ALHAMBRA REDEVELOPMENT AGENCY

FIVE-YEAR IMPLEMENTATION PLAN

2010-2014

Effective January 1, 2010
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BACKGROUND & INTRODUCTION

On October 6, 1993, Governor Pete Wilson signed Assembly Bill 1290 (Isenberg). AB 1290, enacted as Chapter 942, took effect January 1, 1994 and was sponsored by the California Redevelopment Association (CRA). Entitled the Community Redevelopment Law Reform Act of 1993, the Bill included sweeping changes in the Community Redevelopment Law. The changes affected both existing project areas, new plan adoptions, modifications to the definition of blight, ended fiscal review committees, established time limits on all project areas, repealed the authority to receive sales tax revenues and provided a strong penalty for agencies which do not spend their housing funds. The bill also included specific authority for commercial rehabilitation loans and assistance to manufacturing facilities and provided options for agencies meeting their inclusionary housing requirements.

One of the provisions of the bill was the requirement that each agency adopt a five-year Implementation Plan that provides documentation for the link between the elimination of blight and the proposed actions of the redevelopment agency. Under AB 1290, each agency that has adopted a redevelopment plan on or before December 31, 1993 was required to adopt, after a public hearing, an Implementation Plan no later than December 31, 1994. Thereafter, the Implementation Plan must be revised and adopted every five years. In addition, at least once during the five-year period, a public hearing on the progress of the Implementation Plan is required and amendments to the Plan can be made at that time. In the past, the Alhambra Redevelopment Agency has adopted Implementation Plan covering 1995-1999, 2000-2004 and 2005-2009. The Agency has also conducted the required mid-term reviews of each plan. Pursuant to Health and Safety Code Section 33490(a) the Agency must adopt a new five-year Implementation Plan prior to December 31, 2009 covering 2010-2014.

The Implementation Plan must describe specific goals and objectives of the Agency and its programs including a program of actions and expenditures to be made within the next five years, and a description of how these goals, objectives, programs and expenditures will assist in the alleviation of blight. The Implementation Plan required of agencies with existing project areas must also describe how the agency will implement both the requirement to increase, improve, and preserve low and moderate housing and meet the inclusionary housing requirement. This section of the plan must contain an annual housing program and specifics for the expenditures of monies from the housing fund. If the Implementation Plan contains a project that will result in the destruction of low or moderate-income housing, the Implementation Plan must identify proposed locations suitable for the replacement dwellings.

The Implementation Plan also has implications for the disposition of agency property and for the agency’s funding of public improvements. When the agency conveys property acquired in whole or in part with tax increment financing, AB 1290 requires that a 33433 report contain an explanation of why the sale or lease of the property will assist in the alleviation of blighting conditions together with supporting evidence. In addition, prior to the Agency paying for the cost of public
improvements or facilities, AB 1290 requires the agency to find that the payment of funds for the cost of improvements will assist in the alleviation of blighted conditions.

The Alhambra Redevelopment Agency has prepared the following Five-Year Implementation Plan that addresses the original Industrial Redevelopment Project Area (adopted July 15, 1969), including Added Area “A” (adopted July 15, 1981), and the Central Business District Redevelopment Project Area (adopted December 27, 1976).

ALHAMBRA REDEVELOPMENT AGENCY

The Redevelopment Plan provides the Agency with the authority, duties, and obligations to implement and further the goals of the City Council and Agency Board. The Redevelopment Plan describes how the Redevelopment Agency intends to accomplish the desired objectives by which Alhambra’s economic base is improved, the physical deterioration of its buildings is eliminated, and the deterioration of its social infrastructure is prevented. The Plan also imposes controls to ensure that development occurs in a logical manner and conforms to City Zoning Ordinance and General Plan. The Redevelopment Plan presents a process and framework within which specific projects can be established and provides the tools to implement the Agency’s goals. The Redevelopment Plan also permits the Agency to be flexible and creative in its selection and development of projects, which would be particularly enhancing for the Alhambra community. Maps identifying the Industrial Area, Added Area A, and Central Business District Project Areas are included in Attachment 1.

CRL REQUIREMENT TO IDENTIFY KEY BLIGHTING CONDITIONS

The adoption of AB 1290 substantially changed the definition of blight, which can be used for project areas adopted on or after January 1, 1994. Although the Alhambra Redevelopment Agency’s Project Areas adopted prior to this date qualified under previous definitions, the new definition included in AB 1290 was primarily replied upon to identify blighting conditions existing in the Project Areas for the purposes of this plan. Following is an excerpt from Health and Safety Code Sections 33030 and 33031 which contain the definitions of blight. Because the primary purpose of the Implementation Plan is to link the actions of the Agency to the elimination of blight, the following sections are being presented in their entirety rather than being incorporated by reference.

Section 33030 and 33031 describe the conditions which define a blighted area. According to these sections, a blighted area is one that contains both of the following:

33030.
(1) An area that is predominately urbanized, as that term is defined in Section 33320.1,
and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or a lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental actions or both, without redevelopment.

(2) An area that is characterized by either of the following:

(a) One or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(b) The condition described in paragraph (4) of subdivision (a) of Section 33031.

A blighted area may be one that contains conditions described in subdivision (b) and is, in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities.

33031.

(a) This subdivision describes physical conditions that cause blight:

(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities or other similar factors.

(2) Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.

(3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.

(4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

(b) This subdivision describes economic conditions that cause blight:

(1) Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
(2) Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

(3) A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

(4) Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare.

(5) A high crime rate that constitutes a serious threat to public safety and welfare.

**Physical Conditions of Blight Existing in Project Areas**

The following conditions have been identified as evidence of blighted conditions in the Project Areas.

**Unsafe Buildings**
The project areas contain numerous buildings both commercial and residential which do not meet current public safety codes due to lack of fire sprinkling or other obsolete and unsafe construction methods. In addition, areas within the project areas have poorly maintained buildings (commercial and residential), necessitating a large amount of code enforcement activity.

**Physically Obsolete Buildings/Lots – Lack of Parking**
A majority of businesses located along Main Street, a major east/west arterial, lack adequate on-site parking. The Downtown is characterized by small lots and irregular topography. Many of the existing commercial buildings remain vacant due in part to the fact that they have narrow storefronts and are much deeper than is preferred by modern retailers.

**Incompatible Adjacent Uses**
There are many instances within the Industrial Project Area and Added Area “A” where there is a lack of transition to the adjacent uses. For instance, in the Downtown there are several auto body and repair shops located in the middle of the retail district. In addition, there is also the multiplicity of individual ownership of lots.

