



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

**LAUREL CANYON COMMERCIAL CORRIDOR REDEVELOPMENT PROJECT AREA**

**AMENDED AND RESTATED 5-YEAR IMPLEMENTATION PLAN  
FOR FISCAL YEARS 2010-FY2014**

**REQUIRED BY HEALTH AND SAFETY CODE SECTION 33490**

**AMENDED: MARCH 17, 2011**

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## I. INTRODUCTION

California Health & Safety Code Section 33490 requires that redevelopment agencies adopt a Five-Year Implementation Plan demonstrating how the goals and objectives, proposed programs and projects, and planned expenditures for their project areas will lead to the elimination of blight and implement low- and moderate-income housing requirements. This Implementation Plan amends and restates the 5-year Implementation Plan adopted by the CRA/LA for the Project Area on May 5, 2009 by adding additional proposed activities related to economic development and public improvements (Section IV) to the specific goals and objectives of the CRA/LA for the Project Area for fiscal years 2010-2014 (July 1, 2009 through June 30, 2014).

### A. THE PROJECT AREA

The 248-acre Earthquake Disaster Assistance Project for the Laurel Canyon Commercial Corridor (the "Project Area") is located northwest of the North Hollywood Redevelopment Project in the east San Fernando Valley. The Project Area generally follows Laurel Canyon Boulevard from Burbank Boulevard to Vanowen Street, as shown on the map attached as Exhibit A. Laurel Canyon and Victory boulevards are the primary commercial corridors within the Project Area.

The Earthquake Disaster Assistance Project for the Laurel Canyon Commercial Corridor Redevelopment Plan ("Redevelopment Plan") was adopted on December 9, 1994. It has been amended four times since adoption. A fifth amendment is currently being processed. The current expiration dates are shown below in Table 1, along with the new dates that will be in effect once the fifth amendment is adopted.

**Table 1: Expiration Dates**

	<b>Current Expiration</b>	<b>Expiration After Amendment</b>
The time limit for the effectiveness of the redevelopment plan	12/9/2009	12/9/2027
Commencement of eminent domain proceedings to acquire property within the project area	No authority	12 years from adoption by City Council of amended redevelopment plan
Establishment indebtedness to finance the redevelopment project	12/9/2009	12/9/2024
Receipt of tax increment	12/9/2042	12/9/2042

Amended rules governing participation by property owners and preferences for business occupants to re-enter were adopted in April 1998.

The amendment will also increase the limitation on the amount of bonded indebtedness from the current level of \$25,000,000, to \$50,000,000 to fulfill the goals, objectives and requirements of the redevelopment plan.

Finally, the amendment will change the name of the Redevelopment Plan from “Earthquake Disaster Assistance Project for the Laurel Canyon Commercial Corridor” to “Laurel Canyon Commercial Corridor Redevelopment Plan”.

## II. PROJECT OBJECTIVES

The objectives of this Project with respect to the Project Area are the undertaking, carrying out, or approval of programs and projects to maintain, repair, restore, demolish, or replace damaged buildings, structures, areas or facilities or buildings, structures, areas or facilities exhibiting blighting conditions. To this end, the following objectives are sought:

1. The provision of financial and technical assistance to owners and tenants of damaged residential, commercial and other real property and improvements or properties exhibiting blighting conditions.
2. The maintenance and promotion of private sector investment within the Project Area to prevent the loss of and to restore commercial and industrial sales activity.
3. The retention and restoration of a thriving commercial district by means of redevelopment activities by encouraging and assisting the cooperation, and participation of owners, businesses, non-profit and local development corporations and public agencies in the recovery of the Project Area.
4. The development of programs and projects that encourage owner participation, and which encourage tenants to re-enter buildings that have been reconstructed or newly developed during implementation of this Plan.
5. The improvement of the quality of life and the environment, and the promotion and preservation of a positive image and safe environment for the community.
6. The achievement of an environment reflecting a high level of concern for architectural, landscape, and urban design and land use principles appropriate for attainment of the objectives of the Plan.
7. The preservation of the area's existing employment base and the restoration of local job opportunities affected by the Earthquake and blighting conditions.
8. The redevelopment of areas which are damaged, stagnant or adversely impacted as a result of the Earthquake or other blighting conditions.
9. The repair or amelioration of the vehicular circulation systems; water, and storm drain systems; off-street parking; and other similar public improvements, facilities and utilities whose deficiencies adversely affect the Project Area's redevelopment.
10. The replacement and improvement of the community's supply of housing (inside or outside the Project Area), including opportunities for low- and moderate-income households, multiple family housing and areas with concentrated damage.

