

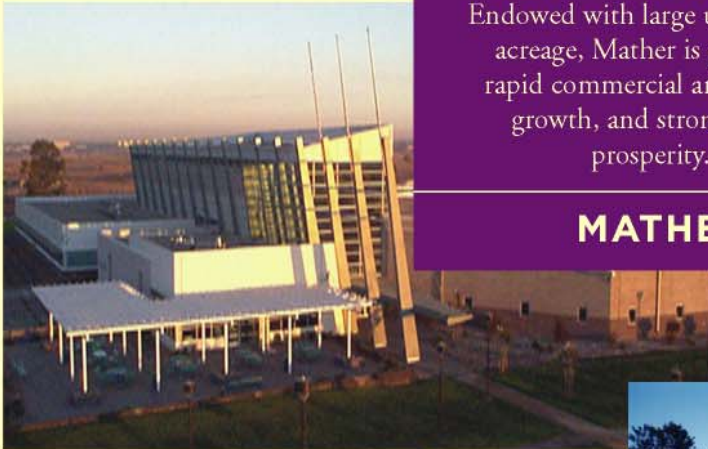
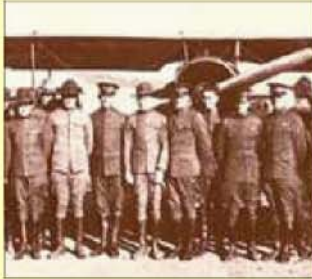


A FUTURE WITH WINGS



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Already the site of key federal and state operations, redevelopment of this former Air Force Base is attracting forward-looking businesses taking advantage of development opportunities in the Commerce Center and at the airfield's freight and maintenance facilities. Mather also has extensive parkland and recreational facilities attractive to businesses and families alike. Endowed with large undeveloped acreage, Mather is poised for rapid commercial and aviation growth, and strong future prosperity.



MATHER





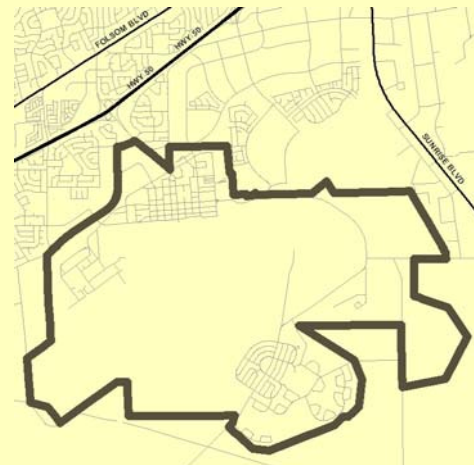
ABOUT MATHER

The closure of Mather Air Force Base, announced in 1988, was a significant loss to the Sacramento region. From the date of the announcement, local officials recognized that the special tools and authorities provided by redevelopment law would be instrumental in converting the facility to civilian use. In ensuing years, significant steps in that conversion effort have been completed and Mather is emerging as a major business park, air freight hub, and recreation center, restoring many of the jobs that were lost.

On May 5, 1995, Mather Airport was officially reopened as a civilian airport. The airport area, including runways and aprons, encompasses approximately 2,875 acres and is operated by the County of Sacramento, Department of Airports.

The Mather Redevelopment Project Area was adopted in 1995 and merged with the McClellan/Watt Avenue Redevelopment Area in 2001 to form the Mather/McClellan Merged Project Area.

The airport is not Mather’s only significant attribute. Mather includes extensive parklands, which boast a top-flight public golf course. In addition, Mather includes 1,271 new single-family homes, replacing the “Capehart” and “Wherry”-style military housing. *Independence at Mather* was one of the most successful projects ever built by homebuilder, KB Homes.



Notable Timeframes	What is There?	Who is There?
Redevelopment Plan Adopted 1995 Expires 2026	4,012 Acres EXISTING LAND USE 	2,296 Residents¹ ETHNICITIES
Implementation Plan 2005-2009		
Housing Compliance Plan 2000-2009 (For affordable housing program planning)		

¹ Demographic information based on 2000 Census statistics, and may not reflect current area demographics



POSITIONING FOR THE FUTURE

In the last five years, the Agency has championed several successful projects and programs in the Mather Redevelopment Project Area, including:

- **Infrastructure:** The Agency received a \$10 million loan from the State of California Infrastructure and Economic Development Bank for infrastructure improvements, of which 40 percent will be used for infrastructure projects at Mather. This project calls for the removal and replacement of substandard pavement, curb, gutter, sidewalk and installation of new roadway, landscaping improvements, lighting, realignment of existing roadways and construction of storm drainage, joint utility trenches, sanitary sewer, water lines, signage, and striping in various areas within the Mather Commerce Center.