**Irregularly Shaped/Inadequate Sized Lots**
There are examples of irregularly sized lots throughout the Project Areas, which create both physical and economic problems hindering private businesses or industries to consolidate parcels sufficient in size or configuration to meet modern retail, residential, or industrial needs.
Economic Conditions of Blight Existing in Project Areas

The present day economic and real estate realities show the following additional conditions of economic blight in the Project Areas:

1. The City does not have sufficient area devoted to "regional" retail uses. As a result, surrounding cities capture potential sales that can still be held in Alhambra.

2. Growth of the older developed commercial areas is limited by inadequate parking and insufficient available land to accommodate expansion.

3. There is evidence of older commercial buildings in need of rehabilitation and/or repair.

Depreciated or Stagnant property values
The Downtown commercial core area experienced a decline in commercial rental rates as a result of increased vacancies, lack of parking and inappropriately designed buildings when compared to modern real estate standards. As a result, owners of large pieces of property within the project area have had to scale back or drop any plans to improve their properties or develop new commercial projects.

Existence of Hazardous Waste
There are some sites in the Project Area that are known to contain contaminated soils requiring remediation before any new development can occur. Most of the buildings in the Downtown require remediation of asbestos prior to significant rehabilitation.

Economically Obsolete Buildings/Lots
Many of the buildings in the project areas were designed over fifty years ago and do not meet current commercial or industrial needs. This presents a challenge in marketing these sites due to their limited application.

Crime, Code Enforcement & Safety
As is the case throughout the San Gabriel Valley area and greater Los Angeles County, crime is a continual problem that only becomes exacerbated as economic and physical blight becomes widespread.

Renovation, new construction and Code Enforcement serve as a major inducements to slow and reverse the decline of the commercial, residential and industrial areas of the City. The City must maintain on-going programs of Code Enforcement, graffiti removal, building code enforcement, and fire and police services to ensure that properties are well maintained and crime is kept to a minimum.
Inadequate Public Improvements
There are infrastructure deficiencies citywide. The City needs major street reconstruction/reconfiguration as well as additional public parking improvements.

PROPOSED AGENCY EXPENDITURES TO ELIMINATE BLIGHTING CONDITIONS

The Health and Safety Code specifies in its discussion of Implementation Plan requirements that Agency expenditures be linked to the alleviation of blighting conditions identified.

COMMERCIAL DEVELOPMENT AND JOB CREATION

2005-2009 Implementation Plan – Completed Projects

Many of the completed projects that have contributed to the success of the City and Agency’s revitalization program were included in the 2005-2009 Implementation Plan. The following is a brief summary of completed projects in the Downtown since the adoption of the 2005-2009 Implementation Plan:

New Century BMW
On July 9, 2001, the Alhambra Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with New Century Alhambra Automobiles, Inc. to provide financial assistance as an incentive to offset construction costs for a new 150,000 square foot automobile dealership known as “New Century BMW” at 1139 W. Main Street. The business opened in December 2006.

38’ Ale House & Grill
On March 10, 2008, the Agency approved a Second Amendment to the Owner Participation Agreement and Assignment and Assumption Agreement between American Brewing Factory and Restaurant, LLC and CT Restaurant and Brewing Co., LLC (dba 38’ Ale House & Grill) to establish and operate a full service restaurant and bar in a building formerly occupied by California Brewing Company located at 100 West Main Street. After completing tenant improvements to the building, the restaurant opened for business in July 2009.

Fronteras Mexican Grill & Cantina
On April 10, 2006, the Agency approved an Assignment and Assumption Agreement to the Owner Participation Agreement between Ramirez Tahara LLC and Richard Valenzuela and Alfred Campano (dba Fronteras Mexican Grill & Cantina) to establish a Mexican Restaurant and Bar at 118 West Main Street. The business opened in December 2006.
Demoiselle
On April 28, 2008, the Redevelopment Agency approved a Lease Agreement with Fashion Delight LTD (dba Demoiselle) to provide tenant improvement assistance toward the establishment of women’s clothing boutique at 112 W. Main Street. The business opened in August 2008.

New Alhambra Civic Center Library
The new Alhambra Civic Center Library was dedicated on September 27, 2008. The new library is a two-story building with a total floor area of 45,000 square feet and includes a two level underground parking garage below the library building providing approximately 240 spaces to city hall and library employees, and patrons. The new library has fulfilled important needs in the community of Alhambra by providing improved and modernized library facilities and services to the residents of Alhambra.

Olson Company- Gateway Walk
Although this development did not receive financial assistance from the Agency, the Agency assisted the Olson Company get through the planning and permitting process. The completed project comprised of 129 stylish condominium homes in a variety of floor plan configurations, including townhomes, lofts and flats, from two to three bedrooms and up to two and a half baths with some locations offering outstanding views of the surrounding hillsides and city lights. In addition to an exceptional location, each residence at Gateway Walk offers first-quality amenities including master suites with elegant private baths, well-appointed kitchens with name-brand appliances (such as KitchenAid or Whirlpool Gold), as well as gated parking, lush landscaping, a fitness center, recreation room and outdoor barbeque area and fireplace. Landscaping and design were developed under the auspices of a Feng Shui expert.

Ratkovich Company- LA Fitness
Although this development did not receive financial assistance from the Agency, The Ratkovich Company built a 50,000 sq. ft. LA Fitness facility including a parking structures comprise of 700 parking spaces. The business opened in July 2009.

Panattoni Development-Fresh & Easy Center
Although this development did not receive financial assistance from the Agency, the developer developed the site with a project that consists of a 42,521 sq. ft. retail center located at 2121 West Main Street. The center includes a Fresh & Easy market, Chipotle Mexican Grill, Chase Bank and other special retail spaces. Surface parking includes 170 parking spaces. The business opened in January 2009.

Business Assistance Program
Alhambra is committed to providing a strong pro-business climate and developing the local economy to attract and retain talented businesses and entrepreneurs. The Agency has utilized several programs to promote a positive business environment including tenant improvement grants, grants for façade improvements, and filling the role of ombudsmen in assisting new businesses venture through the
various permit processes. The Agency also publishes a “Properties For Lease/Sale” brochure for Main Street, Industrial Area, as well as Valley Boulevard. The brochure is provided free of charge to potential business owners and real estate agents. The following is a partial list of businesses (Agency assisted and non-assisted) that have established along Main Street in the Downtown since the 2005-2009 Implementation Plan:

- Fresh & Easy Market
- Chipotle Mexican Grill
- Chase Bank
- 38’ Ale House & Grill
- Shakas Restaurant
- Loving Hut
- Blueberry Yogurt Bar
- The Daily Blossom
- William’s Sports
- The UPS Store
- Subway (relocated)
- Demoiselle
- Melody’s Cosmetics
- Alondra Hot Wings
- Bistro 39
- Mahan Indian Restaurant
- Fronteras Mexican Grill
- Comic Cellar
- Honibay Fashion
- CVS

Art in Public Places Program
In 2002, the City adopted an ordinance establishing a new Art in Public Places Program. The Plaza at the Edwards Renaissance Entertainment Center was the first “art” project reviewed by the Art in Public Places Committee under the new Ordinance. The Alhambra Art in Public Places Program was created to implement the placement of art in public places in order to improve the quality of life for the individuals living in, working in and visiting the City. Development projects valued in excess of certain thresholds are required to either pay a fee into the Art in Public Places Fund, install approved artwork on the project property, or donate artwork for installation on public property, subject to the approval of the Alhambra City Arts and Cultural Events Committee (“Arts Committee”) and the City Council.

