scenario would be below the state and federal air quality standards, and the Plan Amendment's impact on local carbon monoxide levels is considered less-than-significant. As such implementation of the project-related mitigation measures would help in the reduction of the ROG, NOx, and PM10 emissions levels, but not to a less-than-significant level. Therefore, the Plan Amendment would contribute to a significant unavoidable cumulative impact of air quality pollutant emissions.

b. Noise

The Plan Amendment would facilitate development or revitalization activities within portions of the Merged Project Area that are sensitive to noise. Residential development could be exposed to noise levels exceeding State- and City-adopted noise and land use compatibility standards.

Exposure of the proposed noise-sensitive residential, recreational, and public facility development to noise levels exceeding “normally acceptable” levels would represent a potentially significant impact. Also, noise-producing development facilitated by the Plan Amendment could generate noise levels at adjacent noise-sensitive uses that would exceed the standards established by the City and State. Finally, the encroachment of noise-sensitive uses upon noise-generating uses may result in noise and land use compatibility conflicts. These are all considered potentially significant impacts.

Additionally, projected cumulative growth in the Merged Project Area vicinity, including growth facilitated by the Merged Redevelopment Program, would expose noise-sensitive residential, commercial, office, retail and recreational development to increased traffic volumes along major roadways and local streets and increased rail movement noise levels that exceed noise levels designated by the City and State. New development in the Merged Project Area must be consistent with City General Plan policies. Implementation of the noise policies and associated implementation programs and regulations included in the current General (see General Plan policies HS 8.1.5, HS 8.1.6, and LU 1.13, for a listing of these noise mitigation provisions) would mitigate this cumulative noise impact to a less-than-significant level.

Traffic noise levels along roadways serving the Merged Project Area – specifically H Street near Niles Boulevard, Max Drive Below Grimmer Boulevard, and long Bay/Union near the proposed BART station – the traffic noise increase could be as much as 6 dBA Ldn under cumulative conditions, representing a significant cumulative impact. New development due to the Plan Amendment would incorporate mitigation measures that would reduce the impact to a less-than-significant level. However, existing residential development along these routes could be affected by the increased noise level, and mitigation may not be feasible. Therefore, the impact of cumulative traffic noise increases would be significant and unavoidable.

Noise and vibration generated by railroad trains or BART should be studied on a project-by-project basis for future vibration-sensitive land uses planned adjacent to these facilities. Although the Plan Amendment does not anticipate facilitating the introduction of any significant source of

long-term groundborne vibration, the 2003 BART Warm Springs Extension SEIR indentified potential impact associated with the existing UPRR tracks and planned BART extension tracks aligned along the east edge of the Industrial Area. However, through the City's standard development and environmental review process, a site-specific vibration study would be required and would provide measures for dealing with any potential impact, which will reduce the impact to a less-than-significant level.

Construction activities generate considerable amounts of noise, especially during the demolition phase and the construction of project infrastructure when heavy equipment is used. The effects of noise resulting from construction depend on the noise generated by various pieces of construction equipment, the timing and duration of noise-generating activities, and the distance between construction noise sources and noise-sensitive receptors. Construction noise would occur in phases, including demolition of existing structures, grading and excavation, construction of foundations (possibly including pile driving), erection of new structures, and finishing.

Construction noise impacts primarily result when construction occurs during noise-sensitive times of the day (early morning, evening, or nighttime hours), or in areas immediately adjoining noise-sensitive land uses, or when construction lasts for extended periods of time. Limiting construction to daytime hours is often a simple method to reduce the potential for noise impacts. In areas immediately adjacent to construction, controls such as constructing temporary noise barriers and utilizing quiet construction equipment can also reduce the potential for noise impacts. Typically, noise generated by construction is temporary and intermittent (generally less than one construction season in duration).