In addition, the Agency has allocated approximately \$12 million of Project Area bond proceeds, tax increment flow, and County of Sacramento land-sale proceeds to various infrastructure and roadway improvements projects within the Mather Commerce Center.

- **Land Disposition and New Commercial Development:** The Agency facilitated the disposition of almost 40 acres of land for the development of approximately 416,000 square feet of new commercial office space and 76,000 square feet of newly renovated office buildings within the Mather Commerce Center.
- **Housing:** The Agency provided \$4.3 million to the Department of Human Assistance for the rehabilitation of two mothballed buildings at the Mather Transitional Housing Campus which will provide 45 – 60 new family units at the Campus.

KB Homes completed the development of Independence at Mather (see inset). KB Homes sold 30 percent (or 381 units) of the newly constructed homes to families earning 80 percent of the area's median family adjusted income. Of that 30 percent, one-third had to be sold to buyers earning no more than 70 percent of the area median income.

Independence at Mather

Mather Air Force base closed in 1993 after 75 years of operation. The base closure was the first of three military base closures that jolted the Sacramento area during the early 1990's. The loss of Mather Air Force Base alone meant the loss of over 7,600 jobs, and \$150 million annually injected into the Sacramento economy. A unique public/ private partnership was formed between the United States Air Force, the County of Sacramento, the Redevelopment Agency, and KB Homes to turn the former military housing into a vibrant single-family residential community. Due to the deteriorated condition of the site, all existing structures were demolished and replaced one for one by newly constructed affordable single-family residences. As a condition of the deal with KB, the Development and Disposition Agreement required that fully thirty percent of the for-sale community be sold to low-income families earning less than eighty percent of the area's median income adjusted for family size.



OUR REDEVELOPMENT STRATEGY

The redevelopment strategy for Mather entails converting the former base to productive uses according to previously approved plans such as the *Mather Specific Plan* and the *Mather Infrastructure and Financing Plan*. These plans complement the goals of the Redevelopment Plan and support the strategy of the Implementation Plan. The Agency is also working in concert with the City of Rancho Cordova in those areas of the Project Area which lie within its city limits. In this context, redevelopment will seek to achieve the following objectives over the next several years:

- **Lay Groundwork for Future Development and Reuse with Infrastructure Investments:** Redevelopment of Mather is contingent upon replacing or repairing obsolete infrastructure and replacing or expanding capacity of existing facilities. Substandard roadways, storm drains, water lines, sewer facilities, and utilities must be brought up to current development standards.
- **Prepare Sites for Development:** Through a combination of planning endeavors, abatement of toxic materials, improvement of existing facilities for higher quality uses, and clearance of outdated structures, the Agency has and will continue to create development sites and an overall environment to attract and retain business parks, cargo, higher education and other job generators for the region. In some cases, additional incentives such as assistance with predevelopment costs may be used to facilitate development of these uses.
- **Planning:** Redevelopment of Mather is also contingent upon planning for future development in the Central and South Mather areas. Furthermore, planning endeavors include examining the feasibility of amending the Project Area to include other blighted areas.
- **Public Facility/Amenity Improvement:** Like any growing community, Mather's long-term success will require upgrades and expansion of the public space landscaping, parks and other recreational facilities. Improvements and enhancements to road and rights-of-way are essential to promoting sustainable economic development.
- **Housing Program Strategy:** A sustainable, balanced community needs a mix of housing for all household types. The Mather housing strategy provides incentives for homeownership, development of new single-family housing, and construction and rehabilitation of multi-family housing, in addition to promoting quality infill development and potential mixed-use projects.

REDEVELOPMENT PLAN GOALS

The Mather Redevelopment Plan, adopted in 1995, addresses blighting conditions found in the Project Area. The Plan's goals are:



Eliminate the Blight: Elimination and prevention of blight and deterioration within the Project Area. Assembly of land within the Project Area in support of rehabilitation or modern, integrated development.



Provide First Class Infrastructure: Improvement and, where appropriate, expansion of public facilities including, but not limited to: street, storm drainage, sewer, and utility systems in the Project Area.



A Leading Employment Center: Creation and development of new business and employment opportunities.



Create Job Opportunities and Additional Investment: Attraction of new private sector investment to the Project Area. Generation of increased sales tax, ad valorem tax, and other revenues for the County of Sacramento.



Fulfill the Vision: Facilitate the reuse and redevelopment of the Project Area as envisioned by the Mather Field Development Strategy and governed by the County of Sacramento General Plan. Improve and convert the Project Area airfield to economic civilian use.





