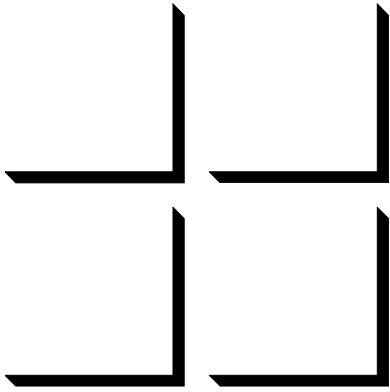


November 14, 2007

Preliminary Plan for the Lodi Community Improvement Project

REDEVELOPMENT AGENCY OF THE CITY OF LODI



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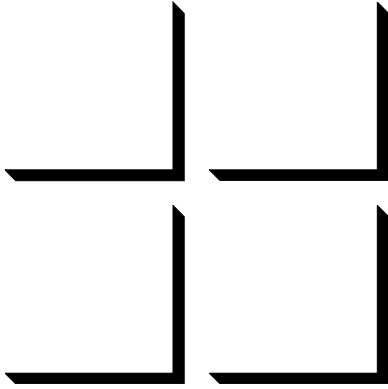


TABLE OF CONTENTS

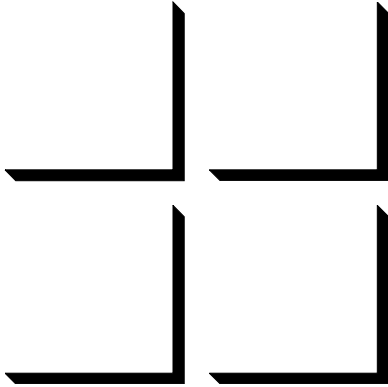
| | |
|--|---|
| Background and Purpose | 1 |
| Preliminary Plan Contents | 2 |
| Use of Redevelopment | 2 |
| Redevelopment Goals | 3 |
| Blight and Urbanization | 4 |
| Existing Land Uses and Planned Land Uses | 5 |
| Proposed Layout of Principal Streets | 6 |
| Proposed Project Area Boundaries | 6 |
| Conformance to the General Plan | 6 |
| Proposed Population Densities, Building Intensities, and Standards | 6 |
| Activities Meeting the Purposes of Redevelopment Law | 7 |
| General Impact of the Project Upon the Residents Located Within the Project Area, and Upon Surrounding Neighborhoods..... | 8 |

LIST OF TABLES

| | |
|---|---|
| Table 1 – Existing Land Uses in the Survey Area | 5 |
|---|---|

LIST OF FIGURES

| | |
|--|----|
| Figure 1 – Survey Area | 9 |
| Figure 2 – Survey Area Vicinity | 10 |
| Figure 3 – Proposed Project Area | 11 |



BACKGROUND AND PURPOSE

The City of Lodi (the “City”) is one of the few cities in California that does not have a redevelopment project area. Yet, there are portions of the City in need of substantial improvements. A recent study of properties east of Ham Lane found that, on a general basis, conditions of blight exist throughout the eastern part of the City.¹

Creating a redevelopment project under California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the “CRL”) may be the best way to address the problems in this area, because it can provide a significant amount of money without raising taxes or creating new fees. Therefore, the Redevelopment Agency of the City of Lodi (the “Agency”) has begun the process to adopt a new redevelopment area in east Lodi.

On November 7, 2007, the Lodi City Council (the “City Council”) designated a survey area for the Lodi Community Improvement Project (the “Survey Area”). The boundaries of the Survey Area encompass about 2,400 acres generally east of Ham Lane to the eastern border of the City (see Figure 1). Figure 2 shows how the Survey Area compares to the entire City of Lodi.

Designating a Survey Area allows the Agency to begin detailed studies to determine if all or a portion of the Survey Area qualifies as a redevelopment project area. In accordance with Section 33322 of the CRL, it is the responsibility of the Planning Commission to select Project Area boundaries from within the Survey Area, and to formulate the Preliminary Plan for the selected area.

