

**Community Development Commission
of the City of West Covina**

2010 – 2014

**Redevelopment
Implementation Plan**



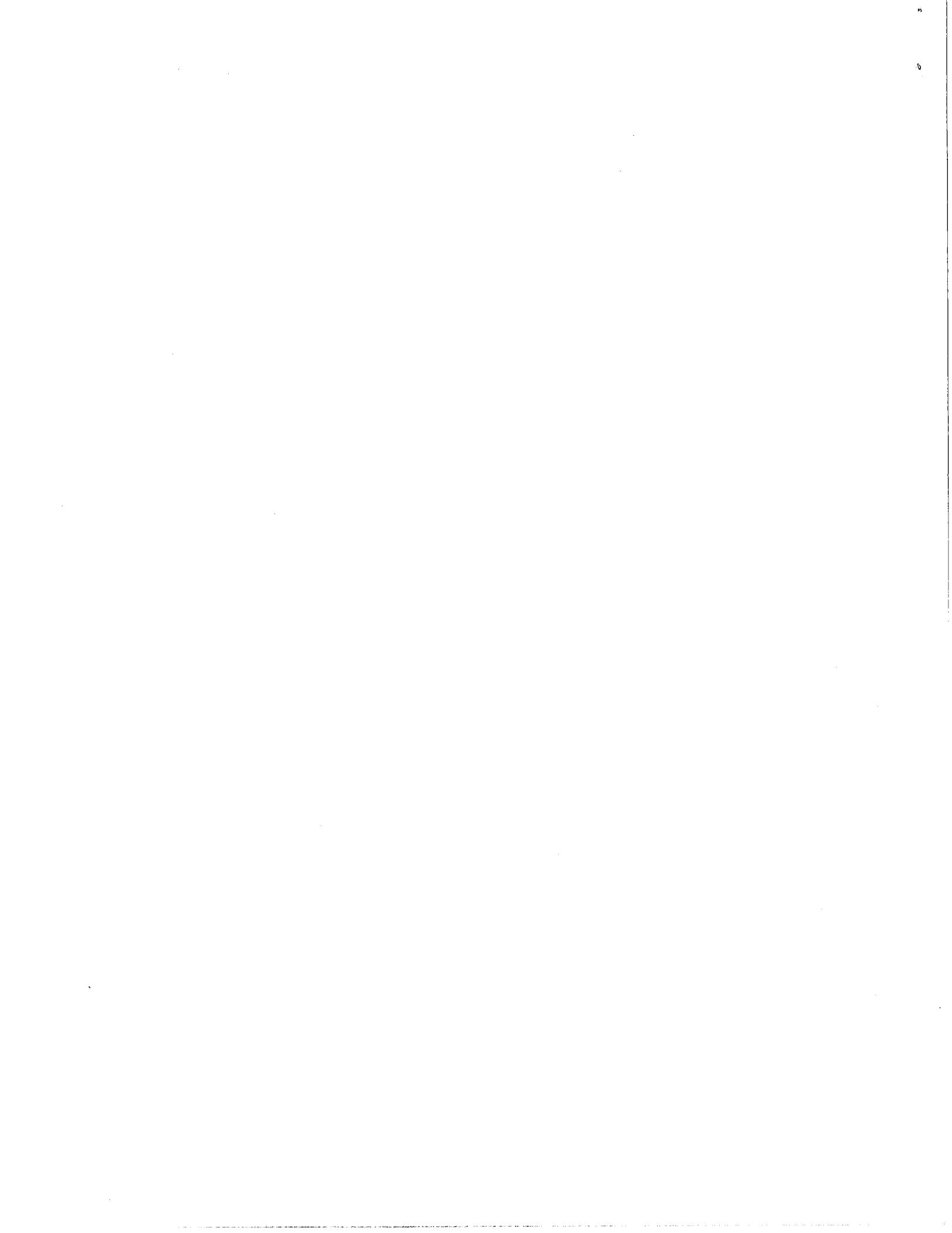


TABLE OF CONTENTS

EXECUTIVE SUMMARY3

SECTION 1: BACKGROUND TO THE PLAN5

1.1 Introduction5

1.2 Public Participation6

1.3 The West Covina Community Development Commission6

A. Time Limits10

1.4 Redevelopment Standards11

1.5 Organization of the 2010-2014 Plan13

SECTION 2: GENERAL REDEVELOPMENT ACTIVITIES15

2.1 2010-2014 Plan Goals and Objectives15

 A. Redevelopment Plan15

2.2 Review of Programs Identified in the 2005 Plan16

2.3 Statement of Additional 2005 Plan Activities27

2.4 Overall Accomplishments of the 2005 Plan28

2.5 Identification of 2010-2014 Plan Programs, Projects and Activities28

2.6 Revenues32

 A. Elimination of Blight33

2.7 Summary33

SECTION 3: AFFORDABLE HOUSING COMPLIANCE REQUIREMENTS35

3.1 2010-2014 Implementation Plan Goals and Objectives35

3.2 Implementation Plan Requirements35

3.3 Housing Production Requirements37

3.4 Housing Production: Past and Projected37

3.5 Set-Aside and Expenditure of Tax Increment for Housing Purposes39

3.6 Reports and Strategies to Provide Affordable Housing40

3.7 Housing Fund Resources and the Housing Program41

3.8 Housing Constructed, Rehabilitated, or Price Restricted (2005-2009)46

3.9 Housing to be Destroyed or Removed (2010-2014)47

3.10 Housing Compliance48

3.11 Summary49

**Community Development Commission of the City of West Covina
Mission Statement**

To enhance the economic base of the City through the elimination of blight, the revitalization of existing properties and the attraction of new businesses.

EXECUTIVE SUMMARY

On December 6, 1994, the Redevelopment Agency (“Agency”) of the City of West Covina adopted an Implementation Plan in accordance with Section 33490 of the California Health & Safety Code. Redevelopment agencies are required to adopt implementation plans every five years pursuant to Code Section 33490(c). This Code Section also requires a public hearing on the Implementation Plan and associated Redevelopment Plans. The Agency adopted the first 5-Year Implementation Plan (1995-1999) on December 6, 1994, in accordance with the Code. The second 5-Year Implementation Plan (2000-2004) was adopted on December 7, 1999. The Third 5-Year Implementation Plan (2005-2009) was adopted on December 21, 2004.

The Code requires the Agency to review the plan at least once within the five-year term of the plan, to conduct a public hearing, and to receive testimony from all interested parties for the purpose of reviewing the redevelopment plan and corresponding implementation plan. This review consists of evaluating the progress of each redevelopment project area within the jurisdiction. The City held these hearings on January 20, 1998, July 1, 2003, and December 18, 2007.

On December 2, 2003, Ordinances No. 2108 and 2109 were adopted pursuant to Sections 34120(a) and 34115.5 of the Code, respectively declaring the City Council to be the Community Development Commission, declaring the need for a Community Development Commission, and transferring all duties, powers and responsibilities of the Redevelopment Agency Board to the Community Development Commission. As such, the Redevelopment Agency will hereafter be referred to as the Community Development Commission (“CDC” or “Commission”).

This 2010-2014 Redevelopment Implementation Plan (“Plan”) has been prepared pursuant to Code Section 33490(c).

The City of West Covina and the CDC have been actively involved in redevelopment activities since 1971. Consistently, the CDC has focused on the elimination of blight, the assistance of economic development, and the creation and maintenance of affordable housing. This 2010-2014 Implementation Plan provides a detailed analysis of the activities that the CDC has pursued and plans that the CDC proposes for the next five years. Through this analysis, the following conclusions can be made:

- By establishing well-defined and obtainable goals and objectives, the CDC has been successful in achieving the primary purpose of redevelopment as defined by state law – the elimination of blight.

- The CDC has assisted in economic development by establishing workable and usable programs to which the business community has responded positively.
- The CDC has provided for the establishment and funding of capital improvement projects that are designed to make the City more accessible, usable, and efficient. The CDC anticipates providing funds for ongoing capital improvement projects over the course of this Plan.
- The CDC has consistently provided for, and assisted in, the creation of affordable housing. Specifically, the CDC has, to date, maintained, assisted, or provided over 2,159 affordable homes. Additionally, during the term of this Plan, the CDC anticipates assisting in the development or rehabilitation of over 364 affordable units. The CDC is committed to creating affordable housing through the average expenditure of over \$3.5 million annually from its Low- and Moderate-Income Housing Fund.
- The CDC, in the last four years, has been instrumental in creating additional revenue at over \$4.6 million dollars (\$3.5 million from new sales tax per year and \$1.1 million in annual net new property tax increment) and approximately over 3,500 new jobs.

The Community Development Commission of the City of West Covina has consistently pursued redevelopment activities in careful accordance with the Community Redevelopment Law of the California Health & Safety Code. The CDC anticipates remaining in compliance with the Code throughout the term of this 2010-2014 Plan.

SECTION 1: BACKGROUND TO THE PLAN

1.1 Introduction

Assembly Bill 1290, also known as the Community Redevelopment Law Reform Act of 1993, became effective on January 1, 1994, as Section 33490 of the California Health & Safety Code (“Code”). It requires that redevelopment agencies adopt an implementation plan every five years. Section 33490 requires that each redevelopment agency that adopted a redevelopment plan prior to January 1, 1994, to prepare and adopt an implementation plan on or before December 31, 1994, and every five years thereafter. Adoption of an implementation plan does not constitute an approval of any specific program, project, or expenditure described in the plan, and therefore, is not considered a project under CEQA requiring environmental assessment. Implementation plans may also be amended after a public hearing. This 2010-2014 Implementation Plan (“Plan”) documents the proposed actions of the redevelopment agency, and details how these actions will lead to the elimination of blight and the creation and preservation of affordable housing.