“One-Stop” Streamlined Permit Process
The Planning and Building Divisions of the Development Services Department have streamlined the permit process to provide contractors, and business owners and homeowners, with easy step-by-step instructions through the permit process. A user friendly guide to opening a new business in Alhambra is also available to potential new Alhambra business owners.

On large-scale projects, Agency staff conducts pre-construction coordination meetings with project proponents and all City staff who play a role in the development process to help ensure a smooth running project.
FIVE-YEAR GOALS & OBJECTIVES

It is required that the Implementation Plan contain the specific goals and objectives of the Agency for the City’s Project Areas. The City of Alhambra requires that all of the work performed in the organization, including that of the Redevelopment Agency, must relate to a basic policy direction as developed by the City Council/Agency Board. This is the fundamental building block upon which to formulate specific action programs to eliminate blight in each of the Redevelopment Project Areas. The following outlines the Strategic Plan Goals that pertain to redevelopment activities; each Redevelopment objective is developed to implement the Agency’s overall goals of eliminating blight, provide affordable housing, and create additional jobs in the Downtown.

Goal: Enhance Commercial Development and Jobs Creation

The City Council has established the following objectives to eliminate blighted conditions in the project area.

Objective: Commence the construction of a mixed-use residential/retail project at the north-east corner of Third and Main Streets as approved under the West Main Corridor Master Plan (“Site 6”).

On April 27, 2009, the Agency approved a Disposition and Development Agreement (DDA) with Zen Development Company, LLC for the development of a mixed-use project consistent with the West Main Corridor Master Plan comprising no greater than 5,000 square feet of retail commercial or restaurant space on the ground floor and up to 94 for sale residential condominium units. The project will include no fewer than 25 additional parking spaces to be made available for the general public during normal business hours. The mixed-use project will be an important addition to the Downtown and will continue to improve the overall appearance and character of Main Street as well as contribute to the diversity of uses in the Downtown. Additionally, the sale of the Agency-owned vacant property to the developer will assist in the elimination of blight in the Downtown and implement a portion of the West Main Corridor Master Plan. It is anticipated that the developer will begin construction in 2011 with the project complete in 2013.

Objective: Commence the construction of a mixed-use residential/retail project at the south side of Main Street between Third and Fourth Streets as approved under the West Main Corridor Master Plan (“Site 7”).

Staff is currently working with a developer who intends to construct a mixed use project consistent with the West Main Corridor Master Plan comprised of 140
condominium units, 21,500 sq. ft. retail/office and 713 parking spaces. Staff will assist the developer in submitting entitlements in 2010 with anticipated construction starting in 2011.

Objective: **Commence construction of a mixed-use residential/retail project on the former library site on the south side of Main Street between Fourth and Fifth Streets as approved under the West Main Corridor Master Plan.**

Staff is working with a developer who intends to develop a mixed-use project consistent with the West Main Corridor Master Plan comprising up to 8,200 square feet of retail commercial space on the ground floor and up to 86 for sale residential units. The unit count consists of 6 shopkeeper units, 52 residential units, 9 live/work units and 19 townhouses. The project will include no fewer than 116 parking spaces. The mixed-use project will be an important addition to the Downtown and continue to improve the overall appearance and character of Main Street as well as contribute to the diversity of uses in the Downtown. Additionally, the sale of the Agency-owned vacant property to the developer will assist in the elimination of blight in the Downtown and implement a portion of the West Main Corridor Master Plan. It is anticipated that construction will begin 2010.

Objective: **Commence construction/rehabilitation of a promotional retail center at the south-east corner of Garfield Avenue and Main Street bounded by Chapel Avenue and Bay State Street.**

Staff is continuing discussions with the property owner/developer regarding identifying anchor tenants and rehabilitating the shopping center currently known as “Alhambra Place” located at the south-east corner of Main Street and Garfield Avenue. It is anticipated that an anchor tenant will be signed in early 2010.

Objective: **Identify a developer for the redevelopment of the property at the south-east corner of Atlantic and Main Street.**

Identify a developer for the redevelopment of the 65,000 sq. ft. existing theater building at the south-east corner of Atlantic and Main Street. Staff would envision the site to be developed with a new office/commercial building to enhance the overall appearance of this major City intersection. The existing six story parking structure to the east of the building would remain to accommodate new tenant(s).
Objective: Identify a developer for the development of public parking and housing on the public surface parking lots located at the north-east corner of Main Street and First Street and on the south side of Main Street between First and Second Streets.

Identify a developer for the sites to explore the feasibility of developing mixed use projects to promote commercial activity and provide additional housing opportunities along Main Street.

HOUSING PROGRAMS & CREATION OF AFFORDABLE HOUSING

The Implementation Plan shall contain, for each of the five years, an annual housing program with sufficient detail to measure performance pursuant to the Implementation Plan: the number of housing units developed, rehabilitated, price restricted, otherwise assisted or destroyed. If the Implementation Plan does describe a project in which units will be destroyed, the Plan shall identify proposed locations suitable for replacement of those dwelling units. Pursuant to Section 33490 2(a), the Affordable Housing Production and Replacement Plan is attached as Attachment 2 and includes a matrix which describes the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years. The Housing Production and Replacement Plan includes a matrix describing the production of replacement housing units and includes a table that outlines the expenditures for Block Grant and Set-Aside Housing Activities for each of the five years of the Implementation Plan.

2005-2009 HOUSING PROGRAMS – COMPLETED PROJECTS

Single Family Property Rehabilitation- Agency Funded
This Agency funded program was initiated February 2001 and targets households between 81% and 120% of the median area income. The goal of this program is to improve the condition of moderate income, single family, owner occupied housing. From 2005-2009, nine (9) Property Rehabilitation projects have been completed with Agency set aside funds. All completed Agency funded projects have a minimum 45 year affordability period which exceeds the 20 year affordability period of HOME funded projects. Maximum loan not to exceed 95% loan to value ratio.