11. The preparation of planning and implementation programs focused on the need to facilitate the reconstruction and recovery of residential and commercial areas, particularly where damage or blight is concentrated.
12. The provision of input from affected property owners, residents, businesses and community organizations, with the assistance of the Council Offices to insure wide-spread public information and input as recommendations for redevelopment are prepared for City Council consideration.
13. The development of programs that would create incentives and support services to involve community organizations, such as non-profit developers, in redevelopment and revitalization activity. First priority of all such programs will be given to local persons who reside in the Project Area or persons or entities who own property or businesses in the Project Area.
14. The promotion and encouragement of the retention and redevelopment of all segments of the arts and recreation community as valuable parts of the Project Area, as well as the support facilities necessary to foster the arts and recreation.

### **III. UPDATE ON ACTIVITIES PROJECTED IN THE PREVIOUS 5-YEAR PERIOD**

#### **A. ECONOMIC DEVELOPMENT**

##### **Development of Valley Plaza**

Redevelopment of an approximately 23-acre regional shopping center including approximately 700,000 square feet of retail and entertainment space, parking and related streetscape improvements. The project also includes relocation of a portion of Valley Plaza Park to the Laurel Plaza site.

The developer is requesting assistance with gap financing and site assemblage. The CRA/LA continues to work with the developer and community.

#### **B. PUBLIC IMPROVEMENT**

##### **Valley Plaza Streetscape**

Program includes street and sidewalk improvements along Laurel Canyon and Victory boulevards and Erwin Street.

CRA/LA directed the preparation of conceptual plan drawings for street and sidewalk improvements. The conceptual plan includes landscaped medians, new street trees, improved lighting and crosswalks and new district signage.

## **C. STRATEGIC PLANNING**

### **Plan Amendment**

Amendment to the redevelopment plan to allow for the full breadth of redevelopment authority to assist and assemble the Valley Plaza Shopping Center site.

An Environmental Impact Report (EIR) is one of the requirements for amendment to a redevelopment plan. The Final EIR was certified by the CRA/LA Board of Commissioners on February 19, 2009. Adoption of the Plan Amendment by the CRA/LA Board and the City Council is scheduled to be completed by May 2009.

## **D. OTHER**

### **Project General**

The costs are related to the administration of the project, including technical, legal, and administrative services and other community related services, including maintaining a site office, complying with public notification requirements, providing public information, and responding to inquiries from developers, property owners and others.

### **AB 1290 Work Program**

Program mandated by the State of California. Applies to redevelopment project areas created on or after January 1, 1994, as well as those project areas amended after that date. Tax increment that would otherwise be transferred to the City is held by CRA/LA and is used at the discretion of the Council Office having jurisdiction over the affected project area.

Funds are spent on existing CRA/LA work objectives or other activities in the Council District deemed consistent with redevelopment purposes. Two projects received funding in the last five years:

- 1) Services to support transitional living programs at Sidney M. Irmas Transitional Living Center and at Valley Shelter (Fiscal Year 2005).
- 2) Recreation playground equipment for Valley Plaza Park (Fiscal Year 2006).

### **Project Financing**

CRA/LA staff administered the Project's financial resources and expenditures, including payment of debt service obligations.

### **Educational Revenue Augmentation Funds**

Program mandated by the State of California to offset budget shortfall. Payments made in fiscal years 2005 and 2006.

## **E. HOUSING**

### **Response to Housing Opportunities**

Program provides for monitoring construction activity, evaluating development proposals, and providing technical and financial assistance to developers when appropriate and beneficial to the Project Area.

During the last period, staff met with developers to discuss possible housing developments in the Project Area.

Additionally, Three Courtyards, a new housing development, was funded during the period. The development will provide 51 family apartment units for households from very low- to moderate-income levels and one unrestricted manager's unit. Fifteen (15) units will be set-aside for survivors of domestic violence coming out of various emergency shelters. CRA/LA assistance to this project totaled \$2,245,514. Construction of this project commenced in December 2008 and is anticipated to be completed in the summer of 2010.

## **IV. ACTIVITIES PROPOSED FOR 2010-2014**

This section describes potential projects and estimated expenditures proposed to be made during fiscal years 2010-2014. Each program description includes an explanation of how the activities will eliminate blight within the Project Area.

### **A. ECONOMIC DEVELOPMENT**

#### **Development of Valley Plaza - \$4,000,000**

This program promotes the redevelopment of an approximately 23-acre regional shopping center, parking, and related streetscape improvements.

CRA/LA assistance may include gap financing and parcel assemblage. The project may include reconfiguration or relocation of a portion of Valley Plaza Park.

The program eliminates blight by revitalizing a key commercial corridor in the community, and by restoring the Valley Plaza Shopping Center to full economic viability thereby strengthening the vitality of the area and creating expanded employment opportunities.

