

Exhibit A



REPLACEMENT HOUSING PLAN

FOR THE

**1722 Elliott Drive
PROJECT**

Prepared for

**THE
CITY OF BURBANK
REDEVELOPMENT AGENCY
141 NORTH GLENOAKS
BURBANK, CALIFORNIA 91502**

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MARCH 2006

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I. INTRODUCTION

The ***Burbank Redevelopment Agency*** (the “Agency”) is proposing to finance the acquisition of certain property in conjunction with Burbank Housing Corporation for future development of affordable housing (the “Project”).

Section 33413.5 of the ***California Redevelopment Law*** (Health and Safety Code, Section 33000 et seq.) requires a redevelopment agency to adopt a replacement housing plan whenever the agency executes an agreement for acquisition of real property, or an agreement for the disposition and development of property which would lead to the destruction or removal of dwelling units from the low and moderate income housing market. The plan should identify the impacts that a particular redevelopment project will have on the community's supply of low and moderate income housing and detail the measures that the agency will take to ensure that the appropriate replacement housing is produced within the four year time limit. Agencies have two options for pursuing replacement housing either pursuant to Section 33413(a) of the California Redevelopment Law or Section 33413(f).

Section 33413(a) of the California Redevelopment Law requires that whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, which is subject to a written agreement with a redevelopment agency or where financial assistance has been provided, the agency shall within four (4) years of the destruction or removal; rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units at affordable housing cost within the redevelopment project area or within the territorial jurisdiction of the agency. Because the dwelling units will be removed after January 1, 2002, one hundred percent (100%) of the replacement dwelling units shall be available at affordable housing cost to, and occupied by, persons in the same or a lower income category (extremely low, very low, low and moderate) as the persons displaced from those destroyed or removed units.

Notwithstanding Section 33413(a), Section 33413(f), states that an agency may replace destroyed or removed dwelling units with fewer number of replacement dwelling units if the replacement units meet both of the following criteria: (1) the total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units, and (2) the replacement units are affordable to the same income level of the households as the destroyed or removed units.

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

The City of Burbank has two (2) redevelopment project areas: the West Olive Redevelopment Project Area and the Merged and Amended Redevelopment Project Area (which includes the Golden State, City Centre, and South San Fernando Project Areas). While three project areas merged into one for the Merged and Amended Redevelopment Project Area, each continues to maintain separate redevelopment plans.

The Redevelopment Plans for the respective redevelopment project areas are scheduled to expire as follows:

- **West Olive Redevelopment Project Area** **2018**
- **Golden State Redevelopment Project Area** **2012**
- **City Centre Redevelopment Project Area** **2013**
- **South San Fernando Redevelopment Project Area** **2028**

This *Replacement Housing Plan* (the "Plan") has been prepared by the Agency as a result of proposed redevelopment of property located in the Project and to satisfy the requirements for replacement housing contemplated under the California Redevelopment Law.

This Plan describes the following:

- 1) Proposed project,
- 2) General location of the extremely low, very low, low and moderate-income dwelling units which will, or may be, removed or destroyed as a result of the project,
- 3) General location and intentions for the development of the replacement housing,
- 4) Means of financing such development,
- 5) Schedule for the construction of the replacement housing, and
- 6) Period for which these units will remain affordable.

II. PROJECT DESCRIPTION AND LOCATION

PROJECT DESCRIPTION

The Agency has initiated the acquisition and revitalization of a certain “blighted” residential property within the ‘Peyton-Grismer’ neighborhood.

The Project at 1722 Elliott includes plans to purchase, relocate the current tenants, perform necessary environmental abatement work and then demolish the structures because of their “blighted” condition. The intent is to ultimately develop this property into an affordable home ownership project having long-term affordability covenants. The Project site is located in an R-4 medium density residential neighborhood in the Peyton-Grismer Focus Neighborhood and is comprised of two parcels. The Project site is located directly east of Interstate 5, west of Grismer Avenue and south of Peyton Avenue.

The Agency’s propose is to work with the prospective non-profit housing Owner/Developer, the Burbank Housing Corporation, to revitalize the site, and ultimately construct affordable housing. Redevelopment of the specific site, which is the subject of this Plan, is expected to result in the permanent displacement of three residential households as the result of the subsequent demolition and use conversion of those dwelling units. As a result of the proposed Project, a replacement housing plan is required under state law.