The Plan is required to describe the specific goals, objectives, programs, and expenditures of the redevelopment agency, and provide an explanation of how these goals, objectives, programs, and projects will eliminate blight within the project area. The Plan is also required to contain annual housing program, a discussion of the number of affordable housing units expected to be developed, rehabilitated, price-restricted, otherwise restricted, or destroyed, and the details of how the redevelopment agency plans to use its Low- and Moderate-Income Housing Fund (Housing Fund). Additionally, if any project is expected to result in the destruction or removal of low- and moderate-income dwelling units, the Plan must identify proposed locations suitable for replacement of those units.

Implementation plans throughout the State were required to be adopted, after a public hearing, before December 31, 1994, and each five years thereafter. The CDC adopted its original Implementation Plan after a public hearing on December 6, 1994. The CDC adopted the second Implementation Plan on December 7, 1999, and its third Implementation Plan on December 21, 2004. In addition, according to Section 33490(c), every agency, at least once within the five-year term of the plan, is required to conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation plan for each redevelopment project within the jurisdiction and evaluating the progress of the redevelopment project. On January 20, 1998, July 1, 2003, and again on December 18, 2007, the CDC held its public hearing on the mid-term updates of the Implementation Plan and in doing so complied with Section 33490(c).

The 2010-2014 Plan has been prepared in accordance with the provisions of Section 33490 of the California Community Redevelopment Law and is intended to replace the 2005-2009 Implementation Plan document adopted on December 21, 2004, (herein after the “2005 Plan”). The Plan identifies those programs that were specifically cited in that 2005 Plan and provides an analysis of the progress of each program. The 2010-2014 Implementation Plan also identifies new programs and projects proposed by the Community Development Commission for

implementation during the new plan period, including those programs and projects not completed from the 2005 Plan.

1.2 Public Participation

This Plan was scheduled for presentation to the public at a Public Hearing on November 17, 2009, at 7:00 p.m. in the West Covina City Council Chambers located at 1444 West Garvey Avenue, West Covina, California. Pursuant to Section 6063 of the Government Code and Section 33490(d) of the Health & Safety Code, notice of this public hearing has been published in *The San Gabriel Valley Tribune* and posted in at least four permanent places within the Project Area for a period of three weeks prior to the hearing date. Publication was completed no less than ten days prior to the date set for the hearing. During the public hearing, anyone wishing to comment on the Plan was given the opportunity to be heard, and all written comments were considered.

1.3 The West Covina Community Development Commission

The Community Development Commission of the City of West Covina (“CDC”) acts as the redevelopment agency of the City of West Covina (“City”) pursuant to the California Community Redevelopment Law, Health & Safety Code, and Section 33000, *et seq.* (“Redevelopment Law”), and Section 34100, *et seq.* of the California Health & Safety Code. On December 2, 2003, the City Council of the City of West Covina (“City Council”) adopted Ordinances No. 2108 and 2109 pursuant to Health & Safety Code Sections 34120(a) and 34115.5, respectively, declaring the need for a Community Development Commission and transferring all duties, powers and responsibilities of the Redevelopment Agency of the City of West Covina to the CDC. The CDC is a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health & Safety Code, and exercising all of the power, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the Redevelopment Law and specifically formed by the City Council.

Since 1971, there have been seven (7) redevelopment project areas approved in accordance with the Health and Safety Code. As a result of merger actions, there is currently two separate Project Areas: the West Covina Redevelopment Project Area and the Citywide Redevelopment Project Area. This Implementation Plan will serve as the official implementation plan for all Project Areas, including the merged and amended project areas listed below.

- 1971: Central Business District Redevelopment Project Area established by Ordinance No. 1180 on December 20, 1971.
- 1975: Eastland Redevelopment Project Area established by Ordinance No. 1269 on July 14, 1975.
- 1977: Amendment No. 1 to the Central Business District Redevelopment Project Area adopted by Ordinance No. 1342 on May 23, 1977.

- 1980: Amendment No. 2 to the Central Business District Redevelopment Project Area adopted by Ordinance No. 1481 on July 7, 1980.
- 1984: Amendment No. 3 to the Central Business District Redevelopment Project Area adopted by Ordinance No. 1657 on December 20, 1984.
- 1990: Amendment No. 1 to the Eastland Redevelopment Project Area adopted by Ordinance No. 1852 on July 9, 1990.
- 1993: Merger of the Central Business District and Eastland Redevelopment Project Areas by Ordinance Nos. 1927 and 1928 on December 21, 1993. This action adopted the merged area as the West Covina Redevelopment Project Area and added three non-contiguous areas to the merged project area.
- 1994: Amendment No. 1 to the West Covina Redevelopment Plan adopted by Ordinance No. 1951 on December 20, 1994. This action brought the West Covina Redevelopment Project Area into compliance with Assembly Bill 1290 and made technical changes to the tax increment time limits of the plan.
- 1996: Amendment No. 2 to the West Covina Redevelopment Plan adopted by Ordinance No. 1964 on February 12, 1996. This action deleted approximately 21.05 acres from the boundaries of the Project Area and set or changed various time limits pursuant to CRL Section 33333.6.

The first redevelopment project area adopted by the City Council was named the Central Business District Redevelopment Project Area. Originally created on December 20, 1971, by Ordinance No. 1180, the Central Business District Redevelopment Project Area was to acquire and develop property for commercial uses that included the West Covina Fashion Plaza and Civic Center. The CDC amended the project area on different occasions to expand the project boundaries and development scope. The City Council subsequently addressed other blighted and economically distressed areas by establishing a second redevelopment project area called the Eastland Redevelopment Project Area on July 14, 1975, by Ordinance No. 1269. The CDC created the Eastland Redevelopment Project Area to acquire and develop property for commercial use. The principal developments in the project area are regional shopping and entertainment centers. The plan was later amended to expand the project boundaries and development scope. The CDC merged the two original project areas in December 1993 in response to new state legislation and inclusion of blighted properties. The two project areas were merged into the West Covina Redevelopment Project Area that contains approximately 1,921 acres total.

On July 15, 1999, the CDC established a new project area with the creation of the West Covina Citywide Redevelopment Project Area. This new project area was established for the purposes of carrying out activities related to upgrading public facilities and improving the quality of life for residents within the project area. This new project area consists of approximately 302 acres located in multiple non-contiguous sub-areas throughout the City.

Due to project area adoptions and merger actions, there is currently two separate Project Areas: the West Covina Redevelopment Project Area and the Citywide Redevelopment Project Area.

This Implementation Plan will serve as the official Implementation Plan for all Project Areas. For reference purposes, the Project Areas are described individually as follows:

Central Business District (“CBD”): Adopted on December 20, 1971, under Ordinance No. 1180. The purpose of this project was, in general, to position West Covina as the central retailing and commercial area of the east San Gabriel Valley region. The Project specifically focused upon commercial areas to the south of the San Bernardino Freeway (Interstate 10) along West Covina Parkway and Glendora Avenue. It was determined that sales volume for the commercial properties in the area were declining, which contrasted sharply with the rapid population growth the city was experiencing as a whole, in the late 1960s. The Redevelopment Plan called for the elimination of unnecessary streets between Sunset Avenue and California Avenue, the extension of the West Covina Parkway to the east, improved freeway intersections and parking, development of the Fashion Plaza regional mall, reconstruction/revitalization of the West Covina Center commercial district, and development of the Cameron Avenue/Civic Center area as an office and business district.

Eastland Redevelopment Project: Adopted on July 14, 1975, under Ordinance No. 1269, this Project Area was established to address the economic and structural decay that had fallen upon the Eastland commercial area in the northeast portion of the City. The 199 acres in the Project Area included the Eastland Shopping Center complex and the surrounding commercial/retail district. It was determined that the economic decline in the area resulted from the inability of the outdated Eastland Shopping Center to compete effectively with new enclosed regional shopping malls in the market area. The existing retail businesses in the Center were seen as unrelated and not conducive to generating high volume sales. It was determined that the commercial area, with excellent access and visibility from the freeway, could generate substantially higher sales and business traffic with the assistance of redevelopment activities.

Central Business District Amendment (1): Adopted on May 23, 1977, under Ordinance No. 1342, this amendment clarified language and made technical changes to the Redevelopment Plan. The Amendment did not add any land to the Project Area and did not change any of the basic objectives of the Plan.

Central Business District Amendment (2): Adopted on July 7, 1980, under Ordinance No. 1481, this amendment added approximately 240 acres of land, in four amendment areas. The Redevelopment Plan was amended to reflect changes to the law and anticipated redevelopment activities in the new areas. Three of the four amendment areas were contiguous with the existing Project Area, with the fourth located approximately one-half mile to the northeast. The primary characteristic of the amendment areas was the intermixing of incompatible land uses, a common characteristic for neighborhoods that are in transition. While the primary use in the amendment areas was commercial and retail, residential and public uses were interspersed throughout. The purpose of the amendment was to expand the success of the commercial redevelopment/revitalization efforts that had been made in the CBD to more outlying commercial areas. The transitional nature of the amendment areas was reflected in the

conflicting land uses between commercial and residential properties. Commercial areas did not have the parcel sizes and circulation improvements needed for modern retailing and businesses, while residential areas were not appropriately buffered from commercial districts. As a result, these areas had suffered economic decline which redevelopment activities were intended to rectify.