#### **Laurel Canyon Commercial Façade Improvement Program- \$875,000**

This program promotes economic development in the Project Area through the provision of \$35,000 per façade and a maximum of \$140,000 per Applicant in conditional grants to Property Owners and/or Tenants of commercial businesses located within specified Target Areas in the Project Area.

The program eliminates blight by coordinating redevelopment efforts with local businesses to revitalize the Project Area's key commercial corridors. Investment in the Project Areas commercial corridors allows for the retention and restoration of a thriving commercial district by means of redevelopment activities and encouraging and assisting the cooperation, and participation of owners and local businesses in the recovery of the Project Area.

#### **Business Assistance Program- \$895,000**

This program promotes economic development through the provision of grants or loans to commercial property owners or tenants in the Project Area for exterior and/or interior improvements or feasibility studies. Commercial property owners may be eligible for up to \$249,000 in funding and tenants may be eligible for up to \$75,000 in funding.

The program eliminates blight by the retention and restoration of a thriving commercial district by means of redevelopment activities by encouraging and assisting the cooperation and participation of owners, businesses, non-profit and local development corporations and public agencies in the recovery of the Project Area.

### **B. PUBLIC IMPROVEMENT**

#### **Valley Plaza Streetscape - \$500,000**

Program comprises street and sidewalk improvements along Laurel Canyon and Victory boulevards and Erwin Street. Conceptual plans include landscaped medians, new street trees, improved lighting and crosswalks and new district signage. Implementation will be phased over the next five years with the first phase of improvements constructed in conjunction with the redevelopment of Valley Plaza.

The program eliminates blight by repairing public improvements whose deficiencies adversely affect the Project Area's recovery. It also aids in achieving an environment reflecting a high level of concern for architectural, landscape and urban design and land use principles and improves the quality of life by promoting and preserving a positive image and safe environment for the community.

#### **Victory Boulevard Public Improvements-\$150,000**

The program consists of sidewalk, curb and gutter repair in addition to landscaping improvements along Victory Boulevard between Laurel Canyon Boulevard and Colfax Avenue. Project Funding includes AB1290 funds in the amount of \$150,000.

This program eliminates blight through the implementation of needed public improvement repair that currently adversely affect Project Area businesses and residents.

**Laurel Canyon Redevelopment Project Area Public Improvements and Landscaping Improvements- \$1,522,100**

The Project Area-wide Public and Landscaping Improvement Program will allow for the CRA/LA to invest in needed public improvements throughout the Project Area. Improvements will be implemented in the Project Areas major commercial corridors; Victory Boulevard, Laurel Canyon Boulevard, and Burbank Boulevard, and as appropriate in residential neighborhoods. As appropriate, the Program may include a streetscape plan. Project Funding includes AB1290 funds in the amount of \$382,100.

This program eliminates blight through the repair or amelioration of the vehicular circulation systems; off street parking; and other similar public improvements, facilities and utilities whose deficiencies adversely affect the Project Area's redevelopment.

**C. STRATEGIC PLANNING**

**Plan Amendment - \$500,000**

This program will analyze the feasibility of expansion of project area boundaries and potential merger with the North Hollywood Redevelopment Project Area.

The program eliminates blight by enhancing and extending the tools of redevelopment to the Project Area.

**D. OTHER**

**Project General - \$750,000**

The costs are related to the administration of the project, including technical, legal and administrative services and other community-related services, including maintaining a site office, complying with public notification requirements, providing public information, and responding to inquiries from developers, property owners and others.

Administration of the Project ensures that redevelopment activities are carried out in compliance with the Community Redevelopment Law and in furtherance of the physical and economic revitalization of the Project Area.

**AB 1290 Work Program – \$1,305,000**

This program is mandated by the State of California. Applies to redevelopment project areas created on or after January 1, 1994, as well as those project areas amended after that date. Tax increment that would otherwise be transferred to the City is held by CRA/LA and is used at the discretion of the Council Offices having jurisdiction over the affected project areas.

Funds are spent on existing CRA/LA work objectives or other activities in the council districts deemed consistent with redevelopment purposes. Councilmember Krekorian has authorized the use of \$532,100 in AB1290 funds for the Project Area wide public improvement program.

**Project Financing - \$1,926,000**

CRA/LA staff will administer the Project's financial resources and expenditures, including payment of debt service obligations.

**E. HOUSING PROGRAMS AND PROPOSED EXPENDITURES**

**Response to Housing Opportunities - \$3,500,000**

Under this program, staff works with property owners and developers to encourage development of housing affordable to a range of income levels.

