

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

ADELANTE EASTSIDE REDEVELOPMENT PROJECT

5-YEAR IMPLEMENTATION PLAN

(2010-2014)

REQUIRED BY HEALTH AND SAFETY CODE SECTION 33490

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I. REDEVELOPMENT PROJECT AREA INFORMATION

A. PROJECT AREA CONTEXT AND BACKGROUND

The Adelante Eastside Redevelopment Project Area (Project Area) is located immediately east of downtown Los Angeles along the eastern side of the Los Angeles River. The Project Area, comprising approximately 2,164 acres, is an irregularly shaped area zoned predominately for commercial and industrial uses in portions of Boyle Heights, El Sereno and Lincoln Heights. Generally, the Project Area boundaries include the industrial areas located south of Olympic Boulevard to the Los Angeles City boundary; east of the Los Angeles River to Soto Street; the Golden State and Santa Ana Freeways and Mission Road, north to the San Bernardino Freeway to Main Street; and along Alhambra Road and Valley Boulevard from Soto Street on the west to the City of Los Angeles/City of Alhambra boundary. The Project Area also includes commercial/mixed-use frontages along the major east-west thoroughfares within the Boyle Heights community.

The Redevelopment Plan for the Project Area was adopted by the Los Angeles City Council on March 24, 1999, in part to preserve the industrial and commercial uses within the community through rehabilitation efforts and new construction of buildings. The 5-Year Implementation Plan for the Adelante Eastside Redevelopment Project focuses on the following goals:

- Promote the conservation of the existing housing stock through rehabilitation, where appropriate.
- Promote the development of housing in a wide range of types, prices, rent levels and ownership options to meet the needs of the resident population.
- Provide for the conservation of existing commercial and industrial uses through rehabilitation, revitalization and expansion.
- Increase the supply and improve the quality of commercial retail shopping opportunities and promote the retention and development of a variety of commercial retail and entertainment outlets.
- Encourage the development of an industrial environment that positively relates to adjacent land uses, including an emphasis on the development of industrial parks and industrial operations that are environmentally safe and that expand employment opportunities for residents of the Project Area and adjacent neighborhoods.

B. BLIGHTING OF THE PROJECT AREA

The analysis of physical conditions indicates that there is substantial and prevalent physical blight in the Project Area. There is evidence of one or more physical blight conditions, as defined by the CLR, on over 90% of the parcels in the Project Area.

Structures and properties are largely in deteriorating condition and many buildings are of defective or obsolete design. The age and condition of structures also impacts their effective use because they cannot accommodate current uses without substantial cost for retrofit or adaptive reuse. These factors contribute to unsafe and unhealthy living and working conditions in affected buildings and community corridors.

The economically viable use of many buildings and parcels is inhibited by small parcel sizes, need for building upgrade and rehabilitation, lack of available parking and vehicular circulation deficiencies. Additionally, deteriorating parcel conditions and property characteristics including pervasive vandalism and graffiti and excessive accumulations of debris further impair the economic viability of the area. Economic development is also impaired by numerous incompatible use and shifting land use situations, as well as by concentrations of inadequately sized and irregularly shaped parcels in multiple ownership.

These conditions interact to impede investment in the Project Area and diminish its attractiveness as a place for commerce and living. Taken as a whole, the documented physical conditions indicate that the Project Area is blighted in accordance with the definitions of factors that cause physical blight contained in the CRL. Therefore, a finding can be made that the Project Area is blighted.

C. CRA/LA'S GOALS AND OBJECTIVES FOR THE REDEVELOPMENT PROJECT

Identified below are the goals and objectives in the Adelante Eastside Redevelopment Plan:

Part A. ADELANTE EASTSIDE PROJECT GOALS & OBJECTIVES

General

1. Improve the quality of life for those who live and work in and visit the Project Area through enhanced business, employment, housing, shopping, entertainment, recreational, and educational opportunities.
2. Promote the elimination and prevention of the spread of blight and deterioration, and promote the conservation, rehabilitation, renewal and redevelopment of the Project Area.
3. Encourage the involvement and participation of residents, business owners, property owners and community organizations from the Project Area in the redevelopment of the Project Area.
4. Preserve and increase employment, training, business and investment opportunities through redevelopment programs, and to the greatest extent feasible, promote these opportunities for residents who reside in or adjacent to the Project Area and for businesses that are located in the Project Area.
5. Improve the quality of the environment, promote a positive image for the area and provide a safe and secure environment through mechanisms such as:
 - a. adopting land use standards;
 - b. promoting architectural and urban design standards;
 - c. promoting landscape criteria and planting programs to ensure additional green space;
 - d. promoting sign and billboard standards;

- e. integrating public safety concerns into planning efforts, including but not limited to graffiti abatement, neighborhood beautification, and clean and safe programs;
 - f. Promoting the development of safeguards, programs and controls for the prevention and elimination of noise and air pollution and other environmental hazards.
6. Promote the conservation of existing open space.
 7. Coordinate the revitalization efforts of the City and other governmental entities to provide for necessary public improvements and public facilities.
 8. Promote and encourage the development of facilities for community services such as libraries, police stations, and health and human services programs to meet the needs of those who live and work in the Project Area.
 9. Promote the development of educational, cultural, entertainment and recreational facilities that serve the needs of residents in the Project Area and reflect the ethnicities and cultures of the Project Area.
 10. Support and encourage a circulation system that will improve the quality of life in the Project Area, including pedestrian, automobile, parking, and mass transit systems, with emphasis on serving existing facilities and meeting future needs.
 11. Promote and support the conservation, rehabilitation and appropriate use or reuse of existing buildings, groupings of buildings and other features, especially those having significant historic and/or architectural value, and ensure that new development is sensitive to these features through land use and development criteria.

Housing

12. Promote the conservation of the existing housing stock through rehabilitation, where appropriate.
13. Promote the development of housing in a wide range of types, prices, rent levels and ownership options to meet the needs of the resident population.
14. Promote the development of sound residential neighborhoods through mechanisms such as: land use, density and design standards; public improvements; property rehabilitation; sensitive mixed-use and in-fill housing rehabilitation and development; traffic and circulation programming; and development of open spaces and other services necessary to enable residents to live and work in or adjacent to the Project Area.

Commercial

15. Promote the conservation of existing commercial uses through rehabilitation, revitalization and expansion.
16. Promote a thriving commercial environment, including adequate parking and proper traffic circulation that contributes to neighborhood improvement and positively relates to adequate land uses.

17. Increase the supply and improve the quality of commercial retail shopping opportunities and promote the retention and development of a variety of commercial retail and entertainment outlets.
18. Minimize the proliferation of businesses that have a detrimental effect on the community, such as liquor stores, bars, adult oriented businesses and other similar uses.
19. Promote the availability of publicly and privately funded financial and technical assistance programs to enable existing and new commercial operations to meet community needs and be economically viable.