Eastland Project Area Amendment (1): Adopted on July 9, 1990, under Ordinance No. 1852, this amendment added approximately 1,116 acres to the existing Area using eight subareas. These were deemed necessary in response to a perception that development within the San Bernardino Freeway corridor had been taking place in a sporadic and unplanned manner, resulting in the creation of pockets of physical, social, and economic blight. A comprehensive study conducted in 1985-86 identified the amendment areas as those that were most in decline and in need of assistance. The areas were characterized by incompatible land uses and poor traffic circulation that had been created by the unmonitored development. Several of the added areas were not directly along the freeway corridor but were added because the neighborhoods exhibited blighting conditions. Land uses in these areas included local retail districts that had deteriorated, and several abandoned school sites that presented economic revitalization opportunities if developed in a coordinated fashion. One amendment area encompassed the BKK landfill site, which the CDC was instrumental in securing the successful closure. The CDC purchased a portion of the site and successfully negotiated development agreements with separate developers for the development of a mixed-use project offering retail, office, and recreational uses. This project has been well received by the neighboring residents and has become a beacon for the community.

West Covina Redevelopment Project: Adopted in December 1993 by Ordinance No. 1927, this action was an amendment to merge the Eastland Redevelopment Project and the Central Business District Redevelopment Project Area and renamed the one merged area the West Covina Redevelopment Project. Ordinance No. 1928, also adopted in December 1993, approved the West Covina Redevelopment Project Area, and added 64 acres of land. The primary reasons for the merger were: (1) to enhance the flexibility of the CDC to undertake economic development projects, and (2) to increase the security of any tax allocation bonds that may be issued. The merger would also streamline the administrative process and consolidate the general controls and time limitation of the individual Redevelopment Plans.

In December 1994, the City Council adopted the First Amendment to the West Covina Redevelopment Plan by Ordinance No. 1951, which brought the West Covina Redevelopment Area into compliance with Assembly Bill 1290 and made technical changes to the Tax Increment time limits of the Plan. On February 12, 1996, by Ordinance No. 1964, the City Adopted the Second Amendment to the West Covina Redevelopment Plan. This Amendment deleted an estimated 21.05 acres from the boundaries of the Project Area. The Amendment also set or changed various time limits pursuant to Health and Safety Code Section 33333.

Citywide Redevelopment Project: Adopted June 15, 1999, by Ordinance No. 2037. This new project area consisted of 18 non-contiguous subareas totaling approximately 309 acres. The areas are located throughout the community, including several that are contiguous with the West Covina Redevelopment Project. The primary objective of the adoption was to stimulate

revitalization of commercial districts throughout the City that have begun to suffer and to enhance the long-term economic well being of the community. Most of the subareas are located at significant commercial intersections whose redevelopment is expected to stimulate growth in the neighborhood retail districts.

A. Time Limits

When the Redevelopment Law was reformed by Assembly Bill 1290, one of the major modifications included the requirement that all Project Areas contain certain time limits for activities, including the effective life of the Plan, the date to which debt could be incurred, and the date for which tax increment receipts by the CDC would end. This new law applied to all existing projects as well as any new areas that were adopted after January 1, 1994.

In January 2002, the Legislature enacted Senate Bill 211, an amendment to the Code, which enabled a City Council to adopt an ordinance allowing a CDC to incur new debt until the end of the active life of the project area.

On December 2, 2003, the City Council adopted Ordinance No. 2106, thereby eliminating the time limits on incurring indebtedness within the Consolidated Redevelopment Project Area.

In August 2003, the State Legislature passed Senate Bill 1045, an amendment to the Code, which required redevelopment agencies to make certain payments to the Educational Revenue Augmentation Fund (ERAF). SB 1045 also allows redevelopment agencies that make such payments to amend their redevelopment plans by extending the time limits by one year for redevelopment activities and for receipt of tax increment revenues. On December 2, 2003, the West Covina City Council adopted Ordinance No. 2106, which also extended the time limits for both the Project Areas.

In 2004, the State Legislature passed Senate Bill 1096, requiring redevelopment agencies to make additional ERAF payments for two (2) consecutive fiscal years. SB 1096 also allows redevelopment agencies to amend their redevelopment plan to extend the time of effectiveness of the plan by one (1) year for each year of the ERAF payments. On June 3, 2009, the City Council adopted Ordinance No. 2177, extending the Redevelopment Plan effectiveness date and the Debt Repayment and Receipt of tax increment date by two (2) years for the Central Business District and Eastland Project Areas.

Table 1 below identifies the current time limits that have been incorporated into various Redevelopment Plans through CDC and City Council actions.

Table 1: Time Limitations for the Redevelopment Project Areas

Redevelopment Plan	Adoption Date	Debt Time Limit	Plan Effective Time Limit	Tax Increment Time Limit
CBD Original	12/20/71	12/20/14	12/20/14	12/20/24
CBD Amendment (2)	07/07/80	07/07/23	07/07/23	07/07/33
CBD Amendment (3)	12/20/84	12/20/27	12/20/27	12/20/37
Eastland Original	07/14/75	07/14/18	07/14/18	07/14/28
Eastland Amendment (1)	07/09/90	12/21/31	12/21/31	12/21/41

West Covina Merger	12/21/93	12/21/31	12/21/31	12/21/41
Citywide	06/15/99	06/15/30	06/15/30	06/15/45

Source: CDC

Prepared by JWA Urban Consultants, Inc.

1.4 Redevelopment Standards

Before the passage of AB 1290, the California Community Redevelopment Law defined the specific characteristics of blight in Section 33031 and 33032. All of the Project Areas that exist within the City, including associated amendments and merger actions, were adopted using these definitions. They are included here for reference purposes.

Section 33031. A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one of a combination of the following factors:

- a) Defective design and character of physical construction;
- b) Faulty interior arrangement and exterior spacing; and
- c) Inadequate provision for ventilation, light, mixed character, or shifting uses.

Section 33032. A blighted area is characterized by properties that suffer from economic dislocation, deterioration, or disuses because of one of the following factors:

- a) The subdividing and sale of lots irregular in form and shape and inadequate in size for proper usefulness and development;
- b) The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions;
- c) The existence of inadequate public improvements, public facilities, open spaces, and utilities, which cannot be remedied by private or governmental action without redevelopment; and
- d) A prevalence of depreciated values, impaired investments, and social and economic maladjustment.

Under this definition, a blighted area was one characterized by one or more of the aforementioned conditions and which caused a reduction of, or lack of, proper utilization of the area to such an extent that it constituted a serious physical, social, or economic burden on the community, which could not be reasonably expected to be reversed or alleviated by private enterprise acting alone.

As these were the conditions upon which the Project Areas were originally selected, they are the standards that the CDC used to evaluate its performance in regards to the elimination of blight prior to January 1, 1994.

Some of the conditions of blight within the Project Areas include: (1) buildings characterized by dilapidation, deterioration, and defective design; (2) buildings and lots affected by substandard design, inadequate size given market conditions, multiple ownership, and lack of parking; (3) depreciated and stagnant property values with impaired values; and (4) abnormally low lease rates compared to other properties of similar characteristics.

In 1994, with the adoption of AB 1290, the definitions of blight were modified. They are included below and have been the standards that the CDC has used to evaluate its performance in regards to the elimination of blight since 1994. Where appropriate, these definitions will also be applied to the previously adopted Project Areas.

Section 33030.

- a) It is found and declared that there exist in many communities blighted areas, which constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.
- b) A blighted area is one that contains both of the following:
 - 1) An area that is predominantly urbanized, as that term is defined in Section 3320.1, 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 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 action, 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.
 - 3) A blighted area also may be one that contains the conditions described in subdivision (v) and is characterized by the existence of inadequate public improvements, parking facilities, or utilities.

Section 33031. This subdivision describes physical conditions that cause blight:

- a) 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.
- b) 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.
- c) 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.
- d) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

This subdivision describes economic conditions that cause blight:

- a) Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of CDC authority as specified in Article 12.5 (commencing with Section 33459).
- b) 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.
- c) A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- d) Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, which has led to problems of public safety and welfare.
- e) A high crime rate that constitutes a serious threat to the public safety and welfare.

1.5 Organization of the 2010-2014 Plan

In accordance with the Code Section 33490, the Plan is organized into two sections: the first dealing with general redevelopment activities, the second dealing with housing related issues.

Each section will contain three parts: 1) An identification of the goals and objectives for the Plan; 2) a review of activity that has taken place since the adoption of the 2005 Plan; and 3) a list of proposed programs and potential projects, including those continuing from the 2005 Plan, and the estimated expenditures proposed for these activities. The Housing Section will also contain an analysis of the CDC's compliance status with statutory affordability requirements and proportionality of expenditures for senior and non-senior housing projects.

SECTION 2: GENERAL REDEVELOPMENT ACTIVITIES

2.1 2010-2014 Plan Goals and Objectives

The following goals and objectives have been identified for the Plan. These goals and objectives are designed to eliminate those conditions of blight considered most urgent and within the capacity of the CDC to remove such conditions during the next five years and can be summarized as follows:

- Assist in the renovation, new development, and retention of stable businesses in the Project Areas;
- Continue to develop and implement improvements in the Central Business District;
- Pursue redevelopment alternatives for targeted residential and commercial sites;
- Eliminate and prevent the spread of blight;
- Stabilize the financial condition of the CDC;
- Encourage private sector investment in the redevelopment areas;
- Promote the economic well-being of the Project Areas by encouraging diversification of its commercial base;
- Promote the development of diverse job opportunities;
- Promote opportunities for commercial and industrial firms to locate their operations in an attractive, safe, and economically sound environment;
- Provide financing for the Redevelopment Project Areas, as needed.