Single Family Property Rehabilitation- HOME Funded
This HOME funded program targets very low and low income households whose income does not exceed 80% of the Los Angeles/ Long Beach area income. The goal of this program is to improve the condition of very low and low income, single family, owner occupied housing. From 2005-2009, thirty (30) Property Rehabilitation projects have been completed with HOME funds. All completed
HOME funded projects have a 20 year affordability period. Maximum loan not to exceed 95% of area median purchase price.

**Senior Minor Home Repair Program—HOME Funded**
This grant program was initiated in 2006 and targets very low and low income senior households whose income does not exceed 80% of the Los Angeles/Long Beach area income. Eligible senior households may receive interior and exterior minor home repairs. Eligible items include shower stall grab bars, wheelchair ramps, minor plumbing, minor electrical and paint. From 2005-2009, seven (7) Minor Home Repair projects have been completed with HOME funds. Maximum grant is $10,000.

**Exterior Appearance Grant Program—CDBG Funded**
This grant program was initiated in 1998 and is designed to assist very low and low income households whose income does not exceed 80% of the Los Angeles/Long Beach area income. Both owner occupied and rental units are eligible to participate in this program. As indicated by the program name, the Exterior Appearance Grant Program provides assistance to eligible properties in need of exterior improvements only. Eligible items include roof replacement, window replacement, wheelchair ramps, plumbing, electrical and paint. From 2005-2009, thirty two (32) Exterior Appearance Grant projects have been completed with CDBG funds. Maximum grant is $10,000.

**First Time Homebuyer Program—Agency Funded**
The Agency funded First Time Home Buyer Program provides down payment assistance to Moderate income households between 81% and 120% of the area median income in the form of a second to Alhambra residents in need of assistance to purchase their first home. The Program requires a minimum contribution of $10,000 from the applicant, which is then supplemented with a maximum of $25,000 of Agency funded down payment assistance. A Housing Quality Standards Inspection must be conducted at all perspective units and corrections must be completed prior to the close of Escrow. One additional component of this program is that all program participants must attend a First Time Home Buyer educational seminar which provides workshop attendees a Housing Certificate upon completion. Furthermore, prior to the close of escrow the Redevelopment Agency will assure that the required 45 year affordability covenants are recorded against the subject property, which exceeds the 20 year affordability period of HOME funded projects. From 2005-2009, one (1) Agency funded First Time Homebuyer household has been housed.

**First Time Homebuyer Program—Home Funded**
The HOME funded First Time Home Buyer Program provides down payment assistance to very low and low income households whose income does not exceed 80% of the Los Angeles/Long Beach area income, in the form of a second to Alhambra residents in need of assistance to purchase their first home. The Program requires a minimum contribution of $10,000 from the applicant, which is then supplemented with a maximum of $75,000 of HOME funded down payment assistance. A
Housing Quality Standards Inspection must be conducted at all perspective units and corrections must be completed prior to the close of Escrow. One additional component of this program is that all program participants must attend a First Time Home Buyer educational seminar which provides workshop attendees a Housing Certificate upon completion. Furthermore, prior to the close of escrow Housing staff confirms that the required 20 year Affordability provision is acknowledged in the loan agreement. From 2005-2009, ten (10) HOME funded First Time Homebuyer households have been housed.

Acquisition Rehabilitation - Agency & HOME Funded
The goal of this program is to rehabilitate properties in disrepair, improve the surrounding neighborhood, and make housing available to households currently participating in the First Time Home Buyer Program who are actively searching for a home. The City of Alhambra has purchased 5 homes which were all in various states of disrepair and neglect to rehabilitate them and offer them to first time homebuyers. The rehabilitation work is necessary to correct the years of obvious neglect. From 2005-2009, one (1) project has been completed by layering Agency and HOME funds and has sold to a first time homebuyer; 5 homes purchased are currently in construction and near completion. Creative thinking and the layering of Agency and HOME funds has allowed the City of Alhambra to make this program possible.

Multi-Family Acquisition Rehabilitation - Agency & HOME Funded
From 2005-2009, one (1) multi-family project was completed by layering Agency and HOME funds. In 2007, the City of Alhambra purchased 15 N. Valencia, a 16-unit apartment building which was in severe disrepair and a nuisance to the surrounding neighborhood since it had become a haven for illegal activities. Consequently, the City of Alhambra in conjunction with AOF/ Golden State, a non profit housing developer, purchased the property and initiated a major rehabilitation. As a result, the floor plan was modified to convert the building from sixteen (16) single room occupancy (SRO) units to eleven (11) one (1) bedroom, senior affordable rental units. The senior occupants at La Valencia Apartments pay affordable HOME rents and this rental project will remain affordable for a total of 55 years.

Valley Blvd Façade Improvement Project – CDBG
From 2005-2009, seventeen (17) façade improvement projects were completed with the use of CDBG funds. This program was initiated in 2007 as a “special project” with one-time funding targeting the west end of Valley Blvd, a major thoroughfare in the City. The commercial façade improvement projects consisted of major façade modifications, replacement of deteriorated signage, new storefront doors and windows, paint jobs, graffiti film installation and minor landscaping.
FIVE-YEAR GOALS & OBJECTIVES

It is required that the Implementation Plan contain the specific goals and objectives of the Agency for the City’s Project Areas. The City of Alhambra requires that all of the work performed in the organization, including that of the Redevelopment Agency, must relate to a basic policy direction as developed by the City Council/Agency Board. This is the fundamental building block upon which to formulate specific action programs to eliminate blight in each of the Redevelopment Project Areas. The following outlines the Strategic Plan Goals that pertain to redevelopment activities; each Redevelopment objective is developed to implement the Agency’s overall goals of eliminating blight, provide affordable housing, and create additional jobs in the Downtown.

Goal: Improve and Preserve the Integrity of Our Neighborhoods

Objective: The Implementation Plan must also describe how the requirements of Health and Safety Code Section 3334.2, 3334.4, 3334.6 and 33413 will be implemented. These sections of the Health and Safety Code refer to the increase, improvement, and preservation of the community’s supply of low and moderate income housing at an affordable housing cost. In an effort to improve, preserve and maintain affordable housing throughout the City, the Agency and City of Alhambra have funded, and will continue to fund, the following programs:

**Single Family Property Rehabilitation Program**
The Agency and the City of Alhambra offer funding to provide Property Rehabilitation loans. The Agency provides loans to moderate income households whose income falls between 81% and 120% of the median area income. The City of Alhambra utilizes HOME & CDBG to provide Property Rehabilitation loans and grants to very low and low income households whose income does not exceed 80% of the Los Angeles/Long Beach area income.