Industrial

20. Provide for the conservation of existing industrial uses through rehabilitation, revitalization and expansion.
21. Encourage the development of an industrial environment that positively relates to adjacent land uses, including an emphasis on the development of industrial parks and industrial operations that are environmentally safe and that expand employment opportunities for residents of the Project Area and adjacent neighborhoods.
22. Promote the availability of publicly and privately funded financial and technical assistance programs to enable existing and new industrial operations to meet community needs and be economically viable.
23. Promote a BioMedical Technology focus area and facilities next to the expanding LAC+USC Medical Center and USC Health Sciences campus.

II. PROJECT AREA ACCOMPLISHMENTS DURING PREVIOUS 5 YEAR PERIOD

A. CRA/LA ACCOMPLISHMENTS

After its adoption in 1999, the Project Area generated only modest tax increment. Between 2004 and 2009, the period of the previous 5-Year Implementation Plan, CRA/LA activities focused on the following:

1. Commercial and Economic Development

The Project Area's Commercial and Economic Development work objectives were designed to address certain conditions of blight and preserve and expand existing commercial and industrial uses within the Project Area. CRA/LA activities in this regard included the acquisition of vacant or minimally developed parcels, the relocation and expansion of commercial building stock, and explored ways to develop and expand key commercial real estate within the project area. A critical objective of these activities is the provision of local jobs for residents.

The CRA/LA has worked in collaboration with the Project Area Committee and the general community to provide planning, technical and/or financial assistance in a variety of commercial developments and redevelopment activities. Activities have included:

- Exploration of opportunities to acquire the Olympic and Soto site (Sears Boyle Heights store and distribution center), a 20-acre site with potential to become a regional commercial center and mixed-use district.
- Development of the First and Mission Design for Development for a mixed-use transit-oriented development site near the Utah Street Gold Line Station.
- Acquisition of a 1-acre Alameda Corridor Transportation Authority surplus site for development of a job-producing industrial use.
- Acquisition of key parcels near Gold Line expansion stations at 1st and Mission and at 1st and State for future transit oriented commercial or mixed use projects.

2. **Public Improvements**

CRA/LA has invested in public improvements to address public safety concerns, to support commercial and industrial activities, and to make aesthetic improvements in strategic parts of the Project Area. Public Improvements activities include:

- Reconstruction of 11th Street and four intersecting streets in the Olympic Industrial Demonstration Park, a 120-acre industrial area bounded by Olympic Boulevard, Grande Vista Avenue, Union Pacific Railroad R/W, and Soto Street. Working with City forces, improvements consisted of curbs, gutter, sidewalks, street resurfacing, and landscaping on public streets.
- Administration of the Clean and Green Program on Cesar E. Chavez Avenue, implemented by Los Angeles Conservation Corps, to clean up and beautify the historic Chavez commercial corridor and intersecting Soto Street.
- The Neighborhood Stabilization Program, in which the CRA/LA provides public improvements such as repair of sidewalks and curbs, trimming of existing trees, and planting of new trees in residential neighborhoods that abut the Project Area's commercial corridors.

3. **Housing**

The CRA/LA has provided a range of quality housing opportunities for the Project Area's low-income population. In this 5-Year Implementation Plan Period, housing activities addressed the affordable housing needs of the general population as well as for seniors and supportive housing. Housing activities include:

- Acquisition loan to Jovenes, Inc., a local nonprofit organization that provides transitional housing and supportive services such as counseling, education, career development and placement for emancipated youth, for the purchase and rehabilitation of a three-bedroom home known as the Pleasant House.

- American Housing Construction, Inc. has developed a 48-unit, 100% senior citizen apartment building with 44 subterranean parking spaces at 917 S. Boyle Avenue. Coronel Village Senior Housing consists of 40 one-bedroom units, and 8 two-bedroom units, two community rooms, and an exercise room in a three story building.
- Financial assistance to New Economics for Women (NEW) to develop the Vista Monterey Senior Apartments in the community of El Sereno. The project consists of a three story mixed-use affordable residential and commercial project containing 48 one-bedroom units of senior housing and a 1000 square foot commercial space.
- The CRA/LA has provided funding for Predevelopment and land acquisition projects to develop 102 new housing and 22 rehabilitation units within CD14 via a “notice of funding availability” (NOFA) solicitation process. Affordable housing projects may consist of mixed use, new single-family homes and apartments consistent with the provisions of the Adelante Eastside Redevelopment Plan. Funds were used to produce housing that replenished the depleted housing stock and provide for new opportunities for community residents.

4. Community Facilities

In consultation with the PAC, the CRA/LA made strategic investments in community facilities to serve the residents of the Project Area. Activities in the 2005-2009 Implementation Plan period included:

- The CRALA provided in 2007 \$1 million of gap funding towards the purchase and rehabilitation of a historic facility at First Street and Chicago Street. The newly restored Roybal Constituency Center will house the Boyle Heights field office for CD14, as well as a variety of community services and non-profit organizations.

5. Project Financing

The CRA/LA administered the Project’s financial resources and expenditures, including managing debt service obligations.

6. Community Participation

The CRA/LA staffed the Project Area Committee (PAC) established to review and make recommendations to the CRA/LA on activities related to the Adelante Eastside Redevelopment Project Area. The PAC held monthly meetings and annual elections. There are costs involved in providing resources and staffing necessary to maintain a PAC/citizen participation program. These costs include: secretarial and other staff-support, mass mailings, public notices, and development and dissemination of informational material, and translation services for the Spanish speaking members of the community.

7. Project Administration

The operation of a redevelopment project entailed expenditures not linked to specific projects. These activities included administration and permit/CEQA processing; and specific activities that are federal, state, and City Council mandated obligations of the CRA/LA. Other administrative costs included

project operations and technical staff costs, site office facility costs, supplies, equipment, materials, insurance, public hearing/legal, complying with public notification requirements, providing public information, and responding to inquiries from property owners, residents, business operators, citizen participation, and City building permit and environmental review. Additionally, the CRA/LA has continued to administer an assortment of housing revitalization programs in the community of Boyle Heights.

B. OTHER DEVELOPMENTS IN THE PROJECT AREA

During the period of the previous Five-Year Implementation Plan (FY2005 - 2009), a number of other significant developments occurred in the Project Area.

Metro Gold Line Eastside Extension

Los Angeles County Metro's Eastside Extension of the Gold Line Light Rail is a \$900 million project that extends the existing Gold Line from Union Station through Little Tokyo, Boyle Heights, and unincorporated East Los Angeles. Opening in 2009, the extension runs in a subway alignment through Boyle Heights, and includes four stops that are within or directly adjacent to the Project Area.

Metro Transit-Oriented Development Sites

Metro owns six development sites related to the construction of the Gold Line. Through an RFP, Metro has selected two developers for joint development of transit-oriented mixed-use projects.