A. Redevelopment Plan

In addition to the goals and objectives of the Plan, the CDC's Redevelopment Plans contain the following long-term planning and implementation goals and objectives:

- The elimination and prevention of blight and deterioration and the conservation, rehabilitation and redevelopment of the Project Areas in accordance with the General Plan, applicable codes and ordinances, and the California Redevelopment Law;
- The promotion of new and continued encouragement of private sector investment within the Project Areas to prevent loss of, and to recapture, commercial sales activities;

- The achievement of an environment reflecting a high level of concern for architectural, landscape urban design and land use principles appropriate for the attainment of the objectives for the Redevelopment Plans;
- The creation of conditions that will result in the reduction of crime and increase public safety;
- The retention and expansion of as many existing businesses as possible by means of redevelopment and rehabilitation activities, and by encouraging and assisting the cooperation and participation of owners, businesses, and public agencies in the revitalization of the Project Areas;
- The creation and development of local job opportunities and the preservation of the area's existing employment base;
- The re-planning, redesign, rehabilitation and redevelopment of areas which are stagnant or not utilized to their full potential;
- The elimination or amelioration of certain environmental deficiencies, including substandard vehicular circulation systems; inadequate water, sewer and storm drainage systems; insufficient off-street parking; and other similar deficiencies that adversely affect the Project Areas;
- The expansion of the community's supply of affordable housing, quality housing (both within and outside of the Project Areas), including opportunities for low and moderate income households;
- The reduction of the City's annual costs of providing local services to and within the Project Areas;
- The continued assistance with the cleanup and remediation of those properties that are adversely affected by contaminated soils and/or hazardous wastes; and
- The acquisitions of properties that are determined to be of benefit to the CDC and the Project Areas.

2.2 Review of Programs Identified in the 2005 Plan

As required by the Code, the 2005 Plan identified programs and potential projects, and estimated expenditures based on anticipated revenues. The following is a progress review of the programs and projects proposed for implementation during the 2005 Plan term and their status.

- a. **Amar/Azusa:** The CDC assisted with the redevelopment of the Island Plaza located at the southeast corner of Amar and Azusa within the Citywide Project Area and CDC staff will continue working to market the remainder of the site.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high crime rate, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: CDC provided the developer and the tenants with entitlement assistance for the renovation of shopping center. Although this project, located at the southeast corner of Amar and Azusa, has been completed, CDC staff is working with property owners to market other remaining vacancies within the immediate area and will continue to encourage any further redevelopment along Amar and Azusa corridors.

- b. **Auto Dealer Retention/Expansion:** Automobile dealerships are one of the major sales tax generators and job creation uses within the City. Over the past years, the City has benefited from strong sales volumes from the various automobile dealerships but with the recent downturn in the national and local economy, starting in 2007, the City's automobile dealerships have experienced a sustained slowdown in sales. The decrease in sales has similarly affected other car dealerships throughout Los Angeles County and in West Covina, "auto sales, which makes up 30% of all sales tax revenues, have been down the last six quarters with three of those quarters experiencing double-digit declines.¹" In order to ensure that the dealerships remain competitive within the overall marketplace, CDC staff has identified this sector of the economy for focused business assistance strategies that will assist businesses to prosper. This project also included the administration and implementation of the Auto Plaza Business Improvement District.

Types of Blight Addressed: Age, obsolescence, high turnover rates, substandard design, buildings or inadequate size, poor layout.

Current Project Status/Anticipated Expenditure: The CDC has continued to facilitate the expansion and renovation of auto dealerships. The following is a breakdown of dealership updates:

Norm Reeves Honda: CDC staff assisted Norm Reeves Honda through the entitlement process for the expansion of the existing Honda dealership and showroom that includes a two-story 56,360 sq. ft. auto center facility. The project is completed.

Penske Audi: CDC staff assisted Penske through the entitlement process to remodel the previous 34,911 square foot Mercedes Pre-Owned dealership into a new Penske Audi dealership, located at 2016 E. Garvey Avenue South. The project is completed.

Penske Mercedes Service Center: CDC staff assisted Penske through the entitlement process for the development of a new 194,000 sq. ft. Mercedes Benz

¹ City of West Covina, California Comprehensive Annual Financial report, Fiscal Year Ended June 30, 2008

Service Center at 1829 E. Garvey Avenue North. CDC provided entitlement assistance. The project is completed.

West Covina Nissan: CDC staff negotiated and administered a Disposition and Development Agreement with McIntyre Companies for the development of a 50,158 sq. ft. first class new and used Nissan dealership on approximately 5.62 acres of the Citrus/Workman site (Phase 1). CDC staff provided assistance through the entitlement process. The project is completed.

Business Improvement District: CDC staff has been administering the Auto Plaza Business Improvement District (BID) and coordinating with the Auto Plaza Association Advisory Board (made up of six auto dealerships situated along Auto Row) to achieve the CDC's continuous goals for further development and possible enlargement of the Business Improvement District. The CDC has been working specifically with the Association in order to facilitate the replacement of the Auto Plaza readerboard sign; however, due to current economic conditions, there has been reluctance on the part of the Association members to replace the sign. The CDC will continue its efforts to improve the Auto Plaza Association and Business Improvement District by working closely with the Advisory Board.

- c. **Azusa/Workman:** The CDC anticipates the renovation and possible development of an auto dealership located at the corner of Azusa and Workman Avenues, north of the San Bernardino Freeway. The site is approximately 3.87 acres.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high crime rate, graffiti, high turnover rates, abnormally high business vacancies, incompatible and mixed uses.

Current Project Status/Anticipated Expenditure: Penske Motorcars purchased the properties from El Dorado Motor Inn and former Mexican Jones Restaurant and demolished the existing buildings. Penske relocated and constructed a new 194,534 sq. ft. Mercedes Service Center on the site. This relocation has enabled Penske to maximize their existing Mercedes-Benz dealership building for new and pre-owned car sales by focusing service and parts in a separate building. The project is completed.

- d. **Citrus/Workman:** The CDC currently owns the Citrus Plaza, Workman Plaza, former Eastland Theater, and Burger King properties and is continuing to pursue a commercial retail development at the approximate 8.6-acre site. The CDC is currently in negotiation with a developer for redevelopment of this site to revitalize the area.

Types of Blight Addressed: Depreciated or stagnant property values, dilapidation and deterioration, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: The CDC entered into a Disposition and Development Agreement and subsequently sold the Citrus/Workman property to McIntyre Companies. The project consists of a two-phased development that includes a Nissan auto dealership and commercial retail development at the site. The following summarizes the status of each phase:

Nissan Dealership (Phase 1): The CDC provided entitlement assistance for the development of a 50,518 sq. ft. first-class new and used Nissan dealership on an approximate 5.62-acre portion of the Citrus/Workman site. The project is completed.

The Grove (Phase 2): The CDC monitored the construction and completion of Phase 2, the development of a 35,376 sq. ft. commercial retail center at the Citrus/Workman site. Construction was completed in June 2008 and a Certificate of Completion has been issued for the project. The CDC continues to provide assistance in attracting new tenants to the site.

- e. **Civic Center Development:** This site has excellent freeway access and visibility and is 7.8 acres of City owned property located at the southeast corner of West Covina Parkway and Garvey Avenue South. Possible developments could include a hotel, offices, commercial retail, and/or restaurants. A project at this site, however, would require subterranean and aboveground parking structures.

Types of Blight Addressed: Age, dilapidation and deterioration, and stagnant property values, lack of necessary commercial facilities, high crime rate, high turnover rates, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: The CDC previously entered into an Exclusive Negotiating Agreement with Dynamic Business Holdings, Inc., in order to negotiate a Lease and Development Agreement for the development of an approximately 149,000 sq. ft. mixed-use commercial office/retail development and the development of a parking structure and two restaurant pads at the 2.6-acre site located on the northeast corner of the Civic Center property. Due to the downturn in the economy, the developer terminated the ENA. The CDC continues to market the property for future development.

- f. **Country Club Center:** The neighborhood commercial center located at the southeast corner of E. Garvey Avenue and Citrus Street has been identified as a priority for redevelopment. This approximate 6.76-acre site has excellent freeway visibility and access; however, the Country Club Center is severely underutilized and has experienced high turnover rates with marginal uses. Rehabilitation would provide essential neighborhood commercial uses to the surrounding residential area. The CDC is working with property owners and developers to identify redevelopment opportunities for the site.

Types of Blight Addressed: Age, dilapidation and deterioration, and stagnant property values, lack of necessary commercial facilities, high crime rate, high turnover rates, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: CDC staff is currently working with the property owner of the Country Club Shopping Center to renovate the site. The CDC is assisting the property owner in marketing the site to attract new tenants into the retail center and providing entitlement assistance.

- g. **Economic Development:** The CDC will continue to develop and implement a new and aggressive Economic Development Plan and develop a system between City departments to make West Covina a business friendly environment. In addition, the CDC will continue to promote economic development through its strong marketing programs and campaign, including participation as an exhibitor at various trade conventions and conferences (e.g. ICSC conferences) and mass mailers for development opportunities to attract new businesses to West Covina. In addition, the CDC will maintain its outreach program with property owners, businesses, and tenants to maintain full occupancy of commercial space in the city.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: The CDC implemented a new marketing program entitled “Elements of a Successful City” that includes a promotional video and informational materials for use at conventions and conferences. The Elements include Great Location, Pro-Business, Distinct Quality of Life, and Affluent Demographics.