PROJECT LOCATION

The site of the proposed project is located at 1722 Elliott in the City of Burbank. The site of the proposed Project comprises two parcels. On the following pages please find:

Figure 1 - Regional Project Setting, and

Figure 2 - Project Site Location

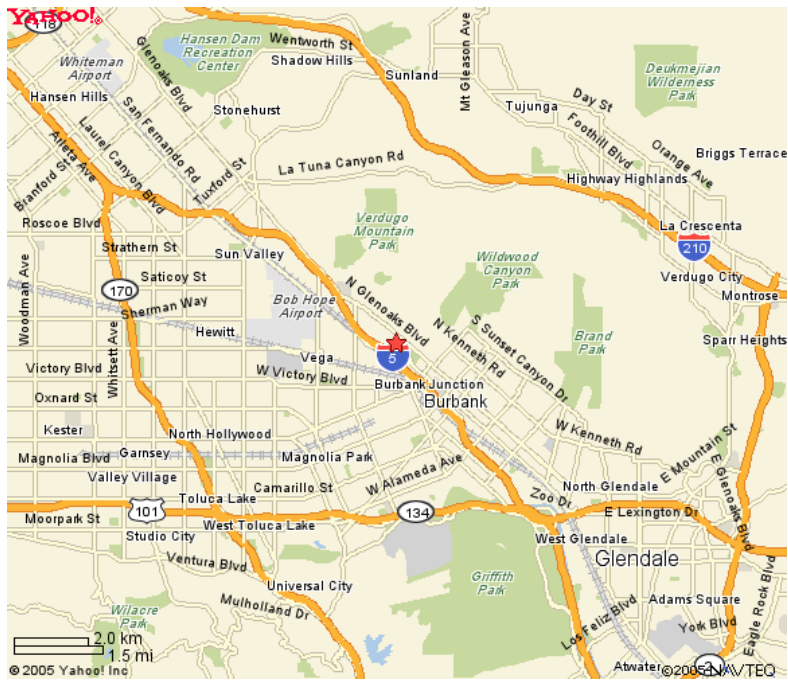


Figure 1- Regional Project Setting

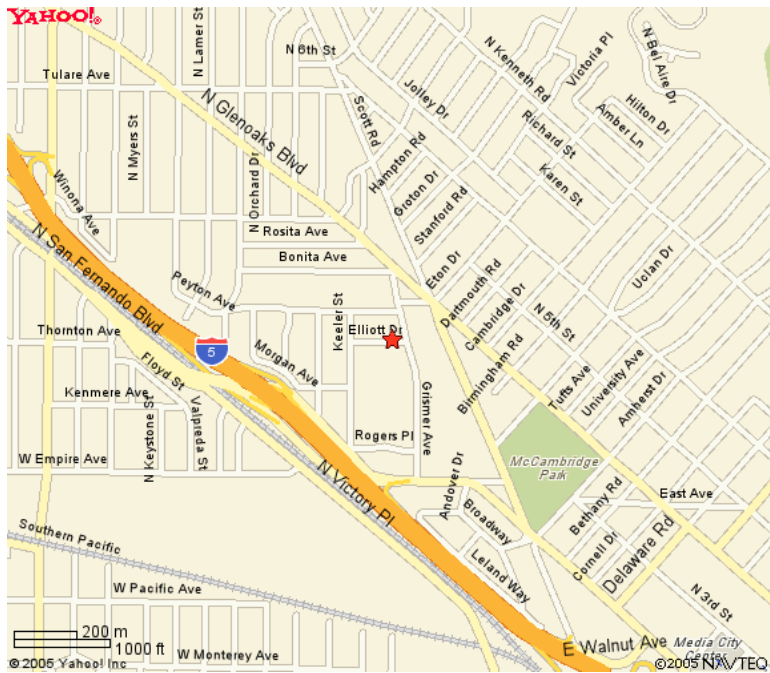


Figure 2 - 1722 Elliott Drive Revitalization Project Site Location

III. UNITS TO BE REPLACED

A door-to-door survey and interviews of the occupants residing in potentially destroyed dwellings were conducted during March 2006. In addition, information obtained from publicly available sources was reviewed and analyzed. Information obtained from these sources was used to determine the number of bedrooms and gross household income for each displaced dwelling unit.

Replacement Housing Requirements

Per the California Redevelopment Law, as discussed in **Section I - Introduction**, the Agency shall make available one hundred percent (100%) of the replacement dwelling units at affordable housing cost to, and occupied by, persons in the same or a lower income category (extremely low, very low, low and moderate) as the persons displaced from those destroyed or removed units.