**Exterior Appearance Grant Program**
This CDBG funded grant program provides up to $10,000 for exterior repairs and improvements such as roof replacement, window replacement, wheelchair ramps, plumbing, electrical and paint. The Exterior Appearance Grant Program is designed to assist very low and low income households residing in owner occupied or rental units in need of repair.

**Senior Minor Home Repair Program- HOME Funded**
This HOME funded grant program was initiated in 2006 and provides up to $10,000 for minor exterior and interior repairs and targets very low and low
income senior households. Eligible repairs include shower stall grab bars, wheel chair ramps, minor plumbing, minor electrical and paint.

**First Time Home Buyer Program**
The Agency and the City of Alhambra offer funding for Down Payment Assistance to First Time Homebuyers. All participants are required to contribute at least $10,000 to be used toward the purchase of a home. The Agency provides down payment assistance in the form of a silent second to moderate income households whose income falls between 81% and 120% of the area median income. While the City of Alhambra utilizes HOME funds to provide down payment assistance in the form of a silent second to Very Low and Low Income households whose income does not exceed 80% of the Los Angeles/Long Beach area median income. A Housing Quality Standards Inspection must be conducted at all perspective units and corrections must be completed prior to the close of Escrow. One additional component of this program is that all program participants must attend a First Time Home Buyer educational seminar which provides workshop attendees a Housing Certificate upon completion. Furthermore, prior to the close of escrow the Redevelopment Agency will assure that the Agency funded purchases have the required 45 year affordability covenants recorded against the subject property and confirm that the HOME 20 year Affordability provision is acknowledged in the loan agreement.

**New Residential Construction**
The Agency continues to participate with the private sector, non-profit Housing Developers and certified Community Housing Development Organizations (CHDO’s) to develop affordable and market rate housing in designated Project Areas, and surrounding neighborhoods. The City also has a density bonus ordinance that allows for a greater number of units when affordability becomes a component of a proposed development project.

The vertical mixed-use projects actively being solicited by the Agency involve the Main Street corridor of the Downtown area where there currently exists a lack of housing.

The Agency is always seeking innovative and creative techniques for pursuing the goal of creating affordable housing in the City of Alhambra. Discussions are underway to involve non-profit and for-profit developers to utilize their affordable housing development skills within the community.
CONCLUSION

The Implementation Plan for the Alhambra Redevelopment Agency describes the programs which are proposed to be undertaken during the next five years in order to assist in the elimination of blighting conditions existing in the Project Areas and to increase the community’s supply of affordable housing. Redevelopment is, however, a very fluid process subject to a myriad of changing issues and the forces of market dynamics. For these reasons a provision for review and amendment to the Implementation Plan is included in the requirements of California Redevelopment Law. The law requires that the Plan be subject to periodic public review, no earlier than two years and no later than three years after the adoption of the Plan. Section 33490(a) of the California Redevelopment Law requires that Implementation Plans must be prepared and adopted on a five-year cycle. Section 33413 sets forth requirements for development of an affordable housing strategy and a housing production plan to be made part of each Implementation Plan. In addition to mandated review, the Agency may review and amend the plan, goals, objectives, programs, and expenditures at any time (following a noticed public hearing) if conditions require such an amendment. The Agency is making progress on each of the goals outlined in the Five Year Implementation Plan and continues to work on implementing and developing effective accomplishments for each of the goals.

Attachments:
1. Redevelopment Project Area Maps
2. Affordable Housing Production and Replacement Housing Plan
Attachment 2

AFFORDABLE HOUSING PRODUCTION AND REPLACEMENT HOUSING PLAN FOR
THE ALHAMBRA REDEVELOPMENT PROJECT AREAS

INTRODUCTION
CALIFORNIA AFFORDABLE HOUSING REDEVELOPMENT LAWS

High land costs cause private developers to establish housing prices that in many cases exceed affordability limits not only for low income households, but even for families at the median income level and above. In response to this dilemma of providing affordable housing, the California legislature, in 1976, imposed special obligations under California Redevelopment Law (CRL) to require redevelopment agencies to develop affordable homes. The legislature has also imposed special laws under the CRL that require redevelopment agencies to ensure that a portion of new and rehabilitated residential dwellings are affordable to low income households.

To achieve these goals, and to secure a more pro-active role on the part of redevelopment agencies in ascertaining these goals, the State, in 1991, enacted legislation requiring counties and cities to prepare plans that describe how the agencies are going to provide affordable housing.

Specifically, under California Redevelopment Law, redevelopment agencies are allowed to use funds from any public or private source to facilitate the construction of housing for families and single persons who are displaced from their homes in project areas (Health & Safety code (H&SC) 33410. To further encourage the use of redevelopment funds for affordable housing development, Redevelopment Law requires agencies to construct, rehabilitate and develop residential dwelling units to replace residential dwelling units that were destroyed or removed for the development of new capital improvements (H&SC, Section 33413 (a)). The Laws also require agencies to adopt for each applicable project area a plan for providing dwellings for low and moderate income households in conjunction with the Five-Year Implementation Plan (H&SC 33490). Effective January 1, 2002, CRL was further amended to tie the agency’s obligation to provide low/mod housing fund expenditures in proportion to “housing need” identified in the City housing element and created restrictions on expenditures for senior citizens.
HOUSING PRODUCTION & REPLACEMENT HOUSING PLAN

The Key elements of the Housing Production & Compliance Plan for the Alhambra Redevelopment Agency include:

A. An analysis of the Agency’s obligation to provide affordable housing within both the CBD and Added Area A Project Areas.

B. The percentage of housing units that must be restricted to affordable standards as required by California Redevelopment Laws.

C. An analysis of housing projects that the Agency has completed, and which can be applied in satisfying the Agency’s obligation to provide affordable very low, low and moderate income housing.

D. A review of past entitlements, past and new construction activities by ARA, past and new construction activities by private developers, demolition activities performed by ARA, and building permits in both Project Areas.

E. A description of the programs/projects which provide the percentage of affordable units necessary to meet the Agency’s current legal obligation.

F. Recommendations for future housing projects, programs, and expenditures that will satisfy future Agency requirements to provide affordable housing.

BACKGROUND
CALIFORNIA REDEVELOPMENT REQUIREMENTS
CRITERIA FOR THE DEVELOPMENT OF PRODUCTION & REPLACEMENT HOUSING

Replacement Housing

Replacement Housing: Per Subdivision 33413 (a) of the Health and Safety Code, whenever residential dwelling units housing persons and families of low and moderate income are destroyed or removed from the low and moderate income housing market for a redevelopment project which is supported with a written agreement (e.g. Disposition and Development Agreement (DDA); owner Participation Agreement (OPA)) or Agency funds, the redevelopment agency must replace the destroyed residential dwellings within four years of the time that the former dwellings were destroyed. The agency must replace the displaced residential dwelling units with an equal number of dwelling units that have an equal or greater number of bedrooms as the displaced units. The new units can be rental or for sale units, but must be affordable to low and moderate income households.
For dwelling units destroyed or removed, 100% of the replacement units and bedrooms must be at the same income levels that were displaced.