The program eliminates blight by maintaining and preserving existing affordable housing stock and developing additional housing opportunities for the Laurel Canyon Project Area residents.

**V. 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 households. Low- and moderate-income is defined in the California Redevelopment Law (CRL) and is set annually by the California Housing and Community Development Department (HCD). The income levels are published annually by HCD, and are defined as follows:

<b>Income Category</b>	<b>% of Median Income Range for Applicable Household Size</b>	<b>Section<sup>1</sup></b>
Moderate	81% to 120%	50093
Low	51% to 80%	50079.5
Very Low	50% or Less	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

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<sup>1</sup> All referenced sections are found in the California Health and Safety Code.

CRL. Article 16.5 requires that the housing component of the Implementation Plan address 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 an agency 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)];
- b. At least 15% of all new residential dwelling units developed within a project area under the jurisdiction of an agency 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)];
- c. At least 15% of all substantially rehabilitated units that have received CRA/LA assistance 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)(iii)]; and
- d. Suitable locations must be identified for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction or removal of low-mod units will result from a project contained in the Implementation Plan [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 (Section 33334.4).

Article 16.5 also requires:

- 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 is provided in the following sections of this Implementation Plan.<sup>2</sup>

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<sup>2</sup> It should be noted that Section 33333.10--referred to in Article 16.5-- does not apply, as it pertains to redevelopment plans adopted on or before December 31, 1993.

## B. HISTORICAL AFFORDABLE HOUSING ACTIVITIES

The Project Area was adopted on December 9, 1994. Between the time of adoption and the end of Fiscal Year 2009, the CRA/LA funded the following affordable housing activities within the Project Area:

<b>Project Name</b>	<b>Year Built</b>	<b>Project Type</b>	<b>Total Units</b>	<b>Affordable Units</b>	<b>Covenant Period</b>
Response to Housing Opportunities - Three Courtyards	2010 (est.) funded in FY2009	Rental, Special Needs	52	51	55 years

## 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; and over the remaining Project Area life.

Specifically, the inclusionary housing production requirement must be met every 10 years and over the life of the Project Area. Comparatively, the proportionality tests must be achieved between January 1, 2002 and December 31, 2014, and then again in 10-year increments throughout the Project Area life.

The following section will discuss housing activities planned for the Five-Year Implementation Plan period.

### 1. Housing Fund Resources

The following presents the estimated Housing Fund cash flow for the five years of this Implementation Plan. The estimated deposits are based on a tax increment projection prepared by the firm of Katz Hollis on November 19, 2007, along with other sources of revenues identified by CRA/LA staff. The set-aside revenue includes the following:

- a. Twenty percent (20%) of the estimated gross tax increment for the Project Area;
- b. Sale of land owned by the CRA/LA;
- c. Residual receipt revenue to the CRA/LA;
- d. Loan repayments to the CRA/LA;
- e. Future bond proceeds; and
- f. Cash reserves from previous fiscal years.

The total projected revenues that will be deposited into the Housing Fund during the Implementation Plan period is as follows:

	<b>Implementation Plan Period</b>
Beginning Balance	\$ 1,721,000
Property Tax Increment	\$ 2,702,000
Interest Income	\$ 37,000
Residual Receipts Revenue	\$ 0
Loan Repayments	\$ 0
Bond Proceeds	\$ 0
<b>Total Projected Revenues</b>	<b>\$ 4,460,000</b>

2. The Housing Program and Housing Fund Expenditures

The expenditures can be broken into four categories as described below:

a. Projects

The CRA/LA over the next five years does not plan to implement projects which will provide affordable housing opportunities within the Project Area.

b. Programs

The following summarizes the programs the CRA/LA plans to implement:

<b>Program Name</b>	<b>Target Affordability</b>	<b>Estimated Housing Fund Expenditures</b>
Response to Housing Opportunities	18 very low-income 12 low-income 10 moderate-income	\$3,440,000

c. 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. Amounts allocated to this category in the expenditure plan are based on historical expenditures for this level of activity (averaging 5% of deposits). It is estimated that administrative costs for the five-year Implementation Plan period will total approximately \$141,000.

d. Bond Debt Service

The CRA/LA will continue to make principal and interest payments on the Series B, C and D tax allocation bonds. Portions of the annual debt service are secured by Housing Fund revenues generated from tax increment.