This Preliminary Plan briefly describes the overall goals and purposes of the proposed Project Area and is required as a basis for the subsequent development of a more definitive plan for the redevelopment of the Project Area. It is important to point out that

¹ *Feasibility Study for a Potential Redevelopment Project in East Lodi, October 19, 2007, GRC Redevelopment Consultants, Inc.*

the Preliminary Plan does not commit the City to adopting a Redevelopment Plan. It is merely a preliminary step in a process that will take several months to complete. In addition, the Project Area boundaries that are proposed with this Preliminary Plan may later be modified after Planning Commission review.

PRELIMINARY PLAN CONTENTS

The Preliminary Plan is required by Section 33324 of the CRL to contain the following information:

- A description of the boundaries of the proposed Project Area.
- A general statement of the land use, layout of principal streets, population densities, and building intensities and standards proposed as the basis of the redevelopment of the Project Area.
- A demonstration of how the purposes of the CRL would be attained by such redevelopment.
- A demonstration that the proposed redevelopment conforms to the General Plan.
- A general description of the impact of the project upon residents located within the Project Area and upon surrounding neighborhoods.

USE OF REDEVELOPMENT

Consideration of a Redevelopment Plan is a lengthy process whose steps are outlined in the CRL. There are a number of steps to follow, program goals to be identified and refined during the process, and opportunities to incorporate the ideas of the community.

The first formal step is the adoption of Survey Area boundaries by the City Council, which has already been completed. The next step is for the Planning Commission to adopt a Preliminary Plan, which sets the Project Area boundaries and outlines overall goals for the upcoming Redevelopment Plan.

After approval of the Preliminary Plan by the Planning Commission it is transmitted to the affected taxing agencies, like the County and School Districts, to inform them about the process. The next major step is to prepare and circulate a Preliminary Report along with a draft version of the Redevelopment Plan. Then, formal consultations with the taxing agencies will be undertaken to gather their general input regarding the project. The Draft Environmental Impact Report (the Draft "EIR") for the plan will be circulated at about the same time as the Preliminary Report.

A final report, known as the Report to the City Council, will then be prepared. This report contains an updated version of the Preliminary Report, an analysis of blighting conditions and the neighborhood impacts of redevelopment, an implementation plan, as well as documentation of all consultations. Also included in the Report to the City Council will be the Final Redevelopment Plan and the Final EIR.

The Report to the City Council is the final major technical product of the adoption process, and is the record that the City Council will review in making their decision as to whether to adopt the Redevelopment Plan for the project.

The decision to adopt the Redevelopment Plan will come after a joint public hearing of the City Council and the Agency. Notice of this hearing must be published in a newspaper of general circulation, and sent by first class mail to residents, businesses, and property owners in the proposed Project Area.

Several community meetings, which are not required by law but are highly recommended, will be held at critical junctures to solicit public input and educate the public regarding redevelopment. These meetings will likely occur after the boundaries of the Project Area are established, about mid-way through the adoption process, and just before the public hearing with the City Council and Agency. Other meetings may be called as necessary.

REDEVELOPMENT GOALS

Below is a list of potential goals of the redevelopment effort. These goals may be refined, expanded upon, or otherwise modified as part of the adoption process.

- Improve infrastructure
- Stimulate new commercial, industrial, and residential construction
- Rehabilitate and modernize existing commercial, industrial, and residential properties
- Aid the preservation of historic structures and neighborhoods
- Enhance the appeal of the east side neighborhoods as a place to live
- Alleviate problems associated with uses that do not conform to the General Plan or are incompatible with adjacent uses
- Improve the overall aesthetics of the area, including property maintenance, streetscape improvements, landscaping, signage, and billboard removal