Production Housing (Inclusionary Housing)

Section 33413 (b) of the code applies to redevelopment plans adopted after July 1, 1976 (i.e. CBD and Added Area A) and requires that 30% of the housing developed or rehabilitated by an agency itself in a project area must be available at affordable housing cost to low and moderate income persons or households. Of those units, 50% must be affordable to very low-income households. The 50% very low income requirement translates to 15% of the total project area units developed or rehabilitated by the Agency. This section only applies to projects developed and owned by an Agency. Thus far, the Alhambra Redevelopment Agency has not been involved in this type of housing.

Under Section 33413 (b), 15% of the units developed or rehabilitated in a project area by public or private entities (including entities receiving agency assistance through DDA’s) must be affordable to low and moderate income persons and households. Of those units, 40% must be affordable to very low income households. The 40% very low income requirement translates to 6% of the total number of units developed in the project area (40% of 15%=6%).

Housing Production & Replacement Housing Plan Elements

Legislation enacted during 1991 included AB 315, which reinforced the Agency’s obligation to create affordable housing units within the project areas. AB 315 added language to Section 33413 (b)(4) that requires agencies to adopt a plan that outlines an agency’s ten-year strategy for compliance. The plan shall be incorporated into the agency’s five-year implementation plan, and is to be consistent with, and may be included within, a city’s housing element. Also, the plan is to be reviewed and, if necessary, amended at least every five years in conjunction with the housing element cycle. The plan’s primary purpose is to ensure that the requirements of subdivision 33413 on affordable housing are met every 10 years.

The plan is to include estimates of the number of new or rehabilitated residential units to be developed within the project area and the number of units for very low income households and low and moderate-income households which will be developed in order to meet subsection 33413 (b). The plan is to also include estimates of the number of agency developed residential units during the next five years if any. If the requirements of this subdivision are not met by the end of a 10-year period, the agency must meet these goals on an annual basis within the 10-year period. The agency may count the units that exceed the requirement in order to meet the requirement during the next 10-year period.
Affected Redevelopment Plans

The housing production requirements of Section 33413 (b) apply only to project areas created by plans adopted on or after January 1, 1976 and to areas newly added to project areas by amendments adopted on or after January 1, 1976. The affordable housing production obligations begin on the date of adoption of a redevelopment plan. The Redevelopment Agency adopted the Central Business District Plan on December 27, 1976 and the Industrial Added Area A Plan on July 15, 1981. The Original Industrial Area Plan was established on July 15, 1969 therefore the housing production requirement does not apply to this Public Agency.

Affordability Requirements

The affordability requirements for low and moderate income housing developed per Section 33413(b) are generally the same as those described for housing assisted with the 20% of tax increment revenues required to be set aside in a separate aggregated fund for low and moderate income housing per Section 33334.3 (the “Housing Fund”): that is, at affordable housing cost to persons and households whose incomes do not exceed 120% of the area median income. Housing for very low income households must be affordable to persons and households whose incomes are at or below the limit established by the United States Department of Housing and Urban Development for such households under the Section 8 program. The Section 8 income limit for very low income households is 0%-50% of area median income.

Duration/Enforcement Of Affordability Requirements

Prior to 2002, restricted units must remain affordable for the “longest feasible time”, as determined by the agency, which cannot be less than the remaining period of the redevelopment plan land use controls (Section 33413(c) of the Health and Safety code). Under the CRL, if units are assisted with 20% set-aside funds, the units must remain affordable to low and moderate income persons for the “longest feasible time”, but not less than 10 years for owner-occupied housing and not less than 15 years in the case of new or substantially rehabilitated rental housing. Since 2002, the affordability requirements have been increased to a minimum of 55 years for rental projects and 45 years for ownership projects.

Applicability Of Requirements In The Aggregate

The production requirements of Section 33413(b) apply to the aggregate of all housing in the project area (Section 33413(c)). Thus, it is not necessary that 15% of the units in each housing development constructed or rehabilitated by public and private entities in a project area be affordable to low and moderate income persons, or that 6% of the units in each development be affordable to very low income persons. The requirements are satisfied if, in the aggregate, 15% of the units developed in the project area by public and private entities are affordable to low and moderate income persons, with 40% of that 15% being affordable to very low income persons.
APPLICABILITY OF HOUSING PRODUCTION AND REPLACEMENT HOUSING PLAN TO ARA PROJECTS

The affordable housing Redevelopment Laws apply to two Agency Project Areas and Plans: the Central Business District (CBD) Project Area and the Added Area A (Added Area A) of the Industrial Redevelopment Project Area (Industrial Area). Project Areas are shown on Attachments. The Industrial Area consists of 370 acres and was established through the adoption of the Industrial Redevelopment Project Area Plan on July 15, 1969 under Ordinance No. 060-3446. On July 15, 1981, the Industrial Project Area Plan was amended to include the Industrial Redevelopment Added Area A Plan under Ordinance No. 081-3861. The Added Area A consists of 210 acres. The Central Business District Plan was adopted on December 27, 1976, under ordinance No. 076-3697 to establish the 25-acre CBD.

Both the CBD Redevelopment Plan and the Added Area A Redevelopment Plan are consistent with California Redevelopment Laws in requiring ARA to provide affordable housing for very low, low, and moderate income households. The Plans require the Agency to develop, rehabilitate, construct, or cause the development, rehabilitation, or construction of residential dwellings, which can be rented or sold to individuals and families of very low, low, and moderate income households, including to replace affordable housing that was destroyed and removed for ARA projects. Also, the development, construction or rehabilitation must be performed within four years of the time that the original housing units were destroyed and removed.

The Plans require the Agency to allocate no less than 20% of the Agency’s tax increment to increase and improve the City’s supply of affordable housing for very low, low, and moderate income households. The CRL and Redevelopment Plans allow the Agency to 1) acquire land and buildings, 2) perform on-site and off-site improvements, 3) donate land to private and public persons or entities, 4) construct buildings and structures, 5) acquire buildings and structure, 6) rehabilitate buildings or structures, 7) provide subsidies to or for the benefit of persons or families of very low, low, and moderate income, 8) purchase affordability covenants on existing housing projects, and 9) develop plans, paying principal and interest on bonds, loans, advances or other indebtedness, or paying financing or carrying charges for the construction and development of affordable residential dwellings.