The total projected expenditures of Housing Fund revenues during the Implementation Plan period is as follows:

	<b>Implementation Plan Period</b>
Projects	\$ 3,440,000
Administration	\$ 141,000
Debt Service	\$ 879,000
<b>Total Expenditures</b>	<b>\$ 4,460,000</b>

### 3. Summary of Planned Housing Activity

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

	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>Starting Balance</b>	<b>\$1,721,000</b>	<b>\$2,006,000</b>	<b>\$2,338,000</b>	<b>\$2,687,000</b>	<b>\$3,055,000</b>
(+) Amount to be Deposited	\$510,000	\$529,000	\$547,000	\$567,000	\$586,000
(-) Estimate of Expenditures	\$225,000	\$197,000	\$198,000	\$199,000	\$3,641,000
<b>(=) Ending Balance</b>	<b>\$2,006,000</b>	<b>\$2,338,000</b>	<b>\$2,687,000</b>	<b>\$3,055,000</b>	<b>\$0</b>

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

	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>New Units #</b>					40
Proposed Expenditure	\$0	\$0	\$0	\$0	\$3,440,000
<b>Rehabilitated Units #</b>	0	0	0	0	0
Proposed Expenditure	\$0	\$0	\$0	\$0	\$0
<b>Price Restricted Units #</b>	0	0	0	0	0
Proposed Expenditure	\$0	\$0	\$0	\$0	\$0
<b>Total Units #</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>Debt Service</b>	\$175,000	\$176,000	\$176,000	\$176,000	\$176,000
<b>Administration</b>	\$50,000	\$21,000	\$22,000	\$23,000	\$25,000
<b>Total Proposed Expenditures</b>	<b>\$225,000</b>	<b>\$197,000</b>	<b>\$198,000</b>	<b>\$199,000</b>	<b>\$3,641,000</b>

## D. APPLICABLE LOW- AND MODERATE-INCOME HOUSING REQUIREMENTS

### 1. Replacement Housing Obligation

The CRA/LA has not engaged in any activity that resulted in the removal of housing units from the low- and moderate-income housing stock.

This Implementation Plan does not include projects or programs that would result in the removal of housing units from the low- and moderate-income housing stock. Therefore, there is no requirement to identify locations for replacement housing units.

### 2. Inclusionary Housing Obligation

The CRA/LA is required to comply with the affordable housing unit production requirements imposed by Section 33413(b):

- Subparagraph (1) of the Section requires that 30% of all housing units developed by the CRA/LA<sup>3</sup> be available at affordable housing cost to persons and families of low- and moderate-income. Of these low- and moderate-income units, 50% must be affordable to persons and families of very low-income. It should be noted that the CRA/LA has not produced any housing units directly and therefore Subparagraph (1) of the Section is not applicable.
- Subparagraph (2) of Section 33413(b) requires that 15% of all housing developed in the Project Area be low- and moderate-income housing of which 40% must be affordable to persons and families of very-low income.

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.

#### a. Past Development of Housing in Project Area (1994-2009)

An estimated 186 housing units have been substantially rehabilitated or developed within the Project Area (or outside the Project Area with a Finding of Benefit) since the December 9, 1994 adoption, as shown in the table below. Therefore, 186 units are subject to the inclusionary requirements outlined above. Of the total, 76 were developed or substantially rehabilitated during the previous Implementation Plan period (Fiscal Years 2005-2009).

Address	Very Low-Income	Low-Income	Moderate-Income	Market Rate	Total Units	Year Completed
11536 Burbank Bl.				6	6	1996
12145 Burbank Bl.	13			0	13	2000
6402 N. Radford Ave.				5	5	2000

<sup>3</sup> Units produced entirely by the CRA/LA.

Address	Very Low-Income	Low-Income	Moderate-Income	Market Rate	Total Units	Year Completed
11607 W. Burbank Bl.				3	3	2002
12161 W. Tiara St.				1	1	2003
5716 N. Whitsett Ave.				16	16	2003
12047 Califa St.				24	24	2004
12165 W. Tiara St.				1	1	2004
12171 W. Tiara St.				1	1	2004
5703 Laurel Canyon Bl.				20	20	2004
5712 Laurel Canyon Bl.				20	20	2004
5700 Laurel Canyon Bl.				40	40	2005
11621 Burbank Bl.				4	4	2006
11803 Hamlin St.				5	5	2006
13751 Sherman Way <sup>4</sup>	12	6	8	1	27	2010 (est)
	<b>25</b> <b>14%</b>	<b>6</b> <b>3%</b>	<b>8</b> <b>4%</b>	<b>147</b> <b>79%</b>	<b>186</b> <b>100%</b>	

b. Current and Future Housing Construction Activity in Project Area

A total of 742 units are estimated to be constructed during the Implementation Plan period. Through the Response to Housing Opportunities program, the CRA/LA expects to fund the maximum possible units of housing affordable to a range of income levels, from very low- to moderate-income in the Laurel Plaza development.

It is anticipated that the Project Area will be built out should the Laurel Plaza project be constructed. The total 742 projected units to be developed in the next five years will all be subject to the inclusionary housing requirements.