Table 1, below, defines the number of dwelling units, with the corresponding number of bedrooms, that will be displaced and the 100% requirement for replacement dwelling units and number of bedrooms by income level. The numbers under each household income category indicate the total households displaced (the number of dwelling units) by dwelling unit size (the number of bedrooms).

For this Project, the three dwellings were composed of one studio and two one-bedroom units. Of the three dwelling units to be removed, all reported their income.

The categorization by income of the three households is as follows; two families of extremely low income, one family of very low income. For purposes of establishing replacement housing, any household that falls within moderate income or below must be considered for replacement housing purposes and will be considered in this Plan. Thus three occupied dwelling units will be considered in this Replacement Housing Plan analysis.

TABLE 1: DISPLACED <u>DWELLINGS & BEDROOMS</u> * BY DWELLING UNIT SIZE & HOUSEHOLD INCOME LEVEL (100% REQUIREMENT)						
Unit Size	Extremely low Income Units/Bds	Very-low Income Units/Bds	Low Income Units/Bds	Moderate Income Units/Bds	Above Moderate Units/Bds **	Total Units/Bds to be Replaced **
One Bedroom	2(2)	1(1)	-	-	-	3(3)
Total Dwellings & Bedrooms Displaced	2/(2)	1/(1)	-	-	-	3/(3)
* Values in parenthesis indicate the number of bedrooms that are displaced. ** Above moderate-income dwellings will not be considered for replacement housing purposes. Totals in column six do not include above moderate-income units.						

The above results suggest that three dwellings and three replacement bedrooms need to be rehabilitated, developed, or constructed pursuant to Section 33413(a) of the Community Redevelopment Law. Based on the criteria of replacing all bedrooms by income level, two replacement bedrooms should be affordable to extremely low-income households and one replacement bedrooms should be affordable to very low-income households. These bedrooms may be constructed with a fewer number of dwelling units as long as the total number of bedrooms are in the same or a lower income category.

IV. ANNUAL INCOME RESTRICTIONS

California Health and Safety Code Sections 50079.5 and 50105 provide that the moderate, low, very-low and extremely-low income limits established by the U. S. Department of Housing and Urban Development ("HUD") are the state limits for those income categories. Sections 50079.5 and 50105 direct the Department of Housing and Community Development ("HCD") to publish the income limits. HUD released new income limits in March 2005. Accordingly, HCD has filed with the Office of Administrative Law, amendments to Section 6932 of Title 25 of the California Code of Regulations. The amendments contain the new HUD income limits prepared by HCD pursuant to Health and Safety Code Section 50093.

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

**Area Median:
\$55,100**

Family Size	Extremely Low Income	Very Low Income	Lower Income	Median Income	Moderate Income
1 Person	\$13,750	\$22,950	\$36,700	\$38,550	\$46,250
2 Person	\$15,700	\$26,200	\$41,900	\$44,100	\$52,900
3 Person	\$17,700	\$29,500	\$47,150	\$49,600	\$59,500
4 Person	\$19,650	\$32,750	\$52,400	\$55,100	\$66,100
5 Person	\$21,200	\$35,350	\$56,600	\$59,500	\$71,400
6 Person	\$22,800	\$38,000	\$60,800	\$63,900	\$76,700
7 Person	\$24,350	\$40,600	\$65,000	\$68,300	\$81,950
8 Person	\$25,950	\$43,250	\$69,150	\$72,750	\$87,250

V. LOCATION OF REPLACEMENT HOUSING

The Agency has several options available to provide replacement housing for the Project, including Acquisition Rehabilitation, New Construction, and Banked Dwelling Units. Currently, the Agency has either created or has planned for the creation of the following number of affordable housing units/bedrooms, as described in Table 3

Unit Size	Extremely Low Income Units/Bds	Very-low Income Units/Bds	Low Income Units/Bds	Moderate Income Units/Bds	Total Surplus Units/Bds
Created Units	-	262/(271)	47/(50)	86/(106)	395/(427)
Destroyed Units	-	-62/(-78)	-14/(-24)	-8/(-16)	-84/(-118)
Proposed Created Units*	-	-	3/(4)	10/(20)	13/(24)
Total Dwellings & Bedrooms Created	-	200/(193)	36/(30)	88/(110)	324/(333)

The Agency's previously funded affordable housing projects provide surplus dwelling units and bedrooms that can be allocated by the Agency for future housing obligations, including the provision of replacement housing. The Agency has a sufficient number of banked dwelling bedrooms to satisfy the required very low, low and moderate-income replacement housing obligation for the Project. However, the Agency has not created any extremely low bedrooms since the creation of this category.