Additionally, ARA funds may be used inside or outside of the Project Areas for affordable housing projects. The Replacement Housing section of the Plans requires the Agency to replace affordable housing that has been destroyed for ARA projects. The replacement housing is to be constructed, developed, or rehabilitated within the four-year requirement period. The units can be rental or for sale dwellings but must be affordable to very low, low and moderate income households. Affordable housing created by the Agency outside of the Project Areas can be counted toward the Agency’s replacement housing obligation on a one-for-one basis and toward the Agency’s production obligation based upon one-half the number of units built (e.g. two units constructed outside the Project Areas count as one production housing unit). Thus, the Affordable Housing
Production & Replacement Housing Plan will satisfy California Redevelopment Laws, and improve the Agency’s efforts to provide and replace affordable housing for very low, low and moderate income households as required by CRL, and the CBD and Added Area A Redevelopment Plans.

EXAMINATION OF ARA AND PRIVATE DEVELOPER ACTIVITIES TO DETERMINE AGENCY’S OBLIGATIONS

Methodology

The research for developing ARA’s Housing Production and Replacement Housing Plan takes into account the period of time between the adoption of the Amended Added Area A Plan and the CBD Plan, and the adoption of this Plan.

The methodologies used in determining what housing developments the Agency should pursue included:

- identifying applicable (low/moderate) residential units that were demolished/displaced by ARA for the development of new projects (reviewed building permits, planning project files, ARA project files, conducted on-site visits) in the Industrial Area, Amended Added Area A and CBD Project Areas;

- identifying applicable capital improvements which were constructed by a private developer or some other nonprofit entity (reviewed building permits, planning project files, ARA project files, conducted on-site visits) in the Amended Added Area A and CBD Projects Areas;

- identifying completed ARA assisted housing projects that can be used to satisfy the Agency’s obligations in providing affordable very low, low, and moderate income residential Dwelling units;

- examining the Agency’s housing projects currently under development to determine if any of the projects can be applied towards the Agency fulfilling California Redevelopment Law requirements;

- determining the number and type of units to be produced, based upon the above findings, and Redevelopment formulas and requirements (Section 33413(b) of the Health and Safety Code);

- examining the Housing Division’s records to identify Community Development Block Grant (CDBG) funded housing projects that could be applied to the CRL requirements.
INVENTORY OF AFFORDABLE HOUSING UNITS CREATED BY THE
REDEVELOPMENT AGENCY

Since the 1980’s the Agency has made an effort to increase the supply of affordable housing within the City. Affordable housing units have been created through the rehabilitation of existing units and construction of new units in the Industrial/Added Area A and the CBD Redevelopment Project Areas, as well as outside the boundaries of the Project Areas. The units created are counted toward achieving the Agency’s obligation to replace housing units it has demolished and toward its obligation to ensure that a certain percentage of all housing built within the Added Area A and CBD Project Areas is affordable.

Tables A, B and C list the various affordable housing projects completed by the Redevelopment Agency. The Agency has created a total of 445 affordable housing units. In the Industrial/Added Area A Project Area, the Redevelopment Agency has completed 327 affordable housing units. In the CBD Project Area the Redevelopment Agency has completed 92 affordable housing units. Outside the Project Area the Redevelopment Agency has completed 26 affordable housing units.

All of these affordable housing units serve as credits toward the Agency’s obligation to replace demolished units and to ensure certain affordable housing unit production.

HOUSING REPLACEMENT OBLIGATIONS AND ACHIEVEMENTS

ARA Demolition Activities – Industrial Area, Added Area “A” Project Area

Since July 15, 1981 the Agency has acquired and demolished a total of 64 dwelling units with 94 bedrooms in the Industrial (since 1994) and Added Area A Project Area. The last demolition activities occurred in 1993. During the 1999-2004 and the 2005-2009 Implementation Plan periods no housing units have been demolished.

Table D identifies the years in which demolition activity occurred, the number of affordable units and bedrooms created by the Agency and the surplus or deficit regarding the Agency’s replacement obligation. The Agencies replacement obligation for this project area is 64 units. The Agency has produced 327 affordable units. The surplus units may be counted toward meeting the Agency’s housing production obligation.

ARA Demolition Activities – CBD Project Area

Since December 27, 1976 the Agency has acquired and demolished a total of 10 dwelling units with 13 bedrooms in the CBD Project Area. The last demolition activities occurred in 1986. During the 1999-2004 and the current 2005-2009 Implementation Plan periods no housing units have been demolished.
Table E identifies the years in which demolition activity occurred, the number of affordable units and bedrooms created by the Agency and the surplus or deficit regarding the Agency’s replacement obligation. **The Agency’s replacement obligation for this project area is 10 units. The Agency has produced 92 affordable units. The surplus units may be counted toward meeting the Agency’s housing production obligation.**
HOUSING PRODUCTION OBLIGATIONS AND ACHIEVEMENTS

New & Rehabilitated Housing Activities – Added Area “A” Project Area

A total of 648 residential units were developed or rehabilitated (211 units) in the Added Area A from 1981 through October 2009. Of these units, 327 were agency assisted affordable housing units and 321 were market rate housing units. Per Section 33413(b)(2) of the Code, 15% or 98 of the 648 units must be affordable to low and moderate income households. Furthermore, 40% of the 98, or 40 units, must be constructed and designated for very low income persons and households. Thus, the Agency is required to produce a minimum of ninety-eight (98) units of affordable housing of which at least forty (40) of the units must be reserved for very low income households.

To date the Agency has produced 327 affordable units. The Agency’s replacement obligation for this project area is 64 units. The production requirement for the Added Area A is 98 units. As a result, the Agency has a surplus of 165 affordable units.

New & Rehabilitated Housing Activities – CBD Project Area

A total of 346 residential units were developed or rehabilitated (2 units) in the CBD Area from 1976 through October 2009. Of these units, 92 were agency assisted affordable housing units and 254 were market rate housing units. Per Section 33413(b)(2) of the Code, 15% or 52 of the 346 units must be affordable to low and moderate income households. Furthermore, 40% or 21 of the 52 units must be constructed and designated for very low income persons and households. Thus, the Agency is required to produce a minimum of fifty-two (52) units of affordable housing of which at least twenty-one (21) of the units must be reserved for very low income households.