Due to the lack of available residential property in the Project Area, the CRA/LA housing program will most likely focus on opportunities for substantial rehabilitation projects.

The figures for housing production from Fiscal Year 2015 through the Life of the Redevelopment Plan are based on an estimate of available funds. This estimate is an average of the net housing funds available (and estimated to be available) annually from Section V.D.2.a of this report.

c. Inclusionary Housing Obligation

The Section 33413(b) inclusionary housing requirements triggered by historical and projected development in the Project Area from time of Plan adoption through the life of the Project Area are as follows:

<sup>4</sup> As this project is located outside the Project Area, only 50% of the units are counted for inclusionary housing purposes. The project was funded in FY2009.

		INCLUSIONARY OBLIGATION		
	Units Constructed <sup>5</sup>	Total Obligation (15%)	Very Low - Income (40% of 15% Total Obligation)	Low- or Moderate- Income (60% of 15% Total Obligation)
1 <sup>st</sup> 10 years (Plan adoption-FY2004)	110	17	7	10
Current obligation (FY2005-09)	76	11	4	7
Implementation Plan (FY2010-14)	742	111	44	67
Life of Plan (FY2015-27)	71	11	4	7
<b>Totals</b>	<b>999</b>	<b>150</b>	<b>59</b>	<b>91</b>

Therefore, the inclusionary housing obligation during the Implementation Plan period totals 111 affordable units. The estimated maximum inclusionary housing obligation for the Project Area is estimated at 150 units.

d. Inclusionary Housing Fulfillment<sup>6</sup>

	Very low-income Units	Low-/ Moderate-income Units	Total Affordable
Plan Adoption-FY2004 obligation	7	10	17
FY2005-09 obligation	4	7	11
FY2010-14 obligation	44	67	111
FY2015-Life of Plan obligation	4	7	11
<b>Totals</b>	<b>59</b>	<b>91</b>	<b>150</b>
Plan Adoption-FY2004 production	13	0	13
FY2005-09 production	12	14	26
FY2010-14 production	18	22	40
FY2015-Life of Plan production	33	38	71
<b>Totals</b>	<b>76</b>	<b>74</b>	<b>150</b>
<i>Inclusionary Surplus/(Deficit)</i>	17	(17)	0

Summary of results for each 10-year period (and Life of the Plan):

1<sup>st</sup> 10 years (Plan Adoption-FY2004): Project Area was deficient by four low-/ moderate income units.

2<sup>nd</sup> 10 years (Fiscal Years 2005-2014): Should the projections for FY2010-2014 be correct, the Project Area will be deficient by 18 very low-income and 38 low-/

<sup>5</sup> Figures for Implementation Plan 2010-2014 and Life of Plan periods are estimates.

<sup>6</sup> Very low-income units produced over and above the number required can be applied to the low-/ moderate income inclusionary requirement.

moderate-income units in this period, for a cumulative total deficiency of 18 very low-income and 42 low-/ moderate income units.

3rd 10 years (Fiscal Years 2015-Life of the Plan): Should the estimates for the prior period be correct, the Project Area will need to make-up the deficiencies from the past two periods, in addition to meeting inclusionary requirements projected for FY2015 through the Life of the Redevelopment Plan. The table above shows that the Project Area will make-up for the past deficiencies and also meet all inclusionary requirements for that period.

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:

<b>Fiscal Year</b>	<b>Tax Increment Deposits</b>	<b>Other Deposits<sup>7</sup></b>	<b>(Less) Administrative Expenses</b>	<b>(Less) Debt Service Payments</b>	<b>Net Housing Fund Proceeds</b>
1/1/02 – 6/30/02	77,000	497,000			574,000
2002/03	147,000	15,000		17,000	145,000
2003/04	188,000	485,000	16,000	87,000	570,000
2004/05	241,000	38,000	20,000	69,000	190,000
2005/06	355,000	73,000	11,000	70,000	347,000
2006/07	455,000	501,000	9,000	17,000	930,000
2007/08	445,000	98,000	61,000	111,000	371,000
2008/09	477,000	659,000	37,000	104,000	995,000
2009/10	503,000	7,000	50,000	175,000	285,000
2010/11	522,000	7,000	21,000	176,000	332,000
2011/12	540,000	7,000	22,000	176,000	349,000
2012/13	559,000	8,000	23,000	176,000	368,000
2013/14	578,000	8,000	25,000	176,000	385,000
7/1/14 – 12/31/14	299,000	4,000	11,000	89,000	203,000
<b>Total Net Proceeds</b>	<b>\$5,386,000</b>	<b>\$2,407,000</b>	<b>\$304,000</b>	<b>\$1,423,000</b>	<b>\$6,044,000</b>