Hollenbeck Police Station

Los Angeles Police Department is constructed a replacement police station for the Hollenbeck Division at First Street across from the Roybal Constituent Services Center., The 54,000 square foot, \$31 million facility will receive a LEED (Leadership in Energy & Environmental Design) Silver Certificate upon completion.

KIPP LA Prep Charter School

Knowledge is Power Program (KIPP), a national network of over 40 charter schools in 15 states, purchased and adaptively reused a 22,000 square foot industrial building into a state-of-the art middle school for 360 students.

Dynamic Spectrum

Local developer and builder Dynamic Builders redeveloped this 12.6-acre industrial site into a modern industrial park for job-intensive, industrial users. When fully occupied, the project will generate approximately 250 permanent jobs.

Edythe and Eli Broad Center for Regenerative Medicine and Stem Cell Research

This new medical research facility is part of a "research triangle" on University of Southern California's Health Sciences Campus, along with the Zilkha Neurogenetic Institute and the Harlyne J. Norris Cancer Research Tower. The \$80 million, 80,000 square foot facility will house basic and clinical researchers working on stem cell research for the treatment of a wide spectrum of diseases.

LAUSD Mendez Learning Center

The Los Angeles Unified School District developed this 1,200 student Academy-type high school on HACLA and privately owned land located at the northeast corner of First St. and Mission Road, near the Utah Street Gold Line station. When it opens in Fall 2009, the 110,000 square foot Mendez Learning Center will be the first new High School to open in Boyle Heights in 80 years.

White Memorial Medical Center

Located in Boyle Heights since 1913, White Memorial Medical Center underwent a substantial rehabilitation and construction of a new \$134 million Specialty Tower, opened in 2007.

Los Angeles County/USC Medical Center

LAC+USC Medical Center constructed a new state-of the-art, \$1 billion teaching hospital in 2008, to replace the iconic original structure that was inadequate per current fire codes. The new facility consists of three linked buildings: a clinic tower, a diagnostic and treatment tower, and an inpatient tower with beds for 600 patients.

III. ACTIVITY REPORT ON THE FY 2010 – 2014 5-YEAR PLAN PERIOD

1. Industrial Development Program

The CRA/LA proposes to continue the Industrial Development Program to address certain conditions of blight in the Adelante Project Area, i.e., the rehabilitation of the industrial building stock in the area with special focus on upgrading to current building code standards, and the expansion of existing businesses through the development of vacant or underutilized parcels. As noted in Section V of this Report, the Adelante Project Area contains clusters of deteriorating structures requiring moderate or extensive rehabilitation as well as numerous structures, which are in a deferred maintenance condition. CRA/LA activities in this regard may include the acquisition of vacant or minimally developed parcels, the relocation of existing business occupants, the rehabilitation of existing structures, and the eventual sale of properties back to the private sector. The Industrial Development Program is estimated to cost approximately \$10.6 million over the life of the Adelante Project Area of which \$500,000 is estimated to be expended during the Implementation Plan period ("Plan period").

2. Commercial Development Program

The Commercial Development Program addresses certain conditions of blight in the Adelante Project Area. Components of this program are similar to those of the Industrial Development Program, including the acquisition of vacant or underutilized parcels, the expansion of existing businesses, the rehabilitation of the commercial building stock in the area with special focus on upgrading to current building code standards, and the eventual sale of acquired properties back to the private sector. The Commercial Development Program is estimated to cost approximately \$9.4 million over the life of the Adelante Project Area, of which \$2 million is estimated to be expended during the Plan period.

Program activities will include:

EA2150: Olympic Soto Development Site - A catalytic development opportunity, this strategically located 23-acre parcel is designated as a regional commercial center. The redevelopment of this site, together with expansion of the landmark Sears Boyle Heights store, with additional commercial and mixed-income residential is viewed as a central component of the area's revitalization. Activities may include negotiating a purchase price

with the owner based on appraised value of the site and issuing a Request for Proposal for a mixed use development during the Implementation Plan period.

EA2190: 1st & Boyle TOD Site – Acquisition of a Laundromat property through a voluntary sale on the southwest corner of a key intersection at 1st & Boyle. The site is across from the 1st and Boyle Mariachi Plaza Metro Gold line station and developments on the other three respective corners which have construction of two large new commercial developments and the rehabilitation of the historic Boyle Hotel. The property will be marketed by way of a Request for Proposal to mixed-use developers during the Plan period.

EA2750: First & Mission TOD Site – Acquisition of Ocean Seafood property through a voluntary sale that is located within the 1st & Mission TOD site a quarter mile from the 1st & Utah light rail station. The 1st & Mission TOD is a five acre opportunity site located at a key entry to Boyle Heights after crossing the 1st Street bridge and is across from the LAUSD's new Felicitas and Gonzalo Mendez Learning Center and the Pueblo Del Sol/Hope VI housing development. A Request for Proposal will be issued for the purpose of selecting a developer for a mixed-use project during the Plan period.

EA6990: Response to Development Opportunities - Enforcement of the Adelante Eastside Redevelopment Plan provisions, including review of building permits, perform CEQA review and implement Design Guidelines. Respond to unsolicited developer inquiries and identification of potential development opportunities.

Cesar E. Chavez Avenue and Soto Street - A collaboration between the Agency and the MTA is in progress to utilize surplus land at the southeast corner of Cesar E. Chavez Avenue and Soto Street. Reuse alternatives include mixed use commercial that will offer replacement housing as well as new commercial choices that currently do not exist in the community.

3. Public Improvements Program

The Public Improvements Program, which includes transportation, circulation, sewers, utilities and streetscape improvements, is estimated to cost approximately \$6.7 million, of which \$1 million is estimated to be expended during the Plan period.

Program activities will include:

EA2170: Cesar E. Chavez Streetscape Improvements - Under the Cesar Chavez Avenue Action Plan, this objective builds upon pre-design work initiated in FY2009 to identify necessary public improvements and streetscape enhancements to revitalize the Chavez Avenue commercial corridor between Warren Street and Evergreen Avenue. Activities will include city approval of proposed enhancements and implementation of corridor-wide streetscape and public improvements designed by ah'bé Landscape Architects. Improvements will be supported through supplemental street cleaning and graffiti removal services while staff continues to explore the feasibility for establishment of a Business Improvement District along this important commercial district.

EA2180: Whittier Boulevard Action Plan - This objective aims to develop a framework to guide redevelopment activities on Whittier Boulevard. Staff will initiate and complete planning activities to identify opportunities for commercial, residential, or mixed-use development, and assess needs for public improvements and streetscape enhancements. Activities will include design and installation of public improvements, and marketing of key development sites during the Plan period.