In order to reduce noise impacts construction activities, the SEIR proposes implementation of the following measures as a condition issued as part of the City's standard environmental review process at all construction sites within the Merged Project Area:

- Construction Scheduling–limit noise-generating construction activity to between the hours of 7:00 AM to 7:00 PM, Monday through Friday, and 9:00 AM to 6:00 PM on Saturdays and national holidays, and no construction activity allowed on Sundays.
- Construction Equipment Mufflers and Maintenance–equip all internal combustion engine-driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment.
- Equipment Locations–locate stationary noise-generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project site.
- Construction Traffic–route all construction traffic to and from the site via designated truck routes where possible. Prohibit construction-related heavy truck traffic in residential areas where feasible.
- Quiet Equipment Selection–use quiet construction equipment, particularly air compressors, wherever possible.
- Temporary Noise Blankets–erect noise control blanket barriers along building facades of construction, if necessary, if conflicts occur that are irresolvable by property scheduling.
- Noise Disturbance Coordinator–for larger construction projects, the City may choose to require project designation of a "Noise Disturbance Coordinator" who would be responsible for responding to any local complaints about construction noise. The Disturbance Coordinator would determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and institute reasonable measures to correct the problem. Conspicuously post a

telephone number for the Disturbance Coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule.

Implementation of these measures would reduce the impact of construction related activities to a less-than-significant level.

c. Climate Change

The Plan Amendment will encourage redevelopment activities in the Merged Project Area, and the increase in construction and development activities can lead to cumulative climate change effects by facilitating or directly increasing "greenhouse gases" (GHG). The principal GHGs associated with land use development activity and intensification are carbon dioxide, methane, nitrous oxide, and water vapor. Land use planning can be a critical component in lowering GHGs because land use planning dictates the location of commercial centers, employment centers, and residential areas while pairing them with alternative transit nodes. Although the Plan Amendment would encourage redevelopment consistent with strategies to reduce transportation emission by facilitating development in already urbanized areas and promoting infill development with good transit access, there would still be a net increase in GHG emissions, which may result in a significant project and cumulative global climate change impact.

In an effort to reduce GHG emission, the SEIR states that the Plan Amendment would provide funding assistance towards the planned new Irvington BART station, the Centerville depot improvements and other multi-modal transit improvements in order to foster development that is close to transit and encourage job/housing proximity. In addition, the SEIR states that to ensure that the Plan Amendment facilitates growth that reduces the rate of GHG emissions, project approvals shall incorporate a combination of interim GHG emissions reduction measures, which may include:

- Features in the project design that would accommodate convenient public transit and promote direct access for pedestrians and bicyclists to major destinations;
- Adoption of a project design objective for public buildings to meet Leadership in Energy and Environmental Design (LEED) New Construction "Silver" certification or better as well as compliance with California Code of Regulations Title 24 Energy Efficient standards;
- Planting of trees and vegetation near structures to shade buildings and reduce energy requirements for heating and cooling;
- Preservation or replacement of existing onsite trees;
- Waste recycling of construction and demolition;
- Replacement of project exterior lighting, street lights and other electrical uses with energy efficient bulbs and appliances; and
- Any other applicable GHG emissions strategies identified in the anticipated General Plan Update 2030.

Even with implementation of these measures, the Plan Amendment would likely produce a net increase in GHG emission, resulting in a significant unavoidable project and cumulative climate change impact.

9. Other Matters Affecting the Physical and Social Quality of the Neighborhood

Overall, the Plan Amendment will have a beneficial impact upon the residents, property owners and businesses in the Merged Project Area. The Plan Amendment would allow the Agency to continue to rehabilitate and preserve the residential neighborhoods, alleviate blighting conditions and remove barriers to development. Implementation of the Merged Redevelopment Program will bring about coordinated growth and development, making the Merged Project Area a more attractive area, which in turn should stimulate private reinvestment. More importantly, the amended Merged Redevelopment Plan will eliminate blighting influences, which negatively impact the Merged Project Area as a whole.

Through the Agency's involvement in facilitating the construction and rehabilitation of housing units, the redevelopment process will also improve the quality of housing in the Merged Project Area. Commercial and industrial development projects stimulated by redevelopment will alleviate blighting conditions, stimulate the local economy and increase the employment opportunities for surrounding residents. The Agency's proposed beautification program will enhance the attractiveness and visibility of the existing commercial areas.