As shown above, a total of \$6,044,000 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 Housing Element of the City's General Plan. Therefore, the City's required minimum allocations for very low- and low-income expenditures, and maximum allocation for moderate-income housing expenditures are:

<b>Category</b>	<b>Housing Need<sup>8</sup></b>	<b>Threshold</b>
Very-Low Income	17,990	At least 45%
Low Income	10,416	At least 26%
Moderate Income	11,314	At most 28%

It should be noted that the CRA/LA is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate income thresholds. 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

<sup>7</sup> These deposits include land sales, residual receipts revenues, loan repayments, bond proceeds and fund balances from prior to January 1, 2002.

<sup>8</sup> Source: Regional Housing Needs, 1998-2005, adopted by Southern California Association of Governments, Regional Council, on November 2, 2000.

households. In no event can the expenditures targeted to moderate-income households exceed the established threshold amount.

As shown above, a total \$6,044,000 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 @ 45%	\$2,737,932
Minimum Estimated Expenditure on Low-Income Units @ 26%	\$1,583,528
Maximum Estimated Expenditure on Moderate-Income Units @ 28%	\$1,722,540
<b>TOTAL</b>	<b>\$6,044,000</b>

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

January 1, 2002 – FY 2009	Actual Expenditures	As a % of Requirements
Very-Low Income	\$1,055,392	39%
Low-Income	\$485,031	31%
Moderate-Income	\$705,091	41%
<b>Total</b>	<b>\$2,245,514</b>	

The CRA/LA plans to expend the following net proceeds by category during the Implementation Plan period (FY2010-2014):

	Estimated Expenditures	As a % of Requirements
Very-Low Income	\$1,548,000	57%
Low-Income	\$1,032,000	65%
Moderate-Income	\$860,000	50%
<b>Total Expenditures</b>	<b>\$3,440,000</b>	

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 12/31/2014
Very Low-Income	\$2,737,932	(\$1,055,932)	(\$1,548,000)	\$134,540
Low-Income	\$1,583,528	(\$485,031)	(\$1,032,000)	\$66,947
Moderate-Income	\$1,722,540	(\$705,091)	(\$860,000)	\$157,449
<b>Total Expenditures</b>	<b>\$6,044,000</b>	<b>(\$2,245,514)</b>	<b>(\$3,440,000)</b>	<b>\$358,486</b>

\* These are the amounts by income level (from the table at the beginning of this page) that must be spent in order to meet the income proportionality test.

The CRA/LA plans to expend the remaining estimated Housing Funds so that by December 31, 2014, it has met its obligation to allocate 45.3% of the

Housing Fund project and program expenditures to very-low income households, 26.2% of the funds to low income households and no greater than 28.5% of the funds to moderate income households.

Thus, the CRA/LA anticipates meeting the income targeting standards imposed by Section 33334.4.

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.<sup>9</sup> Therefore, the maximum proportion of the net Housing Fund proceeds that the CRA/LA is allowed to spend on age restricted projects is 20%.

As shown above, a total \$6,044,000 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:

<i>Maximum</i> Estimated Expenditure on Age Restricted Projects @ 20%	\$1,208,800
<i>Minimum</i> Estimated Expenditure on Non-Age Restricted Projects @ 80%	\$4,835,200
<b>TOTAL</b>	<b>\$6,044,000</b>

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

<b>January 1, 2002 – FY 2009</b>	<b>Actual Expenditures</b>	<b>As a % of Requirements</b>
Age Restricted Projects	\$0	0%
Non-Age Restricted Projects	\$2,245,514	46%
<b>Total Expenditures</b>	<b>\$2,245,514</b>	<b>0%</b>

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

<sup>9</sup> 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.

<b>Implementation Period</b>	<b>Plan</b>	<b>Estimated Expenditures</b>	<b>As a % of Requirements</b>
Age Restricted Projects		\$0	0%
Non-Age Restricted Projects		\$3,440,000	71%
<b>Total Expenditures</b>		<b>\$3,440,000</b>	