- Reduce crime and graffiti
- Create local job opportunities by preserving and expanding the area's existing employment base
- Establish modern, convenient commercial outlets to serve the needs of nearby neighborhoods and travelers
- Eliminate or alleviate environmental hazards
- Expand and upgrade the community's supply of affordable housing
- Develop housing programs to assist with home ownership
- Assist with the assembly of parcels into more-developable sites
- Improve and/or construct community facilities, parks, and public uses
- Construct/replace missing sidewalks, aging water and wastewater facilities
- Install water meters
- Construct police and fire facilities
- Upgrade library facilities
- Improve ADA access
- Improve circulation and pedestrian mobility
- Assist with the promotion of tourism
- Promote infill development and smart growth principals
- Promote sustainable development and reduce energy consumption

BLIGHT AND URBANIZATION

According to the CRL, the Project Area is required to include areas that are either blighted or necessary for effective redevelopment. A blighted area is one that is characterized by one or more of the blighting conditions set forth in CRL Section 33030. These conditions must cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical or economic burden on the community, which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone, or by any government powers other than redevelopment.

The Project Area is also required to be “urbanized.” This means that not less than 80% of the land has been or is developed for urban uses, or is an integral part of one or more areas developed for urban uses.

The Preliminary Plan is neither required to document blight, nor urbanization; these issues will be discussed in detail in subsequent reports. However, it was concluded in the Feasibility Study that blight and urbanization in the recommended Project Area appeared to be sufficient to continue with the redevelopment planning process.

EXISTING LAND USES AND PLANNED LAND USES

The existing land uses in the Survey Area are predominantly commercial, industrial, and residential. Some public uses and vacant land are scattered throughout. Table 1 shows the estimated breakdown of existing land uses.

**TABLE 1
EXISTING LAND USES IN THE SURVEY AREA***

| USE | # OF ACRES | % OF TOTAL ACREAGE |
|-----------------------------|-------------------|---------------------------|
| Single Family Residential | 340 | 14 |
| Multiple Family Residential | 180 | 7 |
| Mobile Home Park | 40 | 2 |
| Commercial | 285 | 12 |
| Industrial | 540 | 22 |
| Institutional | 50 | 2 |
| Agriculture | 25 | 1 |
| Public | 240 | 10 |
| Vacant | 210 | 9 |
| SUB-TOTAL | 1,910 | 79 |
| Streets/Rights-of-way | 515 | 21 |
| TOTAL | 2,425 | 100% |

When discussing the uses that are planned for a redevelopment project, it is a common misconception that the Agency has plans for specific uses on specific sites. Rather, the Agency will be working toward the goals and policies of the City’s General Plan. In other words, the Redevelopment Plan will incorporate the General Plan, not replace it. The Redevelopment Plan, when drafted, will be intended to help implement the General Plan. For example, if a block is designated for commercial uses in the General Plan, the Agency will

* Approximate at this time.

be required to uphold that designation. No other specifics are known at this time.

PROPOSED LAYOUT OF PRINCIPAL STREETS

The principal streets in the Survey Area include Highway 99, Kettleman Lane, Cherokee Lane, Sacramento Street, Stockton Street, Central Avenue, Lockeford Street, Victor Road, Pine Street, Lodi Street, and Guild Avenue.

Minor modifications to the layout and routing of existing streets are possible during the implementation process if a final Redevelopment Plan is ultimately approved. Other such changes may be proposed as redevelopment proceeds. It is expected that some new streets, street extensions and closures, paving, or other improvements will occur.

PROPOSED PROJECT AREA BOUNDARIES

As noted in the Feasibility Study, blight exists in various ways throughout much of the east side of Lodi. Therefore, it is recommended that the proposed Project Area boundaries be the same as the Survey Area boundaries. The result is a proposed Project Area that includes approximately 2,400 acres (see Figure 2). A complete legal description and map of the Project Area will be prepared once the boundaries are formally adopted by the Planning Commission.