CDC has participated in the International Council of Shopping Centers (ICSC) conferences in Las Vegas and Palm Springs/San Diego, in order to promote West Covina and various available properties within the City.

The CDC has also maintained an available property listing to distribute to brokers, tenants, and developers. In addition, CDC has been sending quarterly listings of commercial tenants looking to expand in the Southern California area to commercial property owners and brokers.

The CDC has created a West Covina Hotel and Restaurant Guide.

- h. **Former National Sports Bar and Grill Restaurant Site:** This site is approximately 2.4 acres located at Garvey Avenue South (west of Westfield Shoppingtown). The existing building is currently vacant and underutilized. The property owner is currently trying to lease and/or sell the site. The CDC is currently working with the property owner to redevelop the site.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: The CDC aggressively marketed the site upon the closure of the former National Sports Bar and Grill. Through collaborative efforts with the property owner, the CDC was successful in securing the Crazy Horse Restaurant as a tenant. CDC assisted Crazy Horse through the entitlement process with the renovation of the vacant building. Crazy Horse Restaurant is now open and the project is completed.

- i. **Glendora Downtown (Mixed-Use Development):** The commercial retail area along Glendora Avenue from Walnut Creek Parkway to Dalewood Street has substantial potential to be redeveloped as mixed-use with commercial retail on the bottom and residential or office on the top. The general area of Glendora Avenue is approximately 7.37 acres and is comprised of City right-of-way and individually owned parcels with a mixture of different businesses. Numerous different property owners own these various parcels. Based on West Covina business records, it is estimated that approximately 70 businesses are located at this site. In order to pursue a project at this location, site assemblage would be necessary. CDC staff is currently working with various property owners to redevelop the site.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: In March 2007, the City of West Covina received a proposal from the Chamber of Commerce requesting the consideration of improvements that would strengthen the Glendora Avenue business area. The proposal indicated that the Glendora Avenue business area had deteriorated, become unsafe, and that owners and tenants needed the City's help to alleviate the blighting conditions. The proposal outlined improvements to upgrade the area. To address the issues identified by the Chamber of Commerce, the City Council approved an improvement plan for the Downtown area on March 20, 2007, which included the following:

- Installing new irrigation system and new landscaping in the existing planter areas and in the parkway along Glendora Avenue
- Slurry seal existing street and public parking area
- Re-stripe Glendora Avenue and public parking area
- Add angled parking along the east of Glendora Avenue
- Upgrade existing street light poles with new decorative street light poles along Glendora Avenue between Walnut Creek Parkway and Lakes Drive
- Upgrade existing decorative lighting in the public parking area
- Keep all new landscaping and lighting consistent with the northerly adjacent street and public parking areas.

Public Works has completed the public improvements listed above. An additional pavement-staining project is nearing completion.

CDC staff continues to work with the property owners in exploring development opportunities for the downtown area. In addition, CDC staff has been working closely with property owners to aggressively market existing vacant commercial buildings in the downtown area.

- j. **Image Enhancement:** In order to improve the overall image of the Project Areas, as well as the City as a whole, the CDC is interested in developing master planning and design alternatives for the Central Business District.

Types of Blight Addressed: Depreciated or stagnant property values, lack of necessary commercial facilities, high turnover rates, substandard design, buildings of inadequate size, abnormally high business vacancies.

Current Project Status/Anticipated Expenditure: The CDC has been continuing its efforts to improve overall image of project area, as well as the City as a whole. CDC designed and implemented a successful citywide banner program entitled “My Town” in various strategic locations throughout the City. CDC recently approved a Downtown signage program to provide directional signage for the Downtown businesses.

- k. **K-Mart Site:** The CDC anticipates the development of a commercial retail project at the approximate 12.3-acre site located at the northwest corner of Toluca Avenue and West Covina Parkway south of the San Bernardino freeway. Due to its proximity to the 10 Freeway, this site is ideal for a commercial retail development that can generate substantial sales tax revenue to the City. The CDC is currently working with developers to redevelop the site.

Types of Blight Addressed: Age, poor design, buildings of inadequate size.

Current Project Status/Anticipated Expenditure: The CDC is currently working with the property owner and tenant, Kmart, in the renovation of the center. Kmart is completing a minor facelift of the center with new paint, minor façade improvements and slurry sealed parking lots. However, without ongoing and diligent maintenance, the property could again deteriorate and become a blighting influence on the area. CDC staff will continue to monitor the maintenance of the property and building.

- l. **Nogales/La Puente (Quail Ridge Shopping Center):** In order to upgrade the image of an existing shopping center that is currently deteriorating, the CDC is interested in pursuing the renovation of the Nogales/La Puente Road site.

Types of Blight Addressed: Age, poor design, buildings of inadequate size.

Current Project Status/Anticipated Expenditure: Over the years, CDC staff has been assisting the developer wherever possible to move forward and expedite this project. The CDC has assisted the developer in marketing the site to attract tenants, as well as provided entitlement assistance. The CDC monitored the rehabilitation of the existing buildings (façade improvements) and the addition of newly added 18,000 sq. ft. retail space. The CDC will continue its efforts to market vacancies at the site. The CDC assisted the anchor tenant, Food Mart International, with entitlement assistance and the store is now open. The CDC is currently assisting other tenants through the entitlement process.

- m. **Public Infrastructure:** The CDC intends to continue to implement the streetscape design features in the Central Business District; to make provisions for a pedestrian and vehicular circulation system coordinated with land uses, to adequately accommodate traffic; to develop Glendora Avenue through the establishment of a walking area and streetscape improvements between the freeway and Walnut Creek Parkway; and to provide general infrastructure and utility improvements within the Project Areas.

Types of Blight Addressed: Lack of infrastructure, poor lighting, lack of utilities and public facilities, lack of parking.

Current Project Status/Anticipated Expenditure: The City facilitated an improvement plan for the downtown area, which includes the following:

- Installing new irrigation system and new landscaping in the existing planter areas and in the parkway along Glendora Avenue
- Slurry seal existing street and public parking area
- Re-stripe Glendora Avenue and public parking area
- Add angled parking along the east of Glendora Avenue
- Upgrade existing street light poles with new decorative street light poles along Glendora Avenue between Walnut Creek Parkway and Lakes Drive
- Upgrade existing decorative lighting in the public parking area
- Keep all new landscaping and lighting consistent with the northerly adjacent street and public parking areas.

Public Works has completed the public improvements listed above. An additional pavement-staining project is nearing completion.

- n. **Shopping Center Renovation:** The CDC will maintain a program to encourage and attract major developers to identified “key areas” of the City. Development alternatives will focus on the creation of innovative programs to turn the struggling neighborhood shopping centers and sites around. Such strategic marketing would include the promotion of the following areas:

- Country Club Center
- North Azusa Avenue

- Sunset/Francisquito Center
- Sunset/West Covina Parkway
- South Hills Plaza Shopping Center
- Quail Ridge Shopping Center

Types of Blight Addressed: All identified blighting conditions listed in H.S.C. 33031.

Current Project Status/Anticipated Expenditure: The CDC is actively working with property owners to fill vacancies at their shopping center by aggressively marketing the sites at various conferences as well as sending quarterly mailers to potential tenants. CDC has also worked closely with the property owner/tenant during the entitlement process of the various shopping centers.

- o. **Strategic Development:** The CDC continues to pursue the development of several key locations throughout the Project Areas including West Covina Parkway, the North Azusa auto dealership sites, and Marketplace II (Best Buy, Barnes and Noble, and DSW Shoes). While the Marketplace II site has been marketed previously as an available location, the CDC will continue to market the site aggressively for development. Actions would include the advertising of site availability, the distribution of development proposal requests, and providing lists of development alternatives at the various sites.

Types of Blight Addressed: All identified blighting conditions listed in H.S.C. 33031.

Current Project Status/Anticipated Expenditure: The CDC's continued actions in the pursuit of strategic locations within the Project Areas have produced positive results thus far.

West Covina Parkway Plaza: Ever since the departure of Pier 1 Imports, formerly located at West Covina Parkway Plaza, the CDC has been providing marketing assistance to the property manager by advertising the site to brokers and retail tenants, as well as at various International Council of Shopping Center conferences. CDC also maintains a close working relationship with the property manager to receive updated information regarding the site. CDC was able to attract Panera Bread to the center and assisted Panera Bread through the entitlement process. CDC also assisted Fresh & Easy Neighborhood Market through the entitlement process. Other new tenants at the site include Pondohan Restaurant and Golden Optometric. CDC will continue to provide marketing and entitlement assistance to bring in new tenants to the center.

North Azusa Avenue automobile dealerships: The Clippinger Chrysler Jeep Dodge dealership(s) is located along Azusa Avenue, with the Penske Mercedes Service Center to the south and West Covina Senior Villas I and II housing projects to the north. With the opening and expansion of the dealerships, the North Azusa Avenue automobile dealership project is completed.

Marketplace II: With the recent relocation of Best Buy from Marketplace II to Westfield Mall, the CDC has been aggressively working with the property owner in soliciting new tenants into the site. DSW Shoes and Barnes & Noble currently occupy the site.

