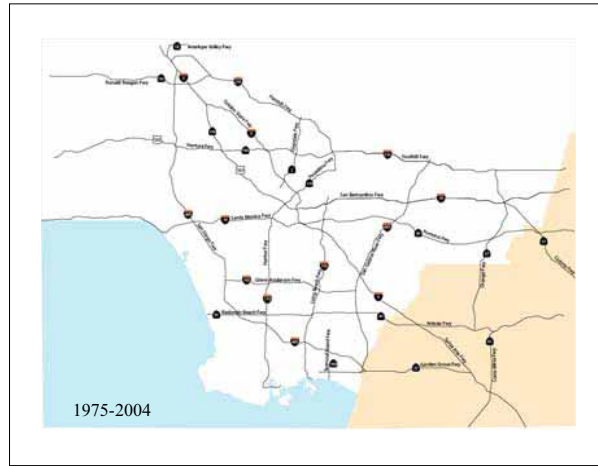
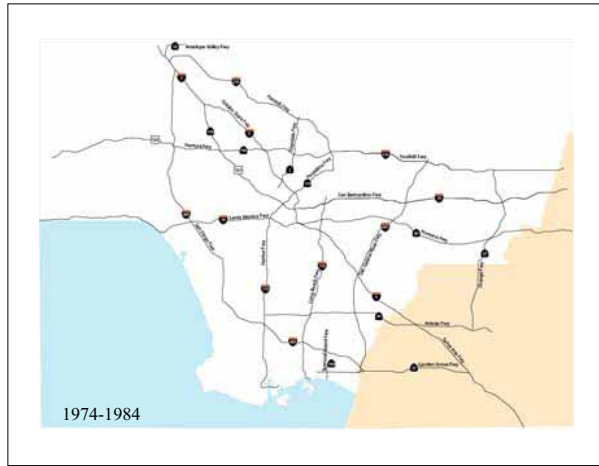
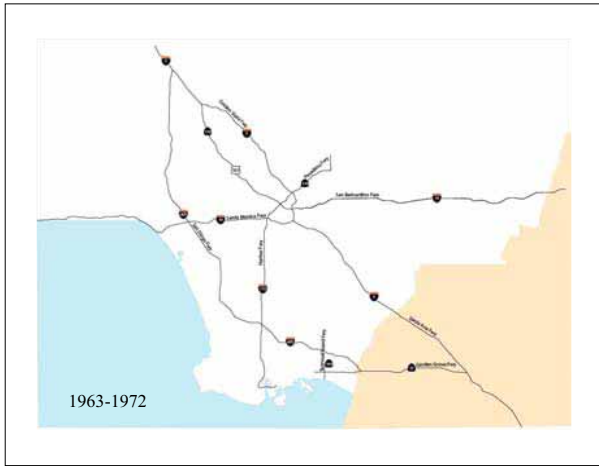
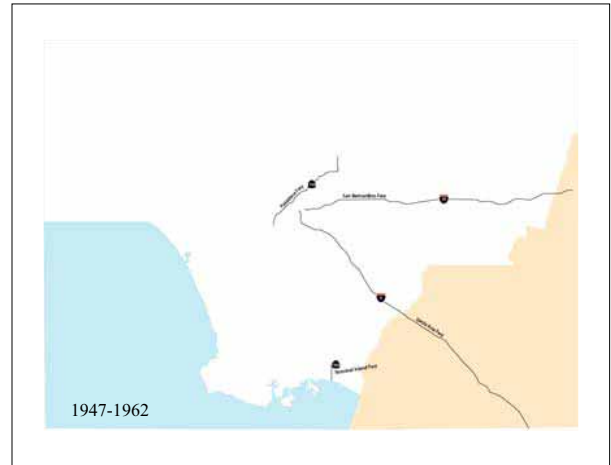
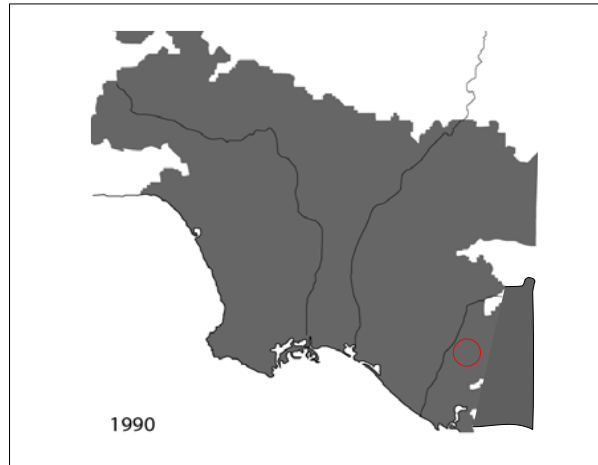