EA2210: First Street Action Plan - First Street in Boyle Heights is the recent site of significant public investment, including the Metro Gold Line light rail (with three stations and several staging sites in the Project Area), LAUSD's Felicitas and Gonzalo Mendez Learning Center, LAPD's Replacement Hollenbeck Station, and the City's Boyle Heights Constituent Center. This work objective will develop a plan for public improvements and streetscape work to "fill in the gaps" between the current investments. The goal is to develop an enhanced First Street for neighborhood residents, and as a commercial destination for the larger community. Activities will include planning, design and installation of public improvements during the Plan period.

EA3100: Olympic Industrial District - Program designed to identify projects and area improvements to create an integrated and vibrant industrial park. Initiatives include design and construction of targeted public infrastructure improvements for a 120-acre industrial area. Activities will include implementation of investment options and construction monitoring for infrastructure improvements as necessary during the Plan period.

4. Development Impediments Alleviation Program

In order to encourage private investment in the Adelante Project Area, the CRA/LA proposes to continue the Development Impediments Alleviation Program. This program provides assistance to remove impediments to development, including but not limited to, unnecessary procedural reviews, guidelines and standards which inhibit or unduly burden potential development, toxic and hazardous waste, site preparation, ownership and leasehold entanglements, and other impediments. For purposes of determining the costs to the CRA/LA of the Development Impediments Alleviation Program, it has been assumed the CRA/LA will assist in site preparation and removal of toxics and hazardous materials at potential development sites within the Adelante Project Area. The CRA/LA's involvement is estimated to be approximately \$4.0 million of which \$400,000 is estimated to be expended during the Plan period.

5. Economic Development Program

The Economic Development Program provides for entrepreneurial development and assistance services utilizing existing commercial and industrial space, as well as employment opportunities for area residents. The program also provides low-interest loans and other assistance to developers of commercial and industrial space which will provide appropriate facilities for new and expanding job providers. It is estimated that the Economic Development Program expenditures during the Plan period is estimated to be \$1 million.

Program activities will include:

EA2220: Strategic Land Acquisition – Bond proceeds and tax increment funds will be deposited in this account to acquire strategic land parcels for new industrial and/or commercial development opportunities. Conveyance of the acquired sites will occur through a competitive process.

EA2300: BioMed/Tech Focus Area - The City and County see an opportunity to bring jobs and commercial services to the Eastside by creating a district or focus area for companies and institutions that research and manufacture BioMed Tech products. This objective will target development next to the newly renovated, LAC/USC Medical Center and the USC Health Sciences campus. The focus area will attract and concentrate leading-edge biomed companies and manufacturers and create a range of skilled jobs for Project Area residents. Activities are further described in the Whiteside Five-year Implementation Plan.

EA2760: Washington/Soto Development Site - Formerly owned by the Alameda Corridor Transportation Authority (ACTA), the CRA/LA acquired 1-acre vacant industrial site will be redeveloped into a job-generating industrial use via the issuance of a Request for Development Proposal. Activities will include Brownfield remediation efforts prior to disposition of site for development.

6. Housing Engenderment Program

The CRA/LA will continue utilizing housing set-aside revenues generated from the Adelante Project Area and other housing development and rehabilitation funding sources to preserve, improve or construct affordable housing for residents both within and adjacent to the Adelante Project Area. The CRA/LA, through the Housing Engenderment Program, assists Adelante Project Area property owners through the provision of low-interest loans for minor and major structural rehabilitation for single family and multi-family units. The focus of the rehabilitation effort is on upgrading existing structures to the current building code standards. The CRA/LA also will provide assistance in the construction of affordable, large units in either owner-occupied or rental structures. The total amount anticipated to be expended from housing set-aside revenues (25 percent of Adelante Project Area tax increment) is approximately \$23.3 million of which \$14,450,000 is estimated to be expended during the Plan period.

Program activities will include:

EA1040: Las Margaritas Apartments - Comprised of three scattered sites, this affordable housing development includes rehabilitation of 22 units of existing housing and new construction of 20 units of multifamily affordable housing developed by local non profit organization, the East Los Angeles Community Corporation. Staff activities will include underwriting predevelopment and construction loan, and construction monitoring during the first half of implementation plan period.

EA1050: Cuatro Vientos Apartments - In the community of El Sereno, this multifamily affordable housing development project will provide 25 units of new construction housing on a currently vacant site. Project to be developed by local non profit organization, the East Los Angeles Community Corporation and designed by the firm of Frank Lloyd Wright, Jr. Architects. Staff activities will include underwriting predevelopment, and construction loan and construction monitoring during the first half of implementation plan period.

EA1060: Whittier apartments - Located in the community of Boyle Heights and within the boundaries of the Adelante Eastside Project Area, the Whittier Apartments will consist of 57 new construction units of multifamily affordable housing to be developed by local non profit organization, the Retirement Housing Foundation. Staff activities will include underwriting predevelopment and construction loan, and construction monitoring during the first half of implementation plan period.

EA1070: Boyle Hotel - Rehabilitation of the historic Boyle Hotel by ELA Community Corporation into 51 units of low and moderate -income housing. Staff activities will include underwriting a \$2 million predevelopment and construction loan and construction monitoring during the first half of implementation plan period.

EA1080: 1ST Time Homebuyer Program - This pilot program engages non-profit developers to acquire and rehabilitate vacant, foreclosed single family homes in Boyle Heights, for resale to moderate-income households. CRA/LA will provide qualified buyers up to \$75,000 assistance as a soft second mortgage. Activities will include oversight of property acquisitions, rehabilitation, and resale of homes during the Plan period.

EA1090: Strategic Land Acquisition - Housing trust funds will be deposited in this account to acquire strategic land parcels for purposes of new production of both affordable and ownership units within the Project Area. Conveyance of the acquired sites will occur through a competitive process.

EA1990: Response to Housing Opportunities - Housing Trust funds will be used for acquisition, multifamily rehabilitation and/or construction of new housing within the Project Area as a first priority, but may also fund projects outside the boundaries as permitted. . Affordable housing projects may consist of mixed use, home ownership, rental apartments, etc. consistent with the provisions of the Redevelopment Plan and California Community Redevelopment Law.

7. Other Engenderment Programs

In order to address certain economic blighting conditions, the CRA/LA will continue to facilitate programs which address issues of crime and security within and adjacent to the Adelante Project Area, create jobs, provide training services, enterprise development and assistance services, and create employment opportunities for residents within the Adelante Project Area. In addition, the CRA/LA continues to proposes expenditures on three programs which should benefit both businesses and residents of the Adelante Project Area: (1) a program which would encourage and facilitate appropriate cultural, educational and recreational facilities and services; (2) a program to address issues of crime and security within and adjacent to the Adelante Project Area, including the creation of business improvement districts; and (3) a program of planning to determine the standards, guidelines and specific development activities which are needed in the Adelante Project Area. These programs would enhance the quality of life of the residents in the Adelante Project Area and attract potential clients and customers of commercial and retail businesses. The total cost of these programs is estimated to be approximately \$300,000 of which \$200,000 is estimated to be expended during the Plan period.