- p. **Valley/Nogales Site:** The construction of the underpass on Nogales by Alameda Corridor East (ACE) would result in approximately 5.0 acres of net developable land that the City and/or CDC would have the right to purchase at its fair market value. Due to site constraints, staff is of the opinion that this site could be redeveloped as an industrial park. The potential to redevelop this site for commercial retail may prove difficult due to a lack of visibility and access from Valley (site would be below grade at Valley, with a ramp to Valley from Nogales Street).

Types of Blight Addressed: Lack of infrastructure, poor lighting, lack of utilities and public facilities, lack of parking.

Current Project Status/Anticipated Expenditure: The CDC facilitated the acquisition and development of surplus land from ACE to a commercial developer. The CDC purchased the property from ACE and concurrently entered into a purchase and sale agreement with CGM Development, Inc., for the development of a 70,000 sq. ft. commercial medical office development called CGM Nogales Medical Plaza located on the northeast corner of Nogales and Valley. The CDC also assisted the developer in obtaining all necessary entitlements for the project. The project has been constructed and is completed.

- q. **West Covina Sportsplex Site:** The CDC foresees the continued improvement of the closed BKK Landfill following on the completion of a highly successful 300,000 sq. ft. mixed-use project consisting of commercial (Target and Home Depot anchors) and recreational uses (Big League Dreams Sports Park). The CDC has purchased approximately 231 acres and licensed the use of an additional 84 acres for development of an 18-hole municipal golf course. To date, the City has awarded a rough grading contract for the municipal golf course. Remaining major tasks include awarding a construction contract and completing the construction of the municipal golf course facilities. The CDC also anticipates pursuing the development of office, restaurant, or hotel uses on two vacant sites (700 and 750 pads) located adjacent to the BLD Sports Park.

Types of Blight Addressed: Lack of infrastructure, poor lighting, lack of utilities and public facilities, lack of parking. Successful redevelopment of a brownsfield project caused by a Class I and Class III landfills that negatively impacted adjacent properties.

Current Project Status/Anticipated Expenditure:

Big League Dreams: The CDC succeeded in negotiating and entering into a Planning, Design and Construction Services Agreement, Maintenance and Operations Agreement, and a License Agreement with Big League Dreams for the operation and maintenance of the park. In November 2007, the CDC and the City completed construction of the Big League Dreams Sports Park. The park consists of 27 acres with six replica baseball/softball fields, two (2) restaurants, sand/beach volleyball courts, a 20,000 sq. ft. multi-purpose pavilion, and an 8-station batting cage. The project is completed.

West Covina Heights: CDC also completed the sale of 43 acres to West Covina Heights, LLC, for the development of a 330,000 sq. ft. commercial retail development, anchored by Home Depot and Target. CDC has assisted the developer and the tenants through the entitlement process. Other tenants include PetSmart, Staples, El Pollo Loco, Wendy's, Quiznos, Jamba Juice, and Pick-Up-Stix. The project is completed.

700/750 Pads: The CDC aggressively marketed the 700 and 750 pads (approximately 44.9 acres) and has entered into a Purchase and Sale Agreement with M & A Gabae to develop first class office suites. Escrow has closed on the property and CDC is currently assisting the developer through the entitlement process.

Golf Course: The CDC currently has entered into an Exclusive Negotiation Agreement with West Covina Golf & Resort, LLC; to negotiate the sale of vacant land for the development of an 18-hole championship golf course, with lighted driving range and clubhouse.

AAA Pad: The CDC is negotiating an Exclusive Negotiation Agreement with Ashdon Development, Inc., to develop the approximate 2.1-acre site for gas station with ancillary commercial retail.

The CDC has accomplished many of the anticipated goals for the West Covina Sportsplex. To-date the CDC has received over twelve (12) prestigious awards for the project from regional, state, and national organizations. The awards include:

- League of California Cities – Helen Putnam Award for Excellence 2009
- National League of Cities Silver Award 2008
- International Economic Development Council – Economic Development Award for New Media (Video on Landfill to Landmark) 2008
- International Economic Development Council – Community Partnership Award 2008
- Southern California Association of Governments Compass Blueprint – Achievement Award 2008

- National Electrical Contractors Association – Electrical Excellence Award 2008
- American Planning Association (California Chapter) – Hard Won Victories Award 2008
- Real Estate & Construction Review – The Building of America Gold Award 2008
- San Gabriel Valley Economic Partnership City Beautification Award 2008
- California Park & Recreation Society Award of Excellence 2008
- California Redevelopment Association – Community Revitalization Award of Excellence 2009
- Phoenix Awards Institute – Phoenix Award (Region 9) 2009 for excellence in Brownfields redevelopment

2.3 Statement of Additional 2005 Plan Activities

With the adoption of the Plan in 2005, the CDC focused on projects that would have immediate and substantial impact on the community as a whole and those that will have the greatest effect on the elimination of blight that exists within the Project Areas. In addition to those enumerated above, the following is a brief description of the activities that the CDC has completed.

- a. **California Pizza Kitchen:** The CDC entered into an encroachment agreement with Westfield in order to develop a 6,800 sq. ft. California Pizza Kitchen restaurant at the Westfield West Covina Mall. The project is completed.
- b. **Bob's Big Boy Restaurant:** The CDC provided entitlement assistance for the development of a 5,600 sq. ft. Bob's Big Boy restaurant in a portion of the former Chevy's restaurant building at the Westfield West Covina Mall. The project is completed.
- c. **Norm's Restaurant:** The CDC provided entitlement assistance for the development of a 5,800 sq. ft. Norm's Restaurant at the former Steak Corral restaurant building at the North Azusa Ave and East Rowland Ave. The project is completed.
- d. **Northgate Market:** The CDC provided entitlement assistance to Northgate Market for the development of a 48,543 sq. ft. grocery anchor at the Sunset/Francisquito Center. The project is completed.
- e. **Prosperity Business Park:** The CDC provided entitlement assistance for the development of a mixed-use commercial project consisting of 20,518 SF (18 units) of office space and 135,043 SF (70 units) of industrial condominiums, with a cellular site component of 1,752 SF. The project is completed.

2.4 Overall Accomplishments of the 2005 Plan

The 2005 Plan's Redevelopment programs, projects, activities, and expenditures in the Project Areas have accomplished the purposes of the California Community Redevelopment Law:

- By assisting with the redevelopment of area suffering from economic dislocation and disuse;
- By re-planning, redesigning, and redeveloping areas that are stagnant or improperly utilized, and that could not be reasonably expected to be improved by private enterprise or public assistance without the use of redevelopment;
- By protecting and promoting sound development, redevelopment of blighted areas, and the general welfare of citizens of the City by remedying such conditions through the employment of appropriate means;
- By assisting with the cleanup and remediation of those properties that are adversely affected by soil contamination and/or hazardous wastes;
- By acquiring properties that are deemed to be of benefit to the Project Areas; and
- By installing or replacing public improvements, facilities, and utilities in areas that are inadequately serviced with regard to such improvements, facilities, and utilities.

2.5 Identification of the 2010-2014 Plan Programs, Projects, and Activities

Notwithstanding the goals and objectives stated in Section 2.1, the following list of immediate goals and objectives represents the primary issues of importance for the Community Development Commission for the next five-year period:

- Eliminate and prevent the spread of blight;
- Expand redevelopment efforts in the West Covina and Citywide Redevelopment Project Areas.
- To improve and increase the quality and quantity of the City's housing stock (including those available to low- and moderate-income families).
- Expand the CDC's efforts to promote economic development and business assistance in the City.
- Improve and market the CDC's and City's image.
- Educate and inform the public of the benefits of redevelopment and its projects.

- Continue to provide excellent business assistance and outreach.
- Stabilizing the fiscal condition of the CDC caused by State takeaways and declining tax increment revenues, while fueling the economic engine that drives the City's economic revenue base. Prepare for State's ERAF shift (Educational Revenue Augmentation Fund). Due to the State's budget crisis, redevelopment agencies are required to shift property tax revenues to K-12 schools and community colleges. West Covina's payment for FY 2009-2010 is estimated at \$6,523,033, or nearly one-third of the CDC's annual budget. The League of California Cities (League) and California Redevelopment Association (CRA) believes these redevelopment takeaways are unconstitutional and are preparing lawsuits on behalf of member agencies to challenge these provisions.
- Beginning FY 2010-2011, the CDC will be required to start payment on the Los Angeles County deferral agreement. Currently, the outstanding balance due is approximately \$9 million dollars. The repayment of the County deferral could possibly impact the CDC's income revenues by approximately \$2 million per annum. To address this impact, the CDC and City staff is considering options, which could include prepayment of County debt through a bond issuance.

To this outcome, the CDC envisions assisting multiple projects in the next five years based on market, timing and feasibility. The following is a list of projects and programs that are currently being planned in the community through the assistance of the CDC.

- a. **Auto Dealer Retention/Expansion:** One of the major employers and business bases within the Project Areas are the City's auto dealerships; however, the recent economic downturn has impacted auto sales. The CDC will continue to work with existing auto dealerships to explore opportunities for future growth, renovation, and expansion. In addition, the CDC will explore opportunities to attract new dealership(s) currently not in West Covina. This task would also include the administration and implementation of the Auto Plaza Business Improvement District.
- b. **Civic Center Development:** The City-owned 7.8-acre site, with excellent freeway access and visibility, is located at the southeast corner of West Covina Parkway and Garvey Avenue South. Possible developments could include a hotel, offices, commercial retail, and/or restaurants. A project at this site, however, would require subterranean and aboveground parking structures. CDC staff is currently marketing the site for future development.
- c. **Country Club Center:** The neighborhood commercial center located at the southeast corner of E. Garvey Avenue and Citrus Street has been identified as a priority for redevelopment. The 6.76-acre site has excellent freeway visibility and access; however, the Country Club Center is severely underutilized and has experienced high turnover rates with marginal uses. Redevelopment and rehabilitation would provide essential neighborhood commercial uses to the surrounding residential area. The CDC is working with the property owner to market the site for potential tenants as well as provide entitlement assistance for the rehabilitation of the center.