CONFORMANCE TO THE GENERAL PLAN

As stated earlier, according to State law, redevelopment activities in the Project Area must conform to the General Plan. The Redevelopment Plan will provide for continuous land use conformity with the General Plan by including a provision that incorporates the General Plan by reference. This inclusion will ensure that the Redevelopment Plan will remain consistent with the General Plan even if there are changes to the General Plan, or if any Specific Plans are adopted. The General Plan currently designates a majority of the area as mixed-use.

PROPOSED POPULATION DENSITIES, BUILDING INTENSITIES, AND STANDARDS

The type, size, height, and density of all structures shall be established by the applicable federal, state, and local statutes,

ordinances, and regulations, including, but not limited to, the Zoning Code, the Building Code, and the General Plan, as adopted or subsequently amended.

The proposed Project Area is largely built-out, meaning that large areas of vacant land for new development do not exist. As such, while some new dwelling units could be constructed in residential areas, there are existing dwelling units that are dilapidated or located in commercial or industrial areas that could be replaced over the life of the Redevelopment Plan as part of private market activity. Therefore, it is expected that the population inside the Project Area will not be altered significantly because of this Project. The Agency will be responsible for making at least 15% of new units available for low- and moderate-income households as part of the CRL's inclusionary housing requirements.²

The Agency will not have eminent domain authority in the subsequent Redevelopment Plan. Although not anticipated, should voluntary improvement activities actually eliminate residential units that are occupied by persons or families of low- or moderate-income, the Agency would be required to provide a like number of replacement units in the community. All persons relocated from the Project Area as a direct result of redevelopment activities of the Agency will be eligible to receive monetary relocation compensation. In addition, the Agency is required to set aside 20% of all tax increment revenue for the purpose of increasing, improving, or preserving the supply of low- and moderate-income housing in the community. These funds may be spent either inside or outside the Project Area.

ACTIVITIES MEETING THE PURPOSES OF REDEVELOPMENT LAW

According to Section 33020 of the CRL, redevelopment means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of those residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare.

Following that definition, the general objectives to be achieved in the Project Area include:

- a) Alleviating the causes and effects of blight.
- b) Constructing needed infrastructure improvements including, but not limited to, streets, curbs, gutters, sidewalks, sewer lines, water

² The 15% requirement applies to the aggregate of all residential development in the Project Area. Housing assistance programs that may be used include all low- and moderate-income housing programs with long-term affordability requirements, not just the Agency's 20% set-aside.

lines, drainage systems, underground utilities, alleys, electric utility lines, and similar improvements in order to remove blighting influences.

- c) Improving and/or constructing public facilities, parks, and public uses.
- d) Promoting improvements in commercial, industrial, and residential areas, which will expand the local economic base and further reduce blight.
- e) Improving, increasing, and preserving the community's housing stock, especially for low-income seniors and low- and moderate-income families.