8. Adelante Project Area Administration and Ancillary Activities

In addition to the above-mentioned programs, administrative and operating overhead expenditures will be required over the term of the Adelante Project Area. Administrative and operating expenses reflect costs for salaries, technical assistance and enforcement programs, operating services and supplies, and consultant and legal services for both daily operations and project specific implementation. It is estimated that the total expenditures for administration and operations will total approximately \$12.4 million over the life of the Adelante Project Area of which \$100,000 is estimated to be expended during Plan period.

9. Total Estimated Costs of the Redevelopment Program

The combination of total estimated CRA/LA costs to complete the revitalization of the Adelante Project Area, including anticipated costs associated with the program activities described above and administrative expenditures over the term of the Project Area, is approximately \$136.8 million.

IV. AFFORDABLE HOUSING PROGRAM

A. IMPLEMENTATION PLAN REQUIREMENTS

This section of the Implementation Plan presents those components of the CRA/LA's intended program for the Project Area that deal with the expenditure of funds and activities relating to the production of housing affordable to persons and families of low and moderate income. Low and moderate income is defined in the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) ("CRL"). The income levels are published annually by the California Department of Housing and Community Development, and are generally defined as follows:

Income Category	% of Median Income Range for Applicable Household Size	Section¹
Moderate	80% to 120%	50093
Low	50% to 80%	50079.5
Very-Low	Less than 50%	50105

The CRL provides that, in addition to the removal of blight, a fundamental purpose of redevelopment is to expand the supply of low and moderate income housing (Section 33071). To accomplish this purpose, the CRL contains numerous provisions to guide redevelopment agency activities with regard to low and moderate income housing. This section of the Implementation Plan addresses how the CRA/LA's plans for the Project Area will achieve many of the housing responsibilities contained in the CRL. This Implementation Plan addresses the applicable items presented in the list below.

1. Production of Housing Based on Activities in the Project Area

- a. At least 30% of all new and substantially rehabilitated dwelling units developed by the CRA/LA shall be available at affordable housing cost to persons and families of low and moderate income and shall be occupied by these persons and families (Section 33413(b)(1)). Not less than 50% of the dwelling units required to be available at affordable housing cost to, and occupied by, persons and families of

¹ All referenced sections are found in the California Health and Safety Code.

low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households;

- b. At least 15% of all new and substantially rehabilitated residential dwelling units developed within the Project Area by public or private entities or persons other than the CRA/LA shall be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2)). Not less than 40% of the dwelling units required to be available at affordable housing cost to, and occupied by, persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households.; and
- c. If this Implementation Plan contains a project that will result in destruction or removal of low and moderate income units that will have to be replaced pursuant to CRL Section 33413(a), this Implementation Plan shall identify proposed locations suitable for those replacement dwelling units (Section 33490(a)(3)).

2. Set-Aside and Expenditure of Tax Increment for Housing Purposes

- a. The “Set-Aside” of 20% of tax increment in projects adopted on or after January 1, 1977 (Section 33334.2); and
- b. The proportional expenditure of housing funds on low and very-low income housing and population under 65 (Section 33334.4).

This Implementation Plan also discusses to the extent applicable:

- Estimates of the balances and deposits into the Housing Fund created to hold the Set-Aside of tax increment;
- A housing program identifying anticipated expenditures from the Housing Fund;
- An indication of housing activity that has occurred in the Project Area; and
- Estimates of housing units that will be produced for each of the various income categories.

All of the information required by Article 16.5 of the CRL is provided in the following sections of this Implementation Plan.²

² It should be noted that Section 33333.10 does not apply, as the Project Area has not been amended under the provisions of SB 211, which allows a 10-year extension of effectiveness upon making findings of significant remaining blight in the Project Area.

B. HISTORICAL AFFORDABLE HOUSING ACTIVITIES

The Project Area was adopted in March 1999. Between March 1999 and June 2009, the CRA/LA facilitated and funded programs that produced 192 affordable housing units within the Project Area

Project Name	Year Built	Project Type	Number of Units	Number of Affordable Units	Covenant Period
Paseo del Sol	2004	MFH	7	7	55
Pleasant House	2005	MFH	1	1	55
Colonia Jess Lopez	2001	Senior	88	88	55
Coronel Village	2005	Senior	48	48	55
4651 Huntington, L.P.	2007	Senior	48	48	55
Totals			192	192	

C. HOUSING GOALS AND OBJECTIVES OF IMPLEMENTATION PLAN

The primary goal of the CRA/LA is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. The CRL establishes that certain housing requirements be attained during five and 10-year increments. The inclusionary housing production requirements set forth in CRL Section 33413(b) and the proportionality expenditure requirement in CRL Section 33334.4(a) must be achieved every ten years, however, the first time period shall be extended by two years to cover the time period between January 1, 2002 and December 31, 2014, and then again in 10-year increments throughout the Project Area life. It is the CRA/LA's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures to comply with the applicable requirements. The following section will discuss housing activities planned for the Five-Year Implementation Plan period.

1. Affordable Housing Resources

The following presents the estimated available cash flow for affordable housing purposes over the next five years of this Implementation Plan. The estimated deposits are based on a tax increment projection prepared by the CRA/LA along with other sources of revenues identified by CRA/LA staff. Estimated Housing funds available for affordable housing projects include the following:

- a. Twenty-five percent (25%) of the estimated gross tax increment for the Project Area³;
- b. Sale of land owned by the CRA/LA;
- c. Residual receipt revenue to the CRA/LA;
- d. Other loan repayments to the CRA/LA;
- e. Estimated future bond proceeds;
- f. Cash reserves from previous fiscal years; and
- g. Interest Income.

³ Only the CRL-required twenty percent (20%) Set-Aside may be subject to the requirements in the CRL for use of Set-Aside funds.

The total projected revenues that are estimated to be deposited into the Housing Fund during the Implementation Plan period as follows:

	Implementation Plan Period
Beginning Balance	\$ 4,354,000
Property Tax Increment	13,507,000
Interest Income	104,000
Bond Proceeds	2,752,000
Total Projected Revenues	\$ 20,717,000

Actual revenues may vary depending on various factors, such as lower-than-projected tax increment or postponement of anticipated bond issuance due to market conditions.

2. The Housing Program and Housing Fund Expenditures

The CRA/LA over the next five years will continue to implement projects, which will provide affordable housing opportunities within the Project Area. The following summarizes how the CRA/LA will assist projects during the next five years:

Project Name	Description	Affordability Mix	Estimated Completion	Estimated Housing Fund Expenditures
Las Margaritas	MFH – 33	Very Low	2012	
Las Margaritas	MFH – 8	Low	2012	\$ 2,500,000
Cuatro Vientos	MFH – 20	Very Low	2012	
Cuatro Vientos	MFH – 4	Low	2012	1,500,000
Whittier	MFH – 39	Very Low	2012	
Whittier	MFH – 17	Low	2012	3,000,000
Boyle Hotel	MFH – 15	Very Low	2013	
	MFH – 17	Low	2013	
	MFH – 18	Moderate	2013	3,000,000
T.O.D.	MFH – 100	Low	2013	3,500,000
BH Home ownership	Homebuyer -18	Moderate	2013	1,350,000
TOTAL	289			\$ 14,450,000

a. Administration

Administration includes costs for professional services and other administrative costs incurred in the course of operating the housing activities of the Project Area. This category is used for general administration costs not associated with any specific project or program, such as annual audits and legal services. Project-specific administrative costs are included within the budget of each project or program.

b. Bond Debt Service

The CRA/LA will continue to make principal and interest payments on past and future tax allocation bonds. The annual debt service is/would be secured by Housing Fund revenues generated from tax increment.

The total projected expenditures of Housing Fund revenues are estimates only and will not exceed actual revenues during the Implementation Plan period is as follows:

	Implementation Plan Period
Projects & Programs	\$14,450,000
Administration	2,387,000
Debt Service	3,873,000
Total Expenditures	\$20,710,000

3. Summary of Planned Housing Activity

The table below provides the starting balance, expected deposits and expenditures of the Housing fund over each of the next five years.

	FY2010	FY2011	FY2012	FY2013	FY2014
Starting Balance	4,354,000	\$6,891,000	\$6,591,000	\$6,386,000	\$6,277,000
Amount to be Deposited	5,427,000	2,590,000	2,685,000	2,781,000	2,880,000
Estimate of Expenditures	(2,890,000)	(2,890,000)	(2,890,000)	(2,890,000)	(2,890,000)
Ending Balance	\$6,891,000	\$6,591,000	\$6,386,000	\$6,277,000	\$6,267,000

The table below is the proposed housing program for the Project Area, with estimates of numbers of units and proposed expenditures over each of the next 5 years, by unit type.

	FY2010	FY2011	FY2012	FY2013	FY2014
New Units #	44	44	44	44	44
Proposed Expenditure	\$2,220,000	\$2,220,000	\$2,220,000	\$2,220,000	\$2,220,000
Rehabilitated Units #	14	14	14	14	13
Proposed Expenditure	\$670,000	\$670,000	\$670,000	\$670,000	\$670,000
Price Restricted Units #	0	-0-	-0-	-0-	-0-
Proposed Expenditure	-0-	-0-	-0-	-0-	-0-
Total Unit #	100	48	47	47	47
Total Proposed Expenditures	\$2,890,000	\$2,890,000	\$2,890,000	\$2,890,000	\$2,890,000

Total units during implementation plan period (2010 – 2014): 289

D. **APPLICABLE LOW AND MODERATE INCOME HOUSING REQUIREMENTS**

1. Replacement Housing Obligation

To the extent required by CRL Section 33413(a), the CRA/LA is required to meet replacement housing obligations. This Section requires the CRA/LA to replace, on a one-for-one basis, all

units removed from the affordable housing inventory as a result of certain agreements with or assistance by the CRA/LA. The replacement units must be replaced within four years of removal or destruction. In addition to matching the income levels of the removed or destroyed units, the CRA/LA must also replace an equal or greater number of bedrooms.

The units that are removed or destroyed from the inventory may be replaced with fewer units as long as an equal or greater number of bedrooms are provided in the replacement units. Replacement housing units do not have to match tenure (i.e., rental vs. ownership, family vs. senior housing) as the units removed from inventory. Also, replacement units can be developed anywhere within the City limits. Article 16.5 of the CRL requires that if an implementation plan contains projects that could result in the removal of low and moderate income housing units, the plan must identify locations suitable for the replacement of such housing.

a. Past Removal of Low-Mod Income Units

There were no low and moderate units removed or destroyed as described in CRL Section 33413(a) in either of the previous Implementation Plan periods.

b. Future Removal of Low-Mod Income Units

Project Name	Unit Address	Income Category	Number of Units/Bedrooms	Estimated Removal Date
Boyle Hotel	101 N. Boyle St.	Low; Very Low	16/16	2010

c. Replacement Housing Obligation

The CRA/LA's replacement housing obligation must be calculated based on the number of bedrooms included in the units that are removed from the inventory. The outstanding obligation is summarized in the following table:

Unit Type	Very-Low Income		Low Income		Moderate Income		Total	
	Units	Bdrms	Units	Bdrms	Units	Bdrms	Units	Bdrms
Studios	6	6	2	2			8	8
One-Bdrm	6	6	2	2			8	8
Two-Bdrms	0	0					0	0
Three-Bdrms	-0-	-0-					-0-	-0-
Four-Bdrms	-0-	-0-					-0-	-0-
Totals	12	12	4	4			16	16

d. Replacement Housing Fulfillment

To fulfill the Implementation Plan period replacement housing obligation, the CRA/LA has identified the following projects:

		Income	Number of	Estimated Completion

Project Name	Unit Address	Category	Bedrooms	Date
Whittier Apts	3555 Whittier Blvd	Low, Very Low	16	2013

The estimated replacement housing units that will be completed during the Implementation Plan period to fulfill the CRA/LA's outstanding obligation is summarized in the following table:

Unit Type	Very-Low Income		Low Income		Moderate Income		Total	
	Units	Bdrms	Units	Bdrms	Units	Bdrms		
Studios	6	6	2	2				8
One-Bdrm	6	6	2	2				8
Two-Bdrms								
Three-Bdrms								
Four-Bdrms								
Totals	12	12	4	4	0	0		16

The following summarizes the replacement housing surplus calculated on the basis of number of bedrooms for the Implementation Plan period:

	Very-Low Income		Low Income		Moderate Income		Total	
	Units	Bdrms	Units	Bdrms	Units	Bdrms	Units	Bdrms
Fulfillment	12	12	4	4			16	16
Obligation	12	12	4	4			16	16
Surplus	0	0	-0-	-0-			0	0

As illustrated in the preceding table, the CRA/LA will fulfill the 16 unit, 16 bedroom replacement housing obligation.