- d. **Eastland Shopping Center:** The CDC will continue to work closely with Westfield in re-tenanting vacancies at the site (Circuit City, Levitz, Mervyns) and provide marketing and entitlement assistance to re-tenant the building vacancies.
- e. **Economic Development:** The CDC will continue to develop and implement a new and aggressive Economic Development Plan and develop a system between City departments to assist businesses and to make West Covina a business friendly environment. In addition, the CDC will continue to promote economic development through its strong marketing programs and campaign, including participation at various trade conventions and conferences (e.g. ICSC conferences) and mass mailers for development opportunities to attract new businesses to West Covina.
- f. **Fairfield Marriott:** The CDC will continue to assist Brighton Management through the entitlement process for the development of a 110-room Marriott Fairfield Inn & Suites, approximately 57,028 sq. ft. located at 3211 E. Garvey Ave North.
- g. **Glendora Downtown (Mixed-Use Development):** The commercial retail area along Glendora Avenue from Walnut Creek Parkway to Dalewood Street has substantial potential to be redeveloped into mixed use with commercial retail on the bottom and residential or office on the top. The general area of Glendora Avenue is approximately 7.37 acres and is comprised of City right-of-way and individually owned parcels with a mixture of different businesses. Numerous different property owners own these various parcels. Based on West Covina business records, it is estimated that approximately 70 businesses are located at this site. In order to pursue a project at this location, site assemblage would be necessary. CDC staff will currently work with property owners to redevelop the area, should opportunities arise.

As site assemblage and existing business relocation may be cost prohibited, another approach would be for the CDC to focus its efforts in working with the adjacent property owners in re-tenanting some of the larger commercial parcels in the adjacent downtown area including the former Wickes site and Marketplace II (former Best Buy). The CDC will also consider streetscape enhancements (e.g. branding banners, street signage) to encourage visitor traffic to businesses in the downtown area.

- h. **Image Enhancement:** In order to improve the overall image of the Project Areas, as well as the City as a whole, the CDC is interested in branding specific areas within the City to create an image and identity. The CDC would develop a marketing theme with banners and signage to brand, label and demarcate the areas. In addition, the CDC will continue marketing the image and identity of the City through marketing brochures, marketing materials and showcase the City at various events.
- i. **K-Mart Site:** The CDC anticipates the redevelopment of a commercial retail project at the approximate 12.3-acre site located at the northwest corner of Toluca Avenue and West Covina Parkway south of the San Bernardino freeway. Due to its proximity to the 10 Freeway, this site is ideal for a commercial retail development that can generate

substantial sales tax revenue to the City. The CDC is currently working with the business operator to improve the site and will continue to monitor the site for site maintenance and appearance.

- j. **Quail Ridge Shopping Center:** In order to upgrade the image of an existing shopping center that has high vacancies, the CDC is currently working with the property owner to market the site and is providing entitlement assistance for new tenants.
- k. **Public Infrastructure:** The CDC intends to provide infrastructure improvements as needed in areas in which the infrastructure is non-existent, dilapidating, or needed to facilitate new development. Also, making provisions for a pedestrian and vehicular circulation system coordinated with land uses, to adequately accommodate traffic; and to provide general infrastructure and utility improvements within the Project Areas.
- l. **Shopping Center Renovation:** The CDC will maintain a program to encourage and attract commercial tenants to identified “key areas” of the City, which may suffer from high vacancies. Development alternatives will focus on the creation of innovative programs to turn the struggling neighborhood shopping centers and sites around. Such strategic marketing would include the promotion of the following areas:
- Country Club Center
 - North Azusa Avenue
 - Sunset/Francisquito Center
 - Sunset/West Covina Parkway
 - South Hills Plaza Shopping Center
- m. **West Covina Sportsplex:** The CDC foresees the completion of the Sportsplex project. The CDC is aggressively pursuing development of the 18-hole championship golf course, completion of the office complex at the 700/750 pads, and the sale and development of the AAA pad. The CDC will continue its efforts to facilitate the development of these remaining projects.
- n. **Westfield Mall Expansion:** The CDC will continue to provide marketing and entitlement assistance to Westfield to attract quality retail tenants and sit-down restaurants to the site.

Table 2: Anticipated Capital Improvement Plan Activities (Fiscal Years 2010-2014)

Project Description	CDC Expenditure
Auto Dealer Retention/Expansion	TBD
Civic Center Development	TBD
Country Club Center	TBD
Eastland Shopping Center	TBD
Economic Development	TBD
Civic Center Development	TBD
Fairfield Marriott	TBD

Glendora Downtown (Mixed-Use Development)	TBD
Image Enhancement	TBD
K-Mart	TBD
Quail Ridge Shopping Center	TBD
Public Infrastructure	TBD
Shopping Center Renovation	TBD
West Covina Sportsplex	TBD
Westfield Mall Expansion	TBD

Source: CDC

Prepared by JWA Urban Consultants, Inc.

As identified in Table 2 above, the costs for the various capital projects are unknown at this time. Not only are actual expenditures and CDC assistance highly dependent upon the negotiations process and the feasibility of selected projects, but also the financial situation identified in the revenue section above requires the CDC to be highly selective in spending its limited discretionary funds. Therefore, at this time, it is not possible to provide a “best guess” as to the amounts to be expended on the various programs. It is also possible that there may be minimal or no cost to the CDC.

2.6 Revenues and Expenditures

Over the next five years, the tax increment revenues, shown in Table 3, are estimated to accrue in the Redevelopment Project Areas. The projected revenues do not include interest on deposits, proceeds from sales, lease payments on properties, or losses due to State ERAF shifts and Los Angeles County deferral agreement obligations.

Table 3: Five-Year Gross Tax Increment Revenue Projections (Fiscal Years 2010-2014)

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Totals
Merged Proj. Area	\$16,600,000	\$16,600,000	\$16,900,000	\$17,200,000	\$17,500,000	\$84,800,000
Citywide Proj. Area	\$2,400,000	\$2,400,000	\$2,450,000	\$2,500,000	\$2,600,000	\$12,350,000
Total Gross Tax Revenue	\$19,000,000	\$19,000,000	\$19,350,000	\$19,700,000	\$20,100,000	\$97,150,000

Source: City of West Covina Finance Department

Prepared by JWA Urban Consultants, Inc.

A. Elimination of Blight

The projects identified in the Plan will generally eliminate blighting conditions within the Project Areas in the following ways.

- Assisting with the redevelopment of areas suffering from economic dislocation and disuse;
- Re-planning, redesigning, and redeveloping areas which are stagnant or improperly utilized, and which could not be reasonably expected to be improved only by private enterprise or public assistance without the use of redevelopment;
- Protecting and promoting sound development and redevelopment of blighted areas and general welfare of the citizens of the City by remedying such conditions through the employment of appropriate means;
- Assisting with cleanup and remediation of those properties that are adversely affected by soil contamination and/or hazardous wastes;
- Acquiring properties that are deemed to be of benefit to the Project Area(s); and
- Installing or replacing public improvements, facilities, and utilities in areas that are currently inadequately serviced with regard to such improvements, facilities, and utilities.

2.7 Summary

The Redevelopment component of the Implementation Plan provides the framework for CDC activities during the next five years. The CDC has accomplished many objectives and programs identified in the 2005-2009 Implementation Plan, dramatically reducing those particular blighting influences that affected the Project Areas.

Some of the projects completed include Big League Dreams Sports Park, the West Covina Heights Commercial Center, Citrus Grove, West Covina Nissan, Penske Audi, Penske Mercedes Service Center, The Curve (Pick-up-Stix, Johnny Carinos, Islands, and Chipotle), California Pizza Kitchen, Crazyhorse Steakhouse, Northgate Gonzalez Market, Starbucks (Barranca/Eastland Center Drive), CGM Nogales Medical Plaza, and West Covina Parkway Plaza (Panera Bread and Fresh & Easy).

In the last four years, projects spearheaded by the CDC have provided the City with additional revenue at over \$4.6 million dollars (\$3.5 million from new sales tax per year and \$1.1 million in

annual net new property tax increment). In fact, over the past four years, it is estimated that the CDC's projects have contributed in excess of \$266 million dollars in total project value. The revenues generated help pay for essential City services such as police, fire, and recreation. These services, which affect the quality of life, safety, health, and recreation enjoyed in West Covina, also in turn promote an atmosphere that is attractive to developers, comfortable for residents and complimentary to redevelopment activities.

Since 2005, the efforts of the CDC have resulted in an estimated 3,500 new jobs in a variety of positions and job types. These new jobs provide West Covina and area residents with income that further support a better quality of life for themselves and their families.

Future programs will be implemented with these same goals in mind as previously identified in the Implementation Plan or as may be identified and implemented by the CDC consistent with the goals and objectives of the Implementation Plan and the Redevelopment Project Plans.

In summary, the CDC proposes to focus its activities on eliminating physical and economic blighting conditions caused by a depressed economy. The CDC will continue to accomplish these efforts through a combination of redevelopment, economic development, rehabilitation, and public improvement programs and projects.