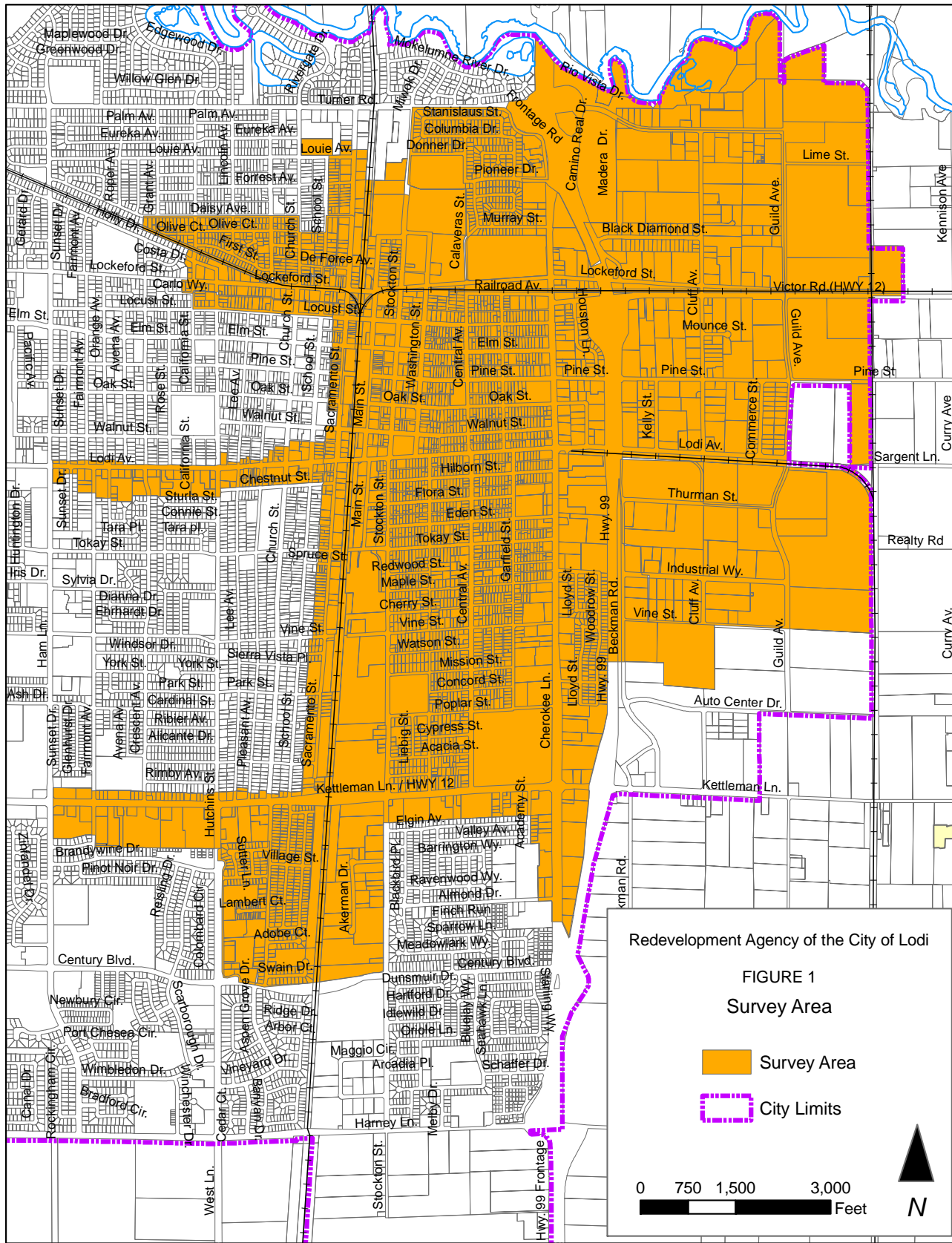
Meeting these objectives will improve the physical and economic conditions in the Project Area, surrounding neighborhoods, and the City as a whole. Therefore, redevelopment in the Project Area clearly meets the purposes of redevelopment as defined in the CRL.

GENERAL IMPACT OF THE PROJECT UPON THE RESIDENTS LOCATED WITHIN THE PROJECT AREA, AND UPON SURROUNDING NEIGHBORHOODS

Agency activities to alleviate blight in the Project Area will serve to preserve and expand the local tax and employment base. These activities will have the benefit of providing more local employment opportunities. Expansion of the local tax base will also result in an increased source of funding with which to support local programs and services for local residents.

The alleviation of blight by the Agency should also mean improvements to the physical and economic environment, which, in turn, will be directly or indirectly beneficial to all citizens of the City.

Potential physical impacts of the Redevelopment Plan will be discussed in the EIR, which will be prepared and certified by the Agency prior to the adoption of the Redevelopment Plan.