Housing for All Families: Promotion and enhancement of single-family home ownership in the Project Area. Development of low- to moderate- income housing in the County.







PROPOSED REDEVELOPMENT PROGRAM – 2005 THROUGH 2009

Over the next five years, the Agency will implement the Mather redevelopment strategy by undertaking the following projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Infrastructure Improvements Upgraded public improvements and infrastructure are required to support new development, including but not limited to improving roadway connections in the Commerce Center, future Douglas Business Park, Airport Property and South Mather Developments, extending Neely Road north to Old Placerville Road to create a new entry, upgrading, installing new, relocating and/or repairing existing waste water, water, sewer, utility and storm drain trunk lines, and providing additional fire protection services. Construction of roadway improvements include, but are not limited to curb, gutter, sidewalk, landscape, irrigation, lighting, utility, reconstruction and/or installation of new pavement.</p> <p>Completion of these projects would eliminate factors hindering economically viable uses and improve inadequate public infrastructure.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$10,000,000</p>	<p> ACCESS</p> <p> REUSE</p>











Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>California Infrastructure and Economic Development Bank In 2002, the Agency secured a \$4 million loan from the California Infrastructure and Economic Development Bank for infrastructure improvements which are targeted towards the Commerce Center of the former base. Improvements include roadway and storm drainage improvements along Schriever Avenue; roadway improvements along Peter A. McCuen Boulevard; installation of a sewer trunk line along Airpark Drive/Femoyer Street; and the realignment of Armstrong Avenue including construction of a new segment between Bullard Street and Femoyer Street.</p> <p>Completion of these projects would eliminate factors hindering economically viable uses and improve inadequate public infrastructure.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$4,000,000</p>	<p> ACCESS</p> <p> REUSE</p>
<p>Macready Avenue In 2004, the Agency allocated \$2 million of Project Area bond proceeds for roadway improvements along Macready Avenue from Bleckely Street to Neely Way. The improvements include the installation or reconstruction of pavement, curb, gutter, sidewalk, lighting, drainage, irrigation, landscaping, utility, and related improvements.</p> <p>Completion of these projects would eliminate factors hindering economically viable uses and improve inadequate public infrastructure.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$2,000,000</p>	<p> ACCESS</p> <p> REUSE</p>





Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Main Commerce Center Improvements In 2004, the Agency allocated \$4.4 million in Project Area bond proceeds for roadway and utility improvements on the following roadways: Bleckely Street, Schirra Avenue, Bullard Street, Grissom Avenue, Armstrong Avenue, Norden Avenue, Macready Avenue, and Peter A. McCuen Boulevard. Improvements include the installation or reconstruction of pavement, curb, gutter, sidewalk, drainage, landscaping, irrigation, lighting, utility, and other related improvements.</p> <p>Completion of these projects would eliminate factors hindering economically viable uses and improve inadequate public infrastructure.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$4,400,000</p>	 ACCESS  REUSE
<p>Hazardous Materials Abatement Hazardous materials abatement is required to facilitate the reuse of existing structures to a higher or expanded use.</p> <p>Completion of these projects would reduce high vacancy rates and eliminate factors hindering economically viable uses.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$500,000</p>	 ACCESS  INVEST
<p>Abatement and Demolition Abatement and demolition of existing structures to prepare sites for development.</p> <p>Completion of these projects would address unsafe and unhealthy buildings, reduce high vacancy rates and eliminate factors hindering economically viable uses.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$1,000,000</p>	 ACCESS  INVEST



Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Utility Under Grounding Funds will provide for the under grounding of electrical, communication, and utility lines within the Project Area.</p> <p>Completion of these projects would result in eliminating factors hindering economically viable uses.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	\$1,000,000	 ACCESS  INVEST
<p>Public Facility/Amenity Improvements Provide funding to facilitate the development and/or improvements of public facilities and amenities within the Project Area.</p> <p>Completion of these projects would result in eliminating factors hindering economically viable uses.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	\$500,000	 REUSE  INVEST
<p>Planning Facilitate the development and creation of a master plan for the reuse and development of the proposed Douglas Business Park and South Mather district and other areas located within the Project Area.</p> <p>Completion of these projects would result in eliminating factors hindering economically viable uses and improving inadequate public infrastructure.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	\$1,000,000	 REUSE  INVEST
<p>Commercial Revitalization Program The program aims to increase private investment. Property owners are encouraged to rehabilitate the exteriors of their properties and are eligible for Agency financing of up to \$50,000.</p> <p>Completion of this program would eliminate factors hindering economically viable uses.</p> <p><i>Anticipated Completion.....Thru 2009</i></p>	\$50,000	 REUSE  CLEAN