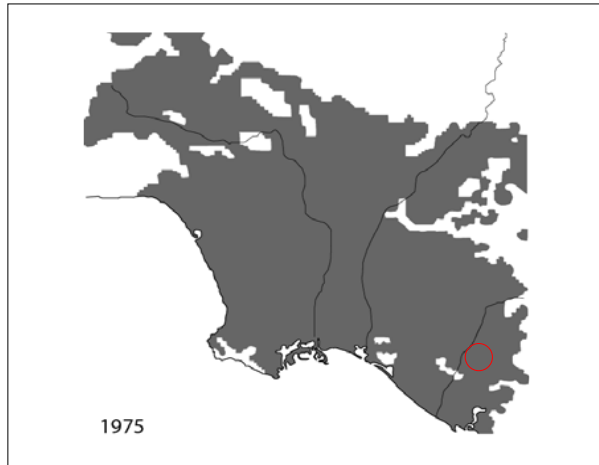
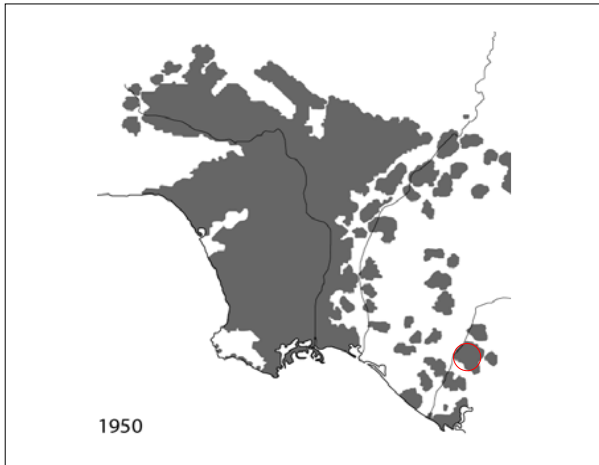
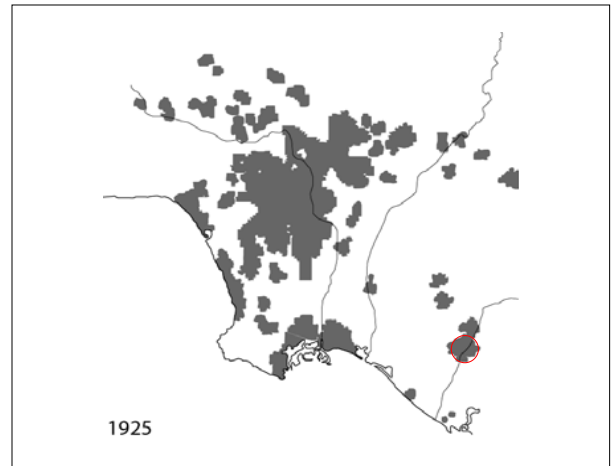
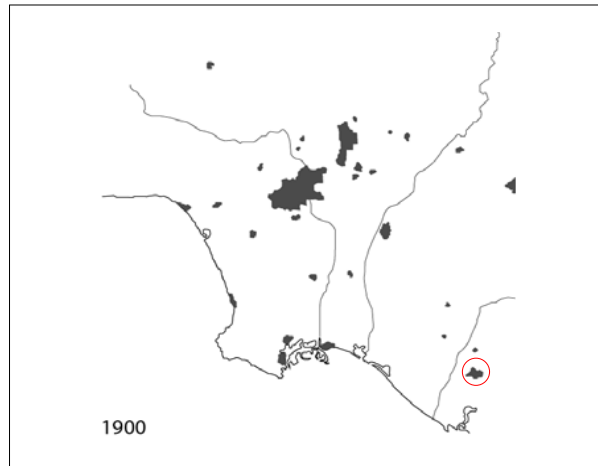


Santa Ana Renaissance Specific Plan

Market and Economic Issues
Prepared by
Economics Research Associates

- Topics Covered**
- Growth trends in Santa Ana
 - Real estate market
 - Residential
 - Office/commercial
 - Industrial
 - Development Finance Issues



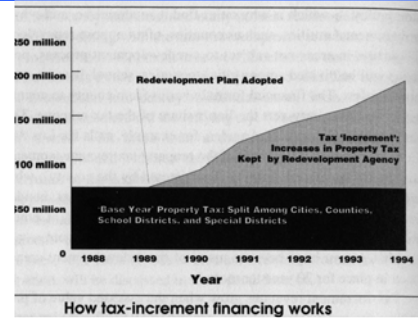
Real Estate Market

Population Growth and Share

Year	Orange County	Santa Ana	S.A. as % of County
2004	2,451,488	286,827	11.7%
2003	2,445,000	286,827	11.7%
2002	2,438,512	286,827	11.7%
2001	2,432,024	286,827	11.8%
2000	2,425,536	286,827	11.8%
1999	2,419,048	286,827	11.8%
1998	2,412,560	286,827	11.9%
1997	2,406,072	286,827	11.9%
1996	2,399,584	286,827	12.0%
1995	2,393,096	286,827	12.0%
1994	2,386,608	286,827	12.0%
1993	2,380,120	286,827	12.0%
1992	2,373,632	286,827	12.1%
1991	2,367,144	286,827	12.1%
1990	2,360,656	286,827	12.1%
1989	2,354,168	286,827	12.2%
1988	2,347,680	286,827	12.2%
1987	2,341,192	286,827	12.2%
1986	2,334,704	286,827	12.2%
1985	2,328,216	286,827	12.3%
1984	2,321,728	286,827	12.3%
1983	2,315,240	286,827	12.3%
1982	2,308,752	286,827	12.3%
1981	2,302,264	286,827	12.3%
1980	2,295,776	286,827	12.3%
1979	2,289,288	286,827	12.3%
1978	2,282,800	286,827	12.3%
1977	2,276,312	286,827	12.3%
1976	2,269,824	286,827	12.3%
1975	2,263,336	286,827	12.3%
1974	2,256,848	286,827	12.3%
1973	2,250,360	286,827	12.3%
1972	2,243,872	286,827	12.3%
1971	2,237,384	286,827	12.3%
1970	2,230,896	286,827	12.3%
1969	2,224,408	286,827	12.3%
1968	2,217,920	286,827	12.3%
1967	2,211,432	286,827	12.3%
1966	2,204,944	286,827	12.3%
1965	2,198,456	286,827	12.3%
1964	2,191,968	286,827	12.3%
1963	2,185,480	286,827	12.3%
1962	2,178,992	286,827	12.3%
1961	2,172,504	286,827	12.3%
1960	2,166,016	286,827	12.3%
1959	2,159,528	286,827	12.3%
1958	2,153,040	286,827	12.3%
1957	2,146,552	286,827	12.3%
1956	2,140,064	286,827	12.3%
1955	2,133,576	286,827	12.3%
1954	2,127,088	286,827	12.3%
1953	2,120,600	286,827	12.3%
1952	2,114,112	286,827	12.3%
1951	2,107,624	286,827	12.3%
1950	2,101,136	286,827	12.3%
1949	2,094,648	286,827	12.3%
1948	2,088,160	286,827	12.3%
1947	2,081,672	286,827	12.3%
1946	2,075,184	286,827	12.3%
1945	2,068,696	286,827	12.3%
1944	2,062,208	286,827	12.3%
1943	2,055,720	286,827	12.3%
1942	2,049,232	286,827	12.3%
1941	2,042,744	286,827	12.3%
1940	2,036,256	286,827	12.3%
1939	2,029,768	286,827	12.3%
1938	2,023,280	286,827	12.3%
1937	2,016,792	286,827	12.3%
1936	2,010,304	286,827	12.3%
1935	2,003,816	286,827	12.3%
1934	1,997,328	286,827	12.3%
1933	1,990,840	286,827	12.3%
1932	1,984,352	286,827	12.3%
1931	1,977,864	286,827	12.3%
1930	1,971,376	286,827	12.3%
1929	1,964,888	286,827	12.3%
1928	1,958,400	286,827	12.3%
1927	1,951,912	286,827	12.3%
1926	1,945,424	286,827	12.3%
1925	1,938,936	286,827	12.3%
1924	1,932,448	286,827	12.3%
1923	1,925,960	286,827	12.3%
1922	1,919,472	286,827	12.3%
1921	1,912,984	286,827	12.3%
1920	1,906,496	286,827	12.3%
1919	1,899,008	286,827	12.3%
1918	1,892,520	286,827	12.3%
1917	1,886,032	286,827	12.3%
1916	1,879,544	286,827	12.3%
1915	1,873,056	286,827	12.3%
1914	1,866,568	286,827	12.3%
1913	1,860,080	286,827	12.3%
1912	1,853,592	286,827	12.3%
1911	1,847,104	286,827	12.3%
1910	1,840,616	286,827	12.3%
1909	1,834,128	286,827	12.3%
1908	1,827,640	286,827	12.3%
1907	1,821,152	286,827	12.3%
1906	1,814,664	286,827	12.3%
1905	1,808,176	286,827	12.3%
1904	1,801,688	286,827	12.3%
1903	1,795,200	286,827	12.3%
1902	1,788,712	286,827	12.3%
1901	1,782,224	286,827	12.3%
1900	1,775,736	286,827	12.3%

MARKET AND ECONOMIC ISSUES

Development Finance



Development Finance

- Public improvements can include
- Streets
 - Landscaping
 - Sewers and drains
 - Community facilities
 - Transportation facilities including parking structures
 - Parks and open space
- Affordable housing, land assembly for removing blight and economic development are all considered public improvements

Development Finance

- Advantages of Redevelopment
- “But for” Redevelopment investment in blighted areas would not occur
 - Creates an environment suitable for additional rounds of private investment
 - Tax revenues allocated for a project are not redirected from off site sources or from other jurisdictions
 - No funds are “taken” from other social uses or priorities

Development Finance

- Publicly supplied infrastructure
 - Backed by the issuing city's general fund
 - Referred to as General Obligation Bonds
 - Increasingly rare and unpopular after Prop 13
- Revenue Bonds
 - Backed by the user fees connected to a public work
 - Can be used for parking structures or sewers
 - Backed by the issuing agency
- Benefit Assessment Districts
 - Establish defensible measure of benefit and asses accordingly
 - Requires increase in payments property owners receiving benefits
 - Can be used for capital costs and operations
 - Landscape and lighting
 - Parking
 - Streets
 - Sewers
 - Limited by Prop 218 in 1996

Development Finance

- Community Facilities Districts
 - Established by the Mello-Roos Community Facilities Act
 - Created in the wake of Prop 13
 - The intention was for new development to “pay for its self”
 - Adds additional property tax fees to all parcels regardless of benefit
 - First used for schools but expanded to pay for all types of public works
 - On going costs of parcel taxes recur to the eventual property owner

Development Finance

- Exactions
 - Dedication of land or fees in lieu
 - Impact fees
 - Must be roughly proportional to the burden
 - Mitigation fees
 - Related to impacts in the EIR
- Development Standards
- Development Agreements
 - Negotiated vesting of rights in exchange for project performance
 - Provides the developer with certainty in return for providing public benefits
- Local assessments
 - Sales tax over rides

Santa Ana Renaissance Specific Plan

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MARKET AND ECONOMIC ISSUES