C. Relocation and Low and Moderate Income Housing

The Plan Amendment will result in an increase of funds available for the development of affordable housing throughout the City. The Agency will allocate at least 20 percent of the distributed tax increment (Housing Fund) revenue to the development, rehabilitation and preservation of housing affordable to qualifying households. The potential for rehabilitation of deteriorated or vacant structures is another beneficial impact.

The following text addresses the six specific housing data requirements in accordance with CRL Section 33352(m).

1. Removal or Destruction of Low or Moderate Income Housing

The destruction or removal of existing housing units is not an objective of the Merged Redevelopment Plan, and the Plan Amendment does not include any change to eminent domain authority. The Agency does not have any current plans that would result in the removal of low and moderate income housing from the Merged Project Area. Furthermore, the Agency has no plans to destroy or remove any dwelling unit that houses persons or households of low or moderate income in the Merged Project Area. Should any residential relocation occur as a result of redevelopment or City action, a relocation plan will be adopted prior to displacement and relocation benefits will be provided in accordance with state law.

The Plan Amendment does not contemplate the destruction or removal of any low or moderate income housing units. If it were determined that the acquisition of real property, the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, would result in the removal of any units from the low and moderate income housing stock, the Agency shall adopt by resolution, a replacement housing plan. This replacement housing plan shall include all elements required by the CRL.

2. Number of Low or Moderate-Income Persons/Families Expected to Be Displaced

The Agency does not have any plans that would result in the displacement of low and moderate income housing from the Merged Project Area. A situation could arise where the rehabilitation of a severely deteriorated or dilapidated low or moderate income housing unit(s), may necessitate the displacement of current residents. In such instances the Agency will ensure that relocation activities will be undertaken in a manner sensitive of the needs of the persons who may be displaced, providing all benefits and resources available under the law. See further discussion of relocation issues in Section B.2 of this Chapter and Chapter VI of this Report.

3. Number and Location of Replacement Housing Units

The Agency does not have any plans that would result in the displacement of low and moderate income housing from the Merged Project Area. However, if the Agency were to assist in development that would result in removal of housing units, the Agency would require the developer to provide relocation benefits. If the Agency were to undertake any activities requiring or causing the destruction or removal of housing units from the low and moderate-income housing market, the Agency would provide replacement housing before the destruction or removal of the housing units, pursuant to Section 33413 of the CRL and develop a replacement housing plan pursuant to Section 33413.5.

4. Number and Location of Low and Moderate Income Housing Units Other than Replacement Housing

The Merged Redevelopment Plan includes an affordable housing program for the creation of affordable housing on infill and other opportunity sites in the Merged Project Area. Specific actions for implementation of the affordable housing program will be in accordance with the CRL and the Housing Element of the City's General Plan. The affordable housing program will include various types of multifamily housing, both rental and ownership.

The Agency anticipates that its CRL affordable housing production requirements will be met through the life of the Merged Redevelopment Plan. Through its affordable housing programs, the Agency will ensure that at least 15 percent of all new or substantially rehabilitated housing units developed within the Merged Project Area will be affordable to very low, low and moderate income households. Please refer to Appendix K, the Amended 2008-2013 Implementation Plan, for further discussion of the Agency's compliance with the affordable housing production, replacement housing, and 20 percent affordable housing set-aside requirements of the CRL.

5. Financing Method for Replacement Housing Requirements

The Agency is not obligated to provide replacement housing for projects developed solely by the private sector. If the Agency were to provide financial assistance to a project that resulted in the removal of housing units, the Agency will employ, as necessary, the method outlined in this Report to meet relocation and replacement housing requirements and other obligations under the CRL using its Housing Set-Aside Fund.

6. Timetable for Provision of Relocation and Replacement Housing

Relocation and replacement housing have not been identified as a specific project to implement the Merged Redevelopment Plan because the Agency does not anticipate acquiring any property or removing any housing in the Project Area that has existing occupants. However, if relocation or replacement housing were necessary, the Agency would provide relocation and replacement housing pursuant to Section 33410 through 33418 of the CRL. This would include taking the necessary steps to cause the construction, rehabilitation, development, and availability of such housing in accordance with the time limits prescribed by law.

The relocation and replacement housing plan(s) prepared by the Agency for a particular development activity would contain schedules to ensure housing is available in accordance with the requirements of the CRL and the State Relocation Guidelines.