Project/Description	Estimated Redevelopment Investment	Goals Achieved
<p>Development Assistance Program This program provides assistance for the reuse of existing facilities and/or the development of underutilized or vacant parcels in fulfillment of the redevelopment plan goals.</p> <p>Completion of this program would reduce high vacancy rates, utilize vacant or underutilized parcels, and eliminate factors hindering economically viable uses.</p> <p><i>Anticipated Completion:.....Thru 2009</i></p>	<p>\$1,000,000</p>	 
<p>Total Estimated Redevelopment Investment</p>	<p>\$25,450,000</p>	






PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

Over the next five years, the Agency will implement the residential component of the Mather redevelopment strategy by undertaking the following projects and programs:

Project/Description ²	Estimated Redevelopment Investment	Goals Achieved
<p>Housing Development Assistance</p> <p>The Agency will seek qualified affordable multi-family housing development proposals by issuing a Notice of Funding Availability that focuses on projects located within the Mather / McClellan Merged Project Area, the City of Rancho Cordova, or the Rancho Cordova Planning Area. Key project focuses include, but are not limited to acquisition / rehabilitation projects, mixed - use projects that support transit-oriented development concepts and are located near a light rail extension, and projects that incorporate very low- and low- income units into market rate developments. Assuming assistance of \$6,000,000 (averaging \$25,000 to \$100,000 per affordable unit), approximately 60 - 240 affordable units could be created through this program.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	<p>\$6,000,000</p>	

² Assumed per unit assistance referenced in this Implementation Plan are conservative estimates for illustrative purposes only. The actual assistance will be determined as the project is implemented, and could be lower depending upon the type of housing program funds used.



Project/Description ²	Estimated Redevelopment Investment	Goals Achieved
<p>Housing Development Assistance This fund provides gap financing for projects will create housing opportunities for lower-income residents. Assuming assistance of \$4,000,000 (averaging \$25,000 to \$100,000 per affordable unit), approximately 40 - 160 affordable units could be created through this program.</p> <p>Completion of this project would result in eliminating factors hindering economically viable use.</p> <p><i>Anticipated Completion: Thru 2009</i></p>	\$4,000,000	
<p>First Time Homebuyer Program In order to provide housing for persons of all income levels, this program provides down-payment assistance to homebuyers. Assuming all assistance is provided at the maximum assistance level of \$5,000 per unit, this program could assist approximately 10 units over the next five years.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	\$50,000	
<p>Rehabilitation Loan Program The program seeks to improve the area's existing stock through loans to owner occupants to make improvements to their property with a maximum loan amount of \$50,000.</p> <p><i>Anticipated Completion:..... Thru 2009</i></p>	\$50,000	
Total Estimated Redevelopment Investment	\$10,100,000	



HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section of the Implementation Plan addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future.

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law in their affordable housing programs. These housing goals generally fall into three categories:

- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low- and moderate- income households.
- Replacement Housing – another legal obligation for redevelopment agencies is to ensure that any housing units destroyed or removed as a result of an Agency redevelopment project are replaced within four years.
- Targeting Household Types – provide specific requirements on the amount of housing set-aside funds an agency must spend over a 10-year period on housing affordable to very low-income households, low-income households, and housing for residents under the age of 65.

The housing program goals applicable to this Project Area are described below.

Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate-households, the Agency estimated the total number of units to be constructed or substantially rehabilitated in the Project Area and applied formulas established in state law.

The following chart summarizes the production goals over various time periods as required by redevelopment law. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during a 10-year period.



Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units /1	
		Total	Very Low
Prior to 2005	1,331	200	80
10 Year Forecast	0	0	0
<i>2005 to 2009</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>2010 to 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>
Redevelopment Plan Duration <i>(1995 to 2026)</i>	1,331	200	80
Notes:			
1/ Based on 15 percent of actual/assumed units developed by entities other than Agency. (No units developed by Agency.) All figures rounded up.			

As shown in the above table, the Agency does not anticipate a need to produce additional affordable units to fulfill its production goals for the 10-year period. Over the duration of the Redevelopment Plan, the Agency anticipates a need for 200 affordable units (including 80 very low- income units). Fulfillment of these production goals is shown on the following table.



Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		Additional Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior to 2005 /1 <i>In Project Area /2</i> <i>Outside Project Area /3</i>	200	80	283	113	0	0	83	33
10 Year Forecast /4	0	0	83	33	0	0	83	33
Redevelopment Plan Duration (1995 to 2026)	200	80	283	113	0	0	83	33
Notes:								
1/ Includes units in Cardosa Village (33 units) and Terracina Laguna (22 units).								
2/ Includes 183 covenants purchased; 73 were restricted at very low-income levels. Because state law limits the Agency to credit up to 50 percent of its required units by purchasing covenants, 100 of the covenants purchased (40 of which are very low-income covenants) fulfill the prior production requirement, leaving 83 covenants (and 33 very low-income covenants) as surplus for future production needs.								
3/ Units produced outside the Project Area are credited on a 2-for-1 basis. Beginning in 2005, the Agency will have the authority to aggregate its production needs among project areas in its jurisdiction and credit units produced in other project areas on a 1-for-1 unit basis.								
4/ Units produced for 10-year period include any surplus units produced prior to 2005.								

As shown in the above table, the Project Area has a housing production surplus of 83 units, of which 33 units are restricted at very low-income levels, due to prior year's production activities. Due to the fact that no additional units are anticipated to be developed or substantially rehabilitated in the Project Area, the Agency does not anticipate the need to produce additional housing units to meet housing production requirements for this Project Area. In the future, the Agency may use surplus units produced by Mather housing activities to meet the needs of other project areas in the County's jurisdiction.



Replacement Housing

During the Implementation Plan period, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced at this time.

Expenditures by Household Types

Based on preliminary estimates as of August 2004, the Agency anticipates that the low- and moderate- income housing fund will have a balance of \$6,000,000 available on January 1, 2005. Over the five-year period ending on December 31, 2009, staff conservatively estimates that the Project Area will generate another \$4,371,000 in 20 percent housing set-aside revenue.

Upon adoption of this Implementation Plan, the Agency will have the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and aggregate housing production activities among all of its project areas, in order to effectively meet more housing program objectives for the Agency and this Project Area in particular.

At a minimum, the Agency's low- and moderate- income housing set-aside revenue is to be expended in proportion to the community's need for very low- and low- income housing, as well as the proportion of the population under the age of 65.

Based on statistics from the Regional Housing Needs Assessment, used by local government to meet state requirement for affordable housing by category, and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan.



Household Type	Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Very Low-Income Households	41%
Low-Income Households	28%
Households Under Age 65	89%
<p>Notes: Percentage of very low- and low- income household expenditures based upon County of Sacramento Regional Housing Needs Assessment in which 5,589 of the 13,638 units (41 percent) in the County’s housing needs are applicable for very low-income households and 3,765 units (28 percent) are applicable for low-income households.</p> <p>Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the County, wherein 1,087,624 residents (89 percent) of the total population of 1,223,499 are under the age of 65. No more than 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.</p>	

- Housing Set-Aside Expenditures since January 2002.** These proportionality requirements affect expenditures over a 10-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The following chart documents the amount of low- and moderate- income housing fund revenue used since January 2002 for these income categories:



Housing Expenditures and Proportionality Since 2002				
Income Category	2002	2003	2004	Period to Date
Very Low-Income	\$0	\$0	\$440,000	\$440,000 (29%)
Low-Income	\$0	\$0	\$649,000	\$649,000 (42%)
Moderate Income	\$321,573	\$113,200	\$11,000	\$445,773 (29%)
Total Expenditures	\$321,573	\$113,200	\$1,100,000	\$1,534,773 (100%)
Notes: 2004 estimates based on preliminary projections as of September 2004 and subject to change.				

- Family Units Assisted by Housing Set-Aside Fund.** State law also requires a recap of the number of the projects assisted by the housing set-aside fund over the past Implementation Plan period divided by family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The chart below summarizes these statistics by project from January 2002 (when proportionality requirements took effect) through December 2004.

Project/Location	Housing Set-Aside Expenditures	Units Assisted by Housing Set-Aside Fund				
		(January 2002 – December 2004)				
		Ext. Low	Very Low	Low	Mod.	Tot.
Family Projects	\$1,534,773 (100%)	0	18	16	116	160
Homebuyer Assistance	\$434,773	0	0	0	115	115
Mather Transitional Housing	\$1,100,000	0	18	26	1	45
Senior Projects	\$0 (0%)	0	0	0	0	0
Totals	\$1,534,773 (100%)	0	18	26	116	160
Notes: 2004 estimates based on preliminary projections as of September 2004 and subject to change.						



- **Housing Units Constructed During Prior Implementation Plan Without Housing Set-Aside Funds.** Since January 2000, no other funding source was used by the Agency to construct affordable units featuring long term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).