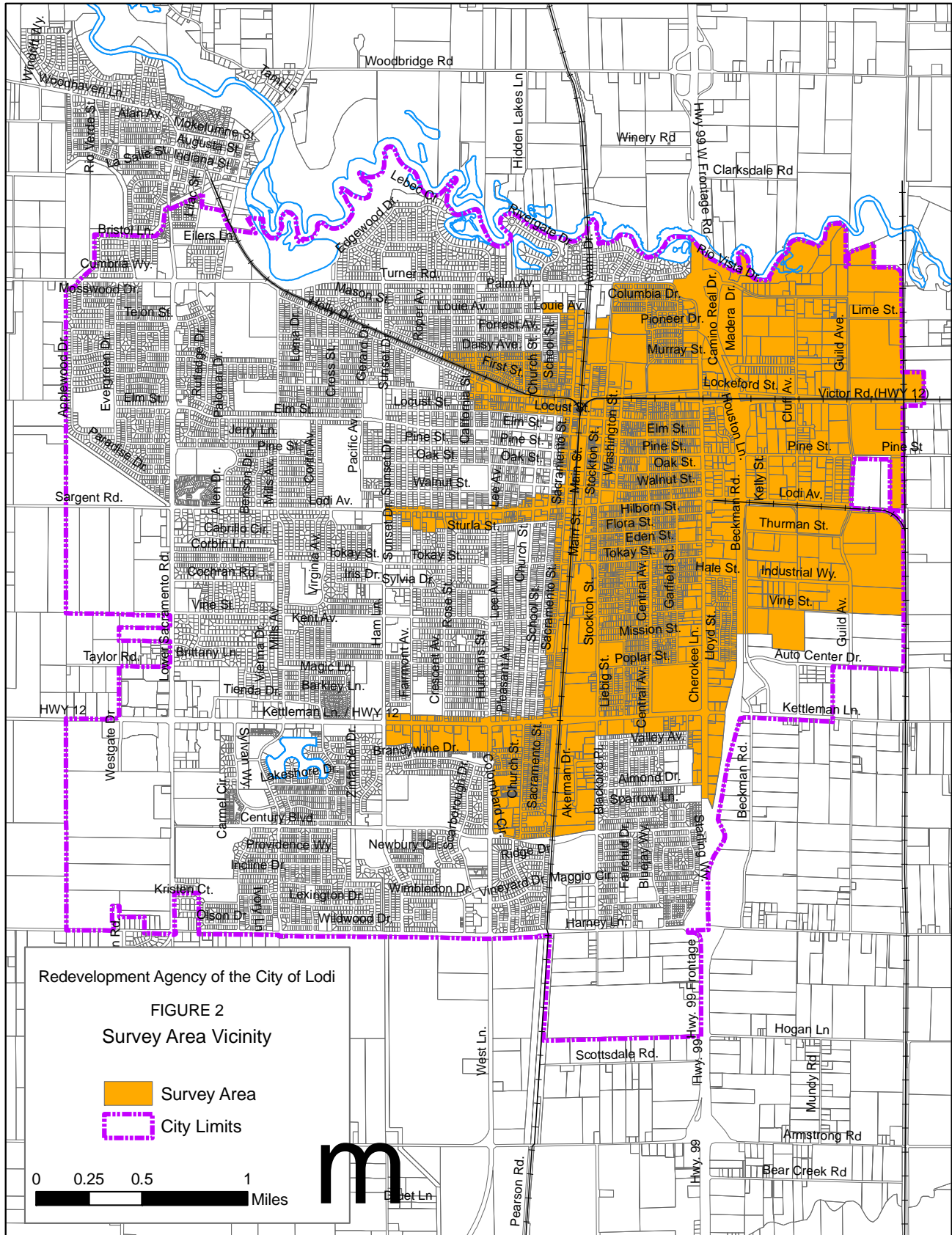
Redevelopment Agency of the City of Lodi