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

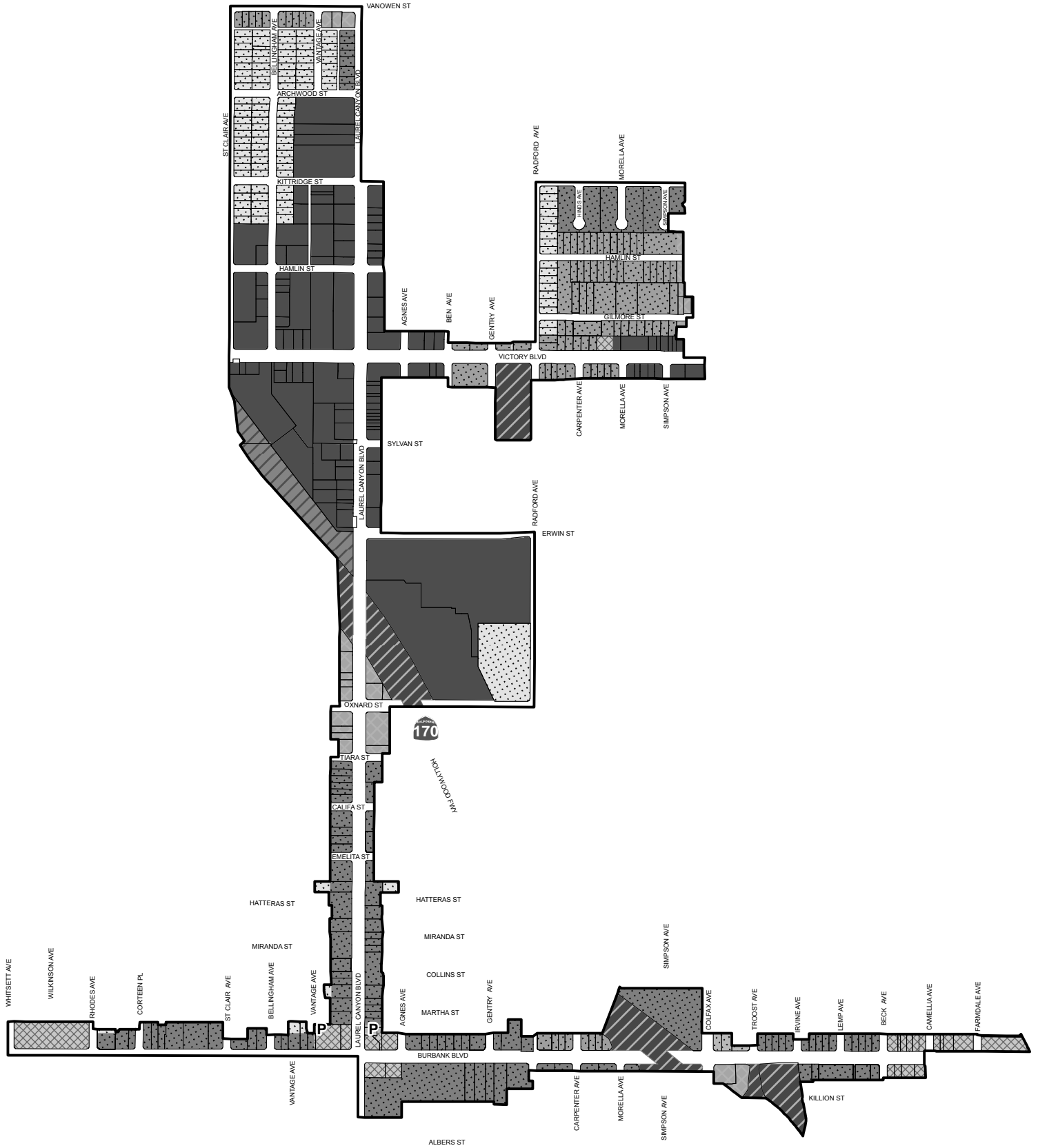
	<b>Maximum Expenditure</b>	<b>(less) Actual Expenditures</b>	<b>(less) Implementation Plan Expenditures</b>	<b>Balance to Spend by 12/31/2014</b>
Age Restricted Projects	\$1,208,800	(\$)0	(\$)0	\$1,208,800
Non-Age Restricted Projects	\$4,835,200	(\$)2,245,514	(\$)3,440,000	(\$850,314)
<b>Total Expenditures</b>	<b>\$6,044,000</b>	<b>(\$)2,245,514</b>	<b>(\$)3,440,000</b>	<b>\$358,486</b>

The CRA/LA has met its obligation to allocate at least 80% of the Housing Fund project and program expenditures to under age 65 households and does not plan to exceed the 20% maximum expenditure on age restricted projects through December 31, 2014.

Thus, the CRA/LA will meet the age restriction targeting standards imposed by Section 33334.4.

###

**EXHIBIT A – PROJECT AREA MAP**



### Legend

#### Residential

- Low; Low I
- Low Medium; Low Medium I
- Low Medium II
- Medium

#### Commercial

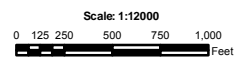
- Neighborhood
- General
- Community

#### Open Space/Public Facilities

- Open Space
- Public Facilities

#### Parking

- Parking



1 Inch = 1000 Feet

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2/7/2009