SECTION 3: AFFORDABLE HOUSING COMPLIANCE REQUIREMENTS

3.1 2010-2014 Implementation Plan Goals and Objectives

The maintenance and expansion of a diverse housing stock is integral to the quality of life for West Covina residents. In order to meet this purpose, the CDC will focus on a number of goals that will achieve this purpose and comply with the priorities identified in the City's Housing Element. Briefly stated, the Housing Goals established by the CDC for the coming years will be to:

- Create a comprehensive database for the housing programs managed by CDC.
- Preserve and improve the supply of affordable housing.
- Monitor the Home Improvement Loan Program for very low- and low-income households.
- Continue with the Housing Preservation Program for moderate-income households.

3.2 Implementation Plan Requirements

The Implementation Plan is comprised of a Redevelopment component and a Housing component. This section presents the housing strategy, plan, and compliance as required by Section 33490 of the Redevelopment Law.

This Housing Component of the Implementation Plan presents those components of the CDC's intended program that deal with the expenditure of funds and other activities relating to increasing, improving, and preserving housing affordable to persons and families of low- and moderate-income at an affordable housing cost.

The CDC will assist in accomplishing the intent of the Redevelopment Law regarding the provision of low- and moderate-income housing programs and projects that improve, increase, and preserve affordable housing at an affordable housing cost. The applicable requirements are to be accomplished over the one-, five-, and ten-year cycles set forth in the Redevelopment Law. This will occur over the term of effectiveness of the Project Areas and on an ongoing basis (as is the case with the proportional expenditure of Housing Fund money on low- and very low-income housing and on senior versus non-senior housing).

For the purposes of the Implementation Plan, very low-, low-, and moderate-income is defined in Section 50093 of the Health and Safety Code, which specifies the following income levels: moderate-income, which is defined as household income of 81% to 120% of area median income for the applicable household size within the county; low-income, which is defined as income of 51% to 80% of area median income for the applicable household size within the county (Section 50079.5); and very low-income, which is defined as income less than 50% of area median income for the applicable household size within the county (Section 50105).

Redevelopment Law provides that, in addition to the alleviation and/or removal of blight and conditions of blight, a fundamental purpose of redevelopment is to expand the community's supply of low- and moderate-income housing available at an affordable housing cost (Section 33071). To accomplish this purpose, the Redevelopment Law contains numerous provisions to guide redevelopment agency activities with regard to low- and moderate-income housing. Taking into account all of these provisions, a redevelopment agency's housing responsibilities fall into three major categories:

- a. The production and/or replacement of low- and moderate-income housing depending upon activities undertaken by an agency within its project areas;
- b. The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing, improving, and preserving a community's supply of low- and moderate-income housing at an affordable housing cost; and
- c. Preparing reports on how the CDC has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two categories.

The CDC believes that the provision of affordable housing is an important goal of its redevelopment program. In 1990, the Census estimated that 31% of the City's owner-occupied households and 47% of the renter-occupied households were overpaying for housing (i.e. spending in excess of 30% of their household income on housing related expenses). In 2000, the Census estimates that 33% of the City's owner-households and 43% of the renter-households were overpaying for housing.

Section 33490 requires that each implementation plan contain a housing production plan for the next five-year and ten-year period, and for the rest of the plan's lifetime. The housing production plan should demonstrate how the CDC would address Sections 33334.2, 33334.4, 33334.6, and 33413. More specifically, the housing production plan must describe the number of housing units to be developed, substantially rehabilitated, price-restricted, or otherwise assisted. In addition, the housing production plan must describe the CDC's plans for using its annual deposits into the Housing Fund.

Sections 33334.2 and 33334.6 require the CDC to establish a low- and moderate-income housing fund for the provision of affordable housing. Section 33334.4 states that it shall be the policy of the CDC to use the housing fund "...to assist housing for persons of very low and low-income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units need for person of moderate-, low-, and very low-income within the community."

Section 33413 requires the CDC to provide replacement housing for units lost as a result of CDC activities, standards for the production of low- and moderate-income housing units provided by entities other than the CDC, the ratio of very low-income housing units to low- and moderate-income housing units produced in a project area, affordability time periods, and the preparation of a replacement housing plan that demonstrates how the requirements of Section 33413 will be met. The items have been arranged according to their inclusion in either of the first two major categories of housing responsibility.

3.3 Housing Production Requirements

Section 33413 has both a production requirement and an inclusionary housing requirement.

- a. **Production Housing: CDC Sponsored:** Production of low- and moderate-income housing units in a number equal to thirty percent (30%) of *CDC-developed residential units in the Project Area* (Section 33413(b)(1)), for projects adopted on or after January 1, 1976, and for areas which are added to a project area by amendment after January 1, 1976. Additionally, one-half of the 30% must be set-aside for very low-income groups and the other one-half for low-and moderate-income groups. The term “developed” applies to housing units that are “constructed and owned” by the CDC.
- b. **Inclusionary Housing: Privately Sponsored:** Production of low- and moderate-income housing units in a number equal to fifteen percent (15%) of *all residential units developed in the Project Area* (Section 33413 (b)(2)), for projects adopted on or after January 1, 1976, and for areas, which are added to a project area by amendment after January 1, 1976. Additionally, 40% of the 15% must be set-aside for very low-income groups and the other 60% for low-and moderate-income groups.

This provision applies to residential projects that were non-CDC assisted.

- c. **Identification of locations:** The CDC is to identify locations suitable for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction or removal of low- and moderate-income units will result from a project contained in the implementation plan (Section 33490(a)(3)). Section 33413(a) is applicable to projects adopted on or after January 1, 1976.

This provision does not apply as the CDC was neither involved nor participated in removing any housing affordable to low- and moderate-income residents within the five-year period as a result of its activities.

- d. **Affordability Period:** Only low- and moderate-income housing units whose affordability is guaranteed on an ongoing basis over the long-term may be counted in meeting these requirements. Long-term affordability is defined as not less than 55 years for rental units and 45 years for home ownership, or as otherwise defined in Section 33413(c).

3.4 Housing Production: Past and Projected

- a. **Past Project Area Housing Production:** During the reporting period of the prior Implementation Plan, the CDC was found to be in full compliance of its affordable housing requirements. The CDC assisted in the construction of two residential projects: West Covina Senior Villas I completed in 2005, which provided 68 rental units for low-income and 17 units for very low-income households, and the Sycamore Glen Development, comprised of five single-family houses for moderate-income households. The developer sold the five houses in late 2005 and the CDC assisted each of the five with First-Time Homebuyer loans of \$100,000 each (\$500,000 in total). Furthermore, it

was demonstrated in the prior Implementation Plan that the CDC "...has not only met its Inclusionary Housing obligations, the CDC has provided 427 units over its Inclusionary Housing requirement." The provision of the affordable housing units was completed despite the lack of available underutilized or vacant properties on which to construct low- and moderate-income housing.

- b. **Projected Affordable Housing Production:** The potential for new housing construction is significantly limited due to appropriate zoning and availability of vacant or underutilized land. In the immediate near term, due to the current slowdown in economic conditions and in the housing market throughout the east San Gabriel Valley region, it is anticipated that housing production will be substantially limited until market conditions improve and job growth and customer confidence increases. Due to these reasons, the CDC does not anticipate new housing construction to be a major factor within the Project Areas. Currently, there are no new CDC negotiations with a developer involving a residential or mixed-use project. However, it is contemplated that rehabilitation, minor and/or substantial rehabilitation, of the existing residential units will occur within the Project Areas. Consequently, the Project Areas should not generate any housing production obligations under Section 33413(b), except as to units that are substantially rehabilitated in which case an inclusionary housing plan will be prepared and this Implementation Plan will be supplemented, as necessary and applicable.
- c. **Replacement Housing Production:** In this Implementation Plan, the CDC is not contemplating the destruction or removal of any low- to moderate-income residential unit in the Project Area. Under Redevelopment Law, in the event that residential units occupied by low- and moderate-income households are destroyed or otherwise removed from the housing stock in the Project Area, then the CDC must replace these units within four years. This provision applies only if the CDC entered into a development agreement or assisted financially with the development project causing the removal of the affordable housing unit. Unassisted private development in the Project Area does not trigger this provision. Furthermore, if the units were destroyed or removed after January 1, 2002, then 100% of the replacement units must be affordable to the same income level as the persons and families displaced from the destroyed or removed units. For any units destroyed or removed between September 1, 1989, and December 31, 2001, only 75% of the replacement units must be affordable to the same income level as the persons and families displaced. In project areas adopted or areas amended prior to 1976, the provisions requiring the replacement of destroyed housing units apply to units destroyed or removed for the low- and moderate-income housing market on or after January 1, 1996.

Article 16.5 requires that if an implementation plan contains projects that could result in the destruction or removal of low- and moderate-income housing units, the plan must identify locations suitable for the replacement of such housing. However, as discussed above, the CDC is not currently negotiating with any developers on a project which would cause the destruction, removal, or displacement of existing residential units and, therefore, no identification of potential replacement housing sites is required to be included within this Implementation Plan. In the event any unit or units are removed in

the future, then a Replacement Housing Plan will be prepared not less than 30 days prior to executing an agreement for the acquisition, sale or lease, or development of property. This Implementation Plan will then be supplemented as necessary and applicable.

3.5 Set-Aside and Expenditure of Tax Increment for Housing Purposes

Section 33334 requires redevelopment agencies to establish a housing fund that is to be used to facilitate the provision of housing units that are affordable to low- and moderate-income households. The purpose of the housing fund is to increase, improve, and preserve the city's supply of low- and moderate-income housