

REPLACEMENT HOUSING PLAN
FOR
20853 AND 20855 Wilbeam Avenue
Castro Valley, CA

October 16, 2008

The Redevelopment Agency of the County of Alameda
224 W. Winton Ave,
Room 110
Hayward, CA 94554

REPLACEMENT HOUSING PLAN

This Replacement Housing Plan ("Replacement Housing Plan") is being prepared on behalf of the Redevelopment Agency of the County of Alameda (the "Agency") in conjunction with the Agency's planned demolition of two existing housing units at 20855 and 20853 Wilbeam Ave (the "Property"), located in the Castro Valley unincorporated community in the Eden Area Redevelopment Project, (the "Project Area"). The Agency is scheduled to demolish the housing units after acquisition in order to remove blighting conditions and facilitate the redevelopment goals for the business district of Castro Valley located within the Project Area. Upon completion, the Agency will circulate for review and comment a Relocation Plan for the units to be demolished.

In accordance with the Community Redevelopment Law (Health and Safety Code Section 33000 et seq. (the "CRL"), the Agency's obligations with regards to replacement housing are to replace any low and moderate income units destroyed within four years of destruction. The replacement units must have the same or greater number of bedrooms than the demolished units. In addition, Health and Safety Code Section 33413(a) provides that of the replacement housing units built, one hundred percent (100%) must replace units available at affordable housing cost in the same income level of very low income households, lower income households and persons and families of low and moderate income as the persons displaced from the destroyed or removed units. Under the CRL, the replacement housing plan must cover the following elements:

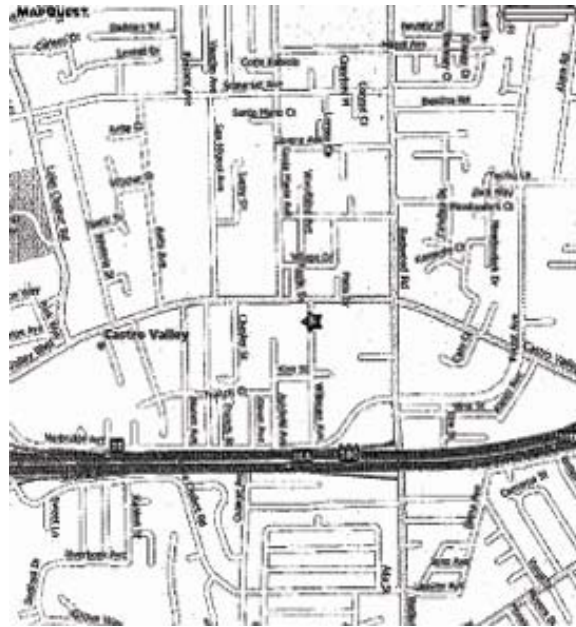
1. The general location of the replacement housing (see Section D below);
2. An adequate means of financing the replacement housing (see Section E below);
3. A finding that the replacement housing is in compliance with Article XXXIV of the California Constitution (see Section G below);
4. The number of replacement housing units planned for construction and rehabilitation (see Section D below); and
5. The timetable for meeting the replacement housing objectives (see Section F below).

The Agency's goal in preparing this Replacement Housing Plan is to demonstrate that providing replacement housing in accordance with the requirements of the CRL is feasible.

A. Replacement Housing Need.

Map 1 shows the location of the Property. Demolition of the housing units will eliminate blight and facilitate the redevelopment goals for the business district of Castro Valley.

Location of the Units to be Demolished.
 Map 1
 20853 and 20855 Wilbeam Avenue



The planned demolition will result in the destruction of two (2) low-moderate housing units where the income levels of affordability have yet to be determined. Table 1 sets forth the number of units to be replaced as a result of the demolition. Table 1 also sets forth the number of bedrooms required to be replaced.

TABLE 1
 REPLACEMENT HOUSING NEED
 BY INCOME CATEGORY AND NUMBER OF BEDROOMS
 20853 and 20855 Wilbeam

Income Category	Studio/One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	Total
Moderate Income	0	0	0	0	0
Low Income	0	0	0	0	0
Very Low Income	0	0	0	0	0
Total	1	1	0	0	2

B. Location and Number of Units to be Demolished.

The two (2) units to be demolished are located at 20853 and 20855 Wilbeam Avenue.

C. Time Schedule for Demolition.

The demolition of the units is tentatively scheduled to begin sometime after June 2009 and will be completed by January 2010. However, this time schedule is preliminary at this time and is subject to change. The Agency will disclose to the public any changes in the timing of the demolition as that information becomes available.

D. Location of Replacement Housing and Unit Size.

The Agency has identified that the required two replacement units can be provided through the acquisition, renovation and preservation of the 142 unit affordable Ashland Village Apartment complex (the Ashland Village Project) located at 1300 Kentwood Lane in the unincorporated community of Ashland, immediately adjacent to the unincorporated community of Castro Valley. Table 2 summarizes the anticipated total number of expected units in the Ashland Village Project and shows a breakdown of the expected number of units by unit size, type of units and affordability category.

TABLE 2
REPLACEMENT HOUSING UNITS IN THE ASHLAND VILLAGE PROJECT
BY INCOME CATEGORY AND NUMBER OF BEDROOMS

Income Category	Studio/One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	Manger's Unit	Total
Moderate Income	0	0	0	0	0	0
Low Income	0	8	2	0	0	10
Very Low Income	0	115	15	0	0	130
Total	0	123	17	0	0	140

Although the income level of housing units has yet to be verified, the Ashland Village Project will provide 140 affordable units (2 units will be set aside for property management personnel) available to families in the extremely low income, very low income and lower income categories. The Ashland Village Project will provide eight (8) 2-bedroom low income units of sufficient bedroom size, two (2) 3-bedroom low income units of sufficient bedroom size, one-hundred fifteen (115) 2-bedroom very-low income units and fifteen (15) 3-bedroom very-low

income units of sufficient bedroom size to replace the two (2) units to be demolished (the same or greater number of bedrooms than the demolished units). The Agency shall restrict all 140 of the units to appropriate levels of income occupancy and affordable housing costs for the period of time mandated by the California Redevelopment Law (55 years for rental units), two of which shall be utilized to satisfy the Agency's replacement housing obligation due to demolition of the two Wilbeam Avenue units. Because the Ashland Village Project will provide more than 2 units in both the very low and low income affordable categories and all of the units provide for 2 or more bedrooms, the Agency is assured that it will be able to provide replacement units at the same and/or a lower level of affordability than the households currently residing in the units that will be demolished.

E. Financing Replacement Housing.

On March 4, 2008, the Board of Directors of the Redevelopment Agency of the County of Alameda authorized the Redevelopment Agency to provide Eden Housing Inc. (Eden) a \$6.5 million dollar loan to assist Eden with the \$32.77 million dollar acquisition and renovation of the Ashland Village Project. Eden has already obtained an award of \$8 million of Multifamily Housing Program (MHP) funds from the California Department of Housing and Community Development. Eden will be applying for an allocation of 4% Low Income Housing Tax Credits from the California Tax Credit Allocation Committee (TCAC) and an allocation of multifamily housing revenue bonds from the California Debt Limit Allocation Committee (CDLAC) in Fall 2008. Alameda County intends to issue the necessary bonds. In addition, Eden has also received an award of HOME funds from the County. The Agency anticipates that funding from these sources and amounts is reasonable and feasible for a project of this magnitude.

F. Time Schedule for Construction of the Replacement Housing.

Acquisition of the Ashland Village complex property by Eden is expected to close in January 2009 and renovation construction of all units is scheduled to begin in the Spring of 2009 and should be completed by Spring 2010. Based on the renovation schedule of the Ashland Village Project the Agency will be able to meet its replacement housing obligations within the required time limit. The Agency will disclose to the public any changes in the timing of the renovation construction of the Ashland Village Project as that information becomes available. If the replacement units are not being renovated within the time allowed, the Agency shall identify other replacement units in order to meet the replacement housing requirements.

G. Article XXXIV Approval.

Development of replacement housing does not require approval of the voters pursuant to Article XXXIV of the California Constitution.

Article XXXIV requires approval of the electorate only when a state public body develops, constructs or acquires a low-rent housing project. The Legislature has enacted the Public Housing Implementation Law (Health & Safety Code Section 37000 et seq.) to interpret and implement Article XXXIV. Health and Safety Code Section 37001(f) states that the term "low-rent housing project" in Article XXXIV does not apply to any development that consists of rehabilitation, reconstruction, improvement, or replacement of dwelling units of a previously

existing low-rent housing project, or a project previously or currently occupied by households with incomes at or below 80% of the area median income.

H. Conclusion.

Based on the Agency's analysis of the units to be demolished and the Agency's financing options, the Agency has determined that it can meet its replacement housing obligations. Assuming the Ashland Village Project develops in accordance with the projections, the Agency will have replaced two (2) housing units with eight (8) 2-bedroom unit affordable low income households, two (2) 3-bedroom unit affordable low income households, one-hundred fifteen (115) 2-bedroom unit affordable very-low income households and fifteen (15) 3-bedroom unit affordable very-low income households. The total number of bedrooms in the replacement units exceeds the number of bedrooms in the destroyed units as permitted under the California Community Redevelopment Law.