To date the Agency has produced 92 affordable units. The Agency’s replacement obligation for this project area is 10 units. The production requirement for the CBD Project Area is 52 units. As a result, the Agency has a surplus of 30 affordable units.
| Project Area Name: Industrial/Added Area | Table A |

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Legend: V.L. = Very Low, L. = Low, M. = Moderate, A. = Affordable, T. = Total, AM = Affordable Only, R = Rent, O = Owner Occupied, N/A = Not Applicable.
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| Total No. | Total | Drugstore Units | Total (1) | I | I | I | M AM | M AM | M AM | M AM | M AM |
|-----------|-------|-----------------|------------|---|---|---|------|------|------|------|------|------|
| 1 | 13 | 6 | 6 | 62 |
| 67 | 67 | 0 | 0 | 0 | N/A | 3 | 87 | 154 |
| 6 | 92 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table: B

Recorded Agreements, Covenants, Conditions, and Restrictions

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Legend:
- VL = Very Low
- L = Low
- M = Moderate
- AM = Above Moderate
- Total = Total Affordability
- O = Owner Occupied
- R = Rental

Table C: Inventory of Housing Units Outside Project Area
### Table: D

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Dwelling Units Destroyed/Removed by Area

Project Area Name: Indusitrial/Aded Area A
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</table>
**Project Area Housing Production Summary Tables**

The tables below illustrate the number of residential dwelling units produced within the Added Area A, CBD and Outside the Project Areas.

- Per Section 33413(b)(2) of the Code, 15% or 98 of the 648 units must be affordable to low and moderate income households. Furthermore, 40% of the 98, or 40 units, must be constructed and designated for very low income persons and households.

<table>
<thead>
<tr>
<th>Added Area A</th>
<th>Total</th>
<th>Affordable</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units produced</td>
<td>648</td>
<td>327</td>
<td>170</td>
</tr>
<tr>
<td>Production Requirement</td>
<td>98</td>
<td>40</td>
<td></td>
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<tr>
<td>Replacement Requirement</td>
<td>64</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>165</td>
<td>98</td>
<td></td>
</tr>
</tbody>
</table>

- Per Section 33413(b)(2) of the Code, 15% or 52 of the 346 units must be affordable to low and moderate income households. Furthermore, 40% of the 52 units, or 21, must be constructed and designated for very low income persons and households.

<table>
<thead>
<tr>
<th>Central Bus Dist</th>
<th>Total</th>
<th>Affordable</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units produced</td>
<td>346</td>
<td>92</td>
<td>80</td>
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<tr>
<td>Production Requirement</td>
<td>52</td>
<td>21</td>
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<tr>
<td>Replacement Requirement</td>
<td>10</td>
<td>3</td>
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<tr>
<td>Surplus / (Deficit)</td>
<td>30</td>
<td>56</td>
<td></td>
</tr>
</tbody>
</table>

- The housing production requirements of Section 33413 (b) apply only to project areas created by an adopted redevelopment plan. As a result, production and replacement requirements do not apply outside the project area.

<table>
<thead>
<tr>
<th>Outside Project Area</th>
<th>Total</th>
<th>Affordable</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units produced</td>
<td>64</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td>Production Requirement</td>
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<td>0</td>
<td></td>
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<tr>
<td>Replacement Requirement</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>26</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>
Summary/Conclusion of Agency Replacement and Production Housing Obligations

The data compiled above reveals that the Alhambra Redevelopment Agency has exceeded its affordable and very low income housing production requirements within the project areas. Recognizing the need to provide affordable housing in our community has motivated the Agency to exceed its affordable and very low income housing production requirements.

ADDITIONAL RESTRICTIONS ON THE USE OF LOW/MOD HOUSING FUNDS

Legislation adopted as part of the CRL in 2002 further impacts how the Agency can spend its low/mod funds in the future, as follows:

- Section 33334.4 of H & SC now requires that the amount of low/mod funds spent on senior housing (i.e. age 65 and over) may not exceed the percentage of the City’s senior population in the last census. The 2000 Census indicated that 11,240 people age 65 or older resided in Alhambra. This represents 13.1% of the City’s total population of 85,804. The Agency’s current plans do not include any new senior housing projects.

- Section 33334.4 also now requires that housing production be targeted, as a percentage, to meet the income housing needs identified in the most recent adopted Housing Element. The Alhambra Housing Element identified the housing needs of very low (0-50% of median family income), low (51-80% of median family income), and moderate (81-120% of median family income) households to be 1,546, or 379 very low, 239 low income, 260 moderate income and 668 above moderate income. Over the next ten years, the Agency should achieve these percentages in its affordable housing expenditures.

- Section 33413(a) of H & SC now requires that 100% of units and bedrooms destroyed by the Agency for new projects be replaced within four years at the same income levels. The Agency currently has a surplus of replacement housing and should be able to meet this requirement easily.

- Section 33333.8(a) requires that the Agency meet all of its housing obligations by the end of the redevelopment plans. Based upon the Agency’s past housing replacement and production accomplishments and planned housing projects, the Agency should be able to meet this requirement easily.
LOW/MODERATE HOUSING FUND

To both further the provision of affordable housing in the City of Alhambra and to comply with the California Redevelopment Law, the Agency anticipates depositing the following estimated amounts into the Low/Moderate Income Housing Fund to be utilized for affordable housing projects:

Low/Moderate Income Fund (2010-2014) Deposits

<table>
<thead>
<tr>
<th>Year</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
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<tr>
<td>Low/Mod Fund</td>
<td>2,424,226</td>
<td>2,496,952.7</td>
<td>2,571,861.21</td>
<td>2,649,017</td>
<td>2,728,487.50</td>
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</tbody>
</table>

Supplemental Educational Revenue Augmentation Funds (SERAf)

In 1992, the State of California found itself in a serious deficit position. To meet its obligations to fund education at specified levels under Proposition 98, the state enacted legislation that shifted partial financial responsibility for funding education to local government (cities, counties and special districts). The state did this by instructing county auditors to shift the allocation of local property tax revenues from local government to “educational revenue augmentation funds” (ERAFs), directing that specified amounts of city, county and other local agency property taxes be deposited into these funds to support educational institutions. The Agency’s Supplemental ERAF ("SERAf") obligation for 09/10 is $4,162,329 which must be paid by May 10, 2010. SERAF legislation ABX 426 & SB 86 passed on November 12, 2009 allows agencies to borrow from the low moderate income housing fund to make the SERAF payment as long as the low/mod fund is repaid by June 30, 2015. The Agency’s ERAF for fiscal year 2010-2011 is approximately $860,000.

APPENDIX

Attachments:
Estimates of Replacement Housing Units 2000 - 2024
Redevelopment Project Area Maps
ESTIMATES OF REPLACEMENT HOUSING UNITS 2000 - 2024

Replacement Category includes units which will be one of the following: New, rehabilitated, price restricted or income restricted (very low, low or moderate)

<table>
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<th>Removal</th>
<th>Replacement</th>
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REDEVELOPMENT PROJECT AREA MAPS