Table 4 reflects the removal of bedrooms needed for the 1722 Elliott Project versus the banked bedrooms created by the Agency in previous replacement projects. One of the bank's very low to moderate-income bedrooms can be used to replace the one very-low-income bedroom removed by the Project. These replacement bedrooms may be located within a fewer number of dwelling units than the demolished apartments, as long as, the total number of bedrooms within the income categories are maintained or are provided in a lower income category.

Unit Size	Extremely low Income Bedrooms	Very-low Income Bedrooms	Low Income Bedrooms	Moderate Income Bedrooms	Total Bedrooms
Banked Bedrooms	-	193	30	110	333
1722 Elliott Project	-2	-1	-	-	-3
Total Remaining Banked Bedrooms	-2	192	30	110	330

VI. FINANCING THE REPLACEMENT HOUSING

The Redevelopment Plans for the various Agency redevelopment project areas authorize the Agency to finance its activities with assistance from actual sources, including the City of Burbank, State of California, United States Government, property tax increment funds, interest income, Agency bonds, or other available sources.

In the acquisition, construction and/or rehabilitation of the affordable housing units identified in the preceding section, the Agency has and/or may utilize a variety of funding sources to finance these activities. Sources that have and/or may be utilized include: State or Federal grants and loans, including, but not limited to; HUD Community Development Block Grant (CDBG) funds; HOME grants; various mortgage subsidy or guarantee programs, including Section 202 and programs offered by the California Housing Financing Agency (CHFA); tax increment funds; and below market rate financing through the sale of tax exempt mortgage revenue bonds; redevelopment twenty percent set-aside funds; and developer funds.

Specific funding for future replacement housing units may be through the use of any combination of the above described methods and sources.

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

It is hereby found and determined that the replacement housing to be developed and constructed under this replacement housing plan does not require approval of the voters of the City of Burbank pursuant to Article XXXIV of the California Constitution. Neither ownership housing, nor rental housing are "low rent housing projects" as described in Article XXXIV, and Section

37001 (b) of the California Health and Safety Code. All such replacement housing will be privately owned, and will not be exempt from real property taxes by reason of public ownership.

In addition, the Agency will not "develop, construct, or acquire" housing as described in Section 1 of Article XXXIV of the State Constitution because it may provide developers assistance and monitoring construction by imposition of mandated or authorized conditions. The Agency will not require the developer of the Project to make more than 49% of the residential units available at affordable housing costs to low and very low-income households; thereby, exempting the Project from Article XXXIV under Health and Safety Code Section 370012(1).

VIII. TIME TABLE FOR REPLACEMENT HOUSING

The Agency commits to complete the construction of two extremely low income replacement housing units necessary to fulfill the affordable dwelling units discussed in this Plan. Based on a schedule of removing units by the winter of 2006, all units created as replacement housing units will be completed by the winter of 2010. The planned produced rental units will remain income restricted for a period of the land use controls established in the redevelopment plan as required by law or for a period of 55 years from the date of completion, whichever period is longer.

IX. SUMMARY

In summary, three bedrooms in three dwelling units will be removed or converted as a result of the of the Project. Based on the dwelling units/bedrooms destroyed or converted for the proposed Project, the Agency will utilize a portion of the banked affordable housing dwelling units/bedrooms that were previously created (with assistance from the Agency) in other construction and/or rehabilitation projects and commits to create at least two extremely-low Bedroom units within the statutory limit of four years.

The Agency will satisfy a portion of its replacement housing obligation by using one of the bank's very low to moderate income bedrooms to replace one very low income bedrooms removed by the Project. Furthermore, the Agency commits to complete the construction of two extremely-low income replacement housing units necessary to fulfill the affordable extremely-low income dwelling units discussed in this Plan within the statutorily defined timeframe. These replacement bedrooms may be located within a fewer number of dwelling units than the demolished apartments, as long as, the total number of bedrooms within the income categories are maintained or are provided in a lower income category. The above actions will yield the required number of replacement dwelling units as mandated under California Redevelopment Law and the Housing and Community Development Act.

The City of Burbank Redevelopment Agency recognizes its legal and community responsibilities in this matter and has made a sincere, good faith effort to accomplish these goals. The Agency retains its option to use other approaches and strategies not discussed herein to fulfill its replacement housing obligations in a timely manner.