2. Inclusionary Housing

The CRA/LA is required to comply with the affordable housing unit inclusionary housing or production requirements imposed by Section 33413(b). To determine the number of units that must be developed in order to comply with this requirement, and to identify how much of this requirement will be satisfied by the activities included in this Implementation Plan, a brief review of past and anticipated housing development activity in the Project Area is presented below. It should be noted that the CRA/LA has not produced and does not anticipate producing any housing units directly and therefore CRL Section 33413(a) is not applicable.

c. Past Development of Housing in Project Area (1999 - 2009)

One hundred ninety-two (192) housing units were substantially rehabilitated or developed within the Project Area in the 1999 – 2009 period. These units were produced by the following projects: 4651 Huntington LP, a 48-unit senior housing project Coronel Village, a 48-unit senior housing project, Colonia Jess Lopez, an 88-unit senior housing project, , Paseo del Sol , a 7-unit multifamily rehabilitation project and Pleasant House, a one (1) single family home rehabilitated for use as a transitional housing for emancipated youth. The Inclusionary unit obligation for this period was 29 units which was easily met and exceeded since all of the 192 units developed or substantially rehabilitated were targeted to households with very low incomes (144 units or 75%) and households with low incomes (48 units or 25%).

d. Current and Future Housing Construction Activity in Project Area

Approximately 289 units are in the process of being substantially rehabilitated or developed within the Project Area during the Implementation Plan period 2010-2014 of which 69 units will be substantially rehabilitated.

e. Inclusionary Housing Obligation

The Section 33413(b) inclusionary housing requirements triggered by historical and projected development in the Project Area from March 1999 through the life of the Project Area, or 2030, are as follows:

	Units Constructed	Total Inclusionary Obligation (15%)	Very-Low Income Obligation (40% of 15% Total Obligation)	Low or Moderate Income Obligation (60% of 15% Total Obligation)
Implementation Plan Obligation (1999 - 2004)	95	14	6	8
Implementation Plan Obligation (2005 - 2009)	97	15	6	9
Implementation Plan (2010 - 2014)	289	43	17	26
Implementation Plans (2015 - 2030)	148	22	9	13
Life of Plan (1999 - 2030)	629	94	38	56

Note: all above units will be affordable housing units.

Therefore, the inclusionary housing obligation from 1999 to 2014 is seventy-two (72) units. Hence, will have met and exceed the inclusionary housing obligation during this same period in as much as a total of 491 units have been developed (95 during 1999-2004; 97 during 2005-2009; and 289 proposed during 2010-2014). The estimated maximum inclusionary housing obligation for the Project Area for the life of the Project Area is estimated at 94 units; as shown above, a total of 629 units will be developed in the course of the life of the Plan.

f. Inclusionary Housing Fulfillment

Fourteen (14) inclusionary production units were added to the Project Area during 1999-2004 Plan period and an additional fifteen (15) inclusionary production units were added to the Project Area during the 2005-2009 Plan period. Therefore, as of June 2009, the CRA/LA has produced twenty-nine (29) inclusionary fulfillment units. The Inclusionary housing obligation for the period 1999-2004 was fulfilled with the development of 95 very low income units. Additionally, the Inclusionary housing obligation for the period 2005-2009 was fulfilled with the development of 97 very low and low income units.

The following affordable projects are anticipated to be constructed during the 2010-2014 5-Year Implementation Plan period.

Project Name	Description	Affordability Mix	Estimated Completion	Estimated Housing Fund Expenditures
Las Margaritas	MFH – 33	Very Low	2012	
Las Margaritas	MFH – 8	Low	2012	\$ 2,500,000
Cuatro Vientos	MFH – 20	Very Low	2012	
Cuatro Vientos	MFH – 4	Low	2012	1,500,000
Whittier	MFH – 39	Very Low	2012	
Whittier	MFH – 17	Low	2012	3,000,000
Boyle Hotel	MFH – 15	Very Low	2013	
	MFH – 17	Low	2013	3,000,000
	MFH – 18	Moderate	2013	
T.O.D.	MFH – 52	Very Low		
	MFH – 48	Low	2013	3,500,000
BH Home ownership	Homebuyer -18	Moderate	2013	1,350,000
TOTAL	289			\$ 14,450,000

The remaining 43 units of the inclusionary housing obligation for the period 2010-2014 will be fulfilled and exceeded by the proposed development of 289 units of very low, low, and moderate income units as shown above.

The following table summarizing the inclusionary housing status of the low and moderate income housing production requirements imposed by Section 334113 (b) for the life of plan.

	Very-Low Income Units	Low / Moderate Income Units	Total Affordable Units
1999-2004 Obligation	6	8	14
1999-2004 Production	95	0	95
2005-2009 Obligation	6	9	15
2005-2009 Production	49	48	97
2010-2014 Obligation	17	26	43
2010-2014 Production	159	130	289
2015-2030 Obligation	9	13	22
2015-2030 Production	90	58	148
Life of Plan Obligation	37	57	94
Life of Plan Production (A)	393	236	629
Total Obligation(B)	37	57	94
Inclusionary Surplus (A-B)	356	179	535

Thus, the CRA/LA is anticipated to meet the low and moderate income housing production requirements imposed by Section 33413(b)

E. USE OF LOW AND MODERATE INCOME HOUSING FUND

1. Set-Aside of Tax Increment

The Project Area is subject to the Section 33334.2 requirement to allocate 20% of the gross tax increment (Set-Aside) to affordable housing activities. The Set-Aside is required to be deposited into a Housing Fund created to hold monies until expended. The projections of deposits into the Housing Fund are discussed in the following section of the Implementation Plan.

2. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the CRA/LA expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 31, 2014, and then again at 10-year intervals throughout the remaining life of the Project Area. These tests do not have to be met on an annual basis nor are they applied to unit production.

a. Net Housing Fund Proceeds

To estimate the amount of proceeds that will be available for expenditure between January 1, 2002 and December 31, 2014, the following table illustrates the assumptions and calculation:

Fiscal Year	Tax Increment Deposits	Other Deposits⁴	(Less) Administrative Expenses	(Less) Debt Service Payments	Net Housing Fund Proceeds
1/1/02 - 6/30/02	173,000	1,264,000	-50,000	0	\$1,387,000
2002/03	535,000	11,000	-197,000	-160,000	\$189,000
2003/04	669,000	12,000	-298,000	-149,000	\$234,000
2004/05	843,000	29,000	-135,000	-148,000	\$589,000
2005/06	1,985,000	1,994,000	-259,000	-315,000	\$3,405,000
2006/07	1,257,000	3,037,000	-322,000	-294,000	\$3,678,000
2007/08	2,008,000	273,000	-381,000	-537,000	\$1,363,000
2008/09	2,272,000	61,000	-437,000	-537,000	1,359,000
2009/10	2,657,000	2,770,000	-450,000	-538,000	4,439,000
2010/11	2,570,000	20,000	-463,000	-835,000	1,292,000
2011/12	2,664,000	21,000	-477,000	-833,000	1,375,000
2012/13	2,759,000	22,000	-491,000	-833,000	1,457,000
2013/14	2,857,000	23,000	-506,000	-834,000	1,540,000
7/1/14 – 12/31/14	1,478,000	12,000	-260,590	-419,000	810,410
Net Housing Proceeds	24,727,000	9,459,000	-4,726,590	-6,432,000	\$23,117,410

As shown above, a total of \$23,117,410, of net proceeds are estimated to be deposited into the Housing Fund between January 1, 2002 and December 31, 2014.

b. Very-low and Low Income Housing Expenditures

The income proportionality test requires that the CRA/LA expend Housing Funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on information contained within the City's General Plan. Based on the City's General Plan, the City's minimum required allocation for very-low and low income expenditures, and maximum moderate income housing expenditures are:

⁴ These deposits include land sales, residual receipts revenues, loan repayments, bond proceeds and fund balances confirmed from January 1, 2002 up to June 30, 2009 and estimated after June 30, 2009.

Category:	Housing Need ⁵	Threshold
Very-Low Income	17,990	At least 43%
Low Income	10,416	At least 23%
Moderate Income	11,314	At most 34%

It should be noted that the CRA/LA is entitled to expend a disproportionate amount of the funds for very-low income households by reducing a commensurate amount from the moderate income threshold amount. Similarly, the CRA/LA can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate income households. In no event can the expenditures targeted to moderate income households exceed the established threshold amount.

As shown above, a total, \$23,117,410 of net proceeds are estimated to be deposited into the Housing Fund between January 1, 2002 and December 31, 2014. These funds must comply with the following distribution formulas:

Minimum Estimated Expenditure on Very-Low Income Units @ 43%	\$9,940,486
Minimum Estimated Expenditure on Low Income Units @ 23%	\$5,317,004
Maximum Estimated Expenditure on Moderate Income Units @ 34%	\$7,859,920

As of the end of fiscal year 2009, the CRA/LA will have spent the following net proceeds by category:

January 1, 2002 – FY 2009	Actual Expenditures	As a % of Requirements
Very-Low Income	\$3,538,000	36%
Low Income	\$1,326,000	25%
Moderate Income	\$436,000	6%
Total Expenditures	\$5,300,000	23%

The CRA/LA plans to expend the following net proceeds by category during the Implementation Plan period:

Implementation Plan Period	Planned Expenditures	As a % of Requirements
Very-Low Income	\$7,800,000	78%
Low Income	\$4,300,000	81%
Moderate Income	\$2,350,000	30%
Total Expenditures	\$14,450,000	63%

Therefore, the following summarizes the remaining net proceeds to be spent by December 31, 2014, by category.

	Estimated Net Proceed Expenditure Requirements	(Less) Actual Expenditures	(Less) Implementation Plan Expenditures	Balance to Spend by December 31, 2014
Very-Low Income	\$9,940,486	(\$3,538,000)	(\$7,800,000)	-\$1,397,514
Low Income	\$5,317,004	(\$1,326,000)	(\$4,300,000)	-\$308,996
Moderate Income	\$7,859,920	(\$436,000)	(\$2,350,000)	\$5,073,920

⁵ Source: Regional Housing Needs, 1998-2005, adopted by Southern California Association of Governments, Regional Council, on November 2, 2000.

Total Expenditures	\$23,117,410	(\$5,300,000)	(\$14,450,000)	\$3,367,410
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The CRA/LA plans to spend \$14,450,000 of the net housing proceeds for housing projects listed under Section IV. D-2(f) during the 5-year Plan period and will expend any additional or unanticipated housing funds if any on other new projects that may arise during the period ending December 31, 2014. The Agency anticipates expending all the housing fund balances sufficient to meet its obligation to allocate at least 43% of the Housing Fund project and program expenditures to very-low income households, at least 23% of the funds to low income households and no more 34% of the funds to moderate income households. It is likely that any balances not used up by the moderate income category before December 31, 2014, will be spent on projects targeting the very low and low income categories. Thus, the CRA/LA anticipates exceeding the income targeting standards imposed by Section 33334.4(a).

c. Age Restricted Housing Expenditures

Section 33334.4 also requires that the CRA/LA assist housing that is available to all persons, regardless of age, in at least the same proportion as the households earning below 80% of the median income and under age 65 bears to the City's total households earning below 80% of the median income. The 2000 Census indicates that 80% of the CRA/LA expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents.⁶ Therefore, the maximum proportion of the net Housing Fund proceeds that the CRA/LA may spend on age restricted projects is 20%.

As shown above, a total \$23,117,420 of net proceeds are estimated to be deposited into the Housing Fund between January 1, 2002 and December 31, 2014. These funds must comply with the following distribution formulas:

Maximum Estimated Expenditure on Age Restricted Projects @ 20%	\$4,923,484
Minimum Estimated Expenditure on Non-Age Restricted Projects @ 80%	\$18,493,936

As of the end of fiscal year 2009, the CRA/LA will have spent the following net proceeds by category:

January 1, 2002 – FY 2009	Actual Expenditures	As a % of Requirements
Age Restricted Projects	\$2,606,336	53%
Non-Age Restricted Projects	\$2,693,664	18%
Total Expenditures	\$5,300,000	23%

Therefore, the following summarizes the remaining net proceeds that must be spent by December 31, 2014, by category:

	Estimated Net Proceed Expenditure Requirements	(Less) Actual Expenditures	(Less) Implementation Plan Expenditures	Balance to Spend by December 31, 2014
Age Restricted Projects	\$ 4,923,484	(2,606,336)	- 0 -	\$2,317,148
Non-Age Restricted Projects	\$18,493,936	(\$2,693,664)	(\$14,450,000)	\$1,350,272

The CRA/LA plans to expend the remaining estimated Housing Funds so that at the end of 2014 it has exceeded its obligation to allocate at least 80% of the Housing Fund project and

⁶ CHAS data provided by the United States Housing and Urban Development Department. A total of 116,975 of the 580,977 total households earning below 80% of the median are designated as senior citizen households.

program expenditures to under age 65 households and not more than 20% of net Housing Fund proceeds on age restricted housing developments. Thus, the CRA/LA anticipates meeting the age proportionality expenditure requirements imposed by Section 33334.4(b).

F. CRA/LA COMPLIANCE BY END OF EFFECTIVENESS OF PLAN

Not Applicable.

V. PLAN TIME LIMITS

CRA/LA expects the Plan time limits to expire in the following respective fiscal years:

- a. Time limit on use of eminent Doman; March 24, 2011 (FY 2010 - 2011);
- b. Time limit on incurring indebtedness: March 24, 2019 (FY 2018 - 2019);
- c. Expiration of effectiveness of Redevelopment Plan: March 24, 2030 (FY 2029 - 2030);
- d. Time limit on receipt of tax increment to repay debt: March 24, 2045 (FY 2044 - 2045).

VI. NEXT STEPS

Pursuant to the requirements of the CRL, the CRA/LA will hold a public hearing on the progress on provision of housing and non-housing projects and programs for the Project Area between the second and third year of the Five Year Implementation Plan Report period 2010 - 2014. This progress public hearing will, therefore, occur in Fiscal Year 2012, which starts July 1, 2012, and ends June 30, 2013.

Project Area Map "Exhibit A" follows.