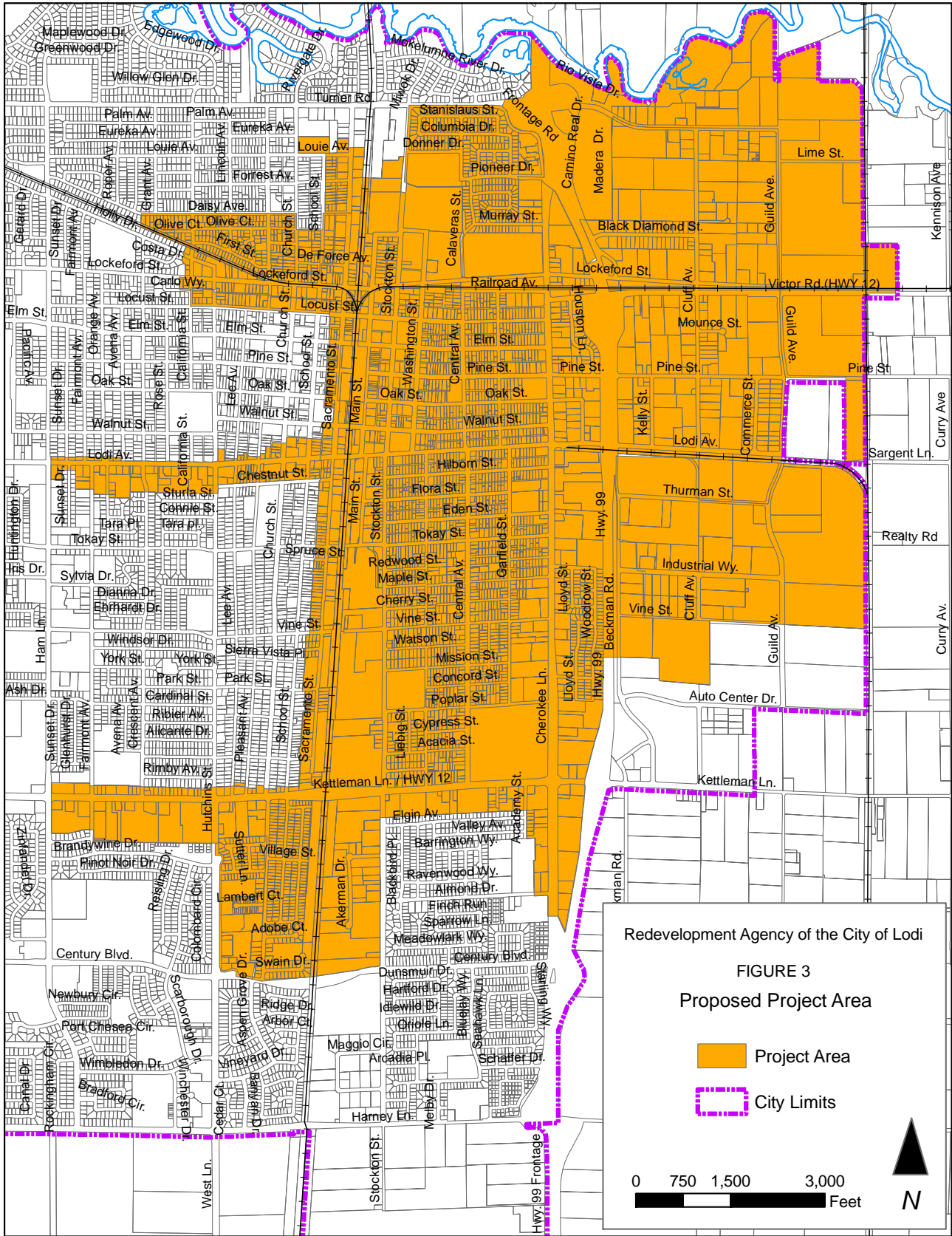
FIGURE 1
Survey Area

Survey Area
 City Limits

0 750 1,500 3,000 Feet

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Redevelopment Agency of the City of Lodi

FIGURE 3
Proposed Project Area

- Project Area
- City Limits

0 750 1,500 3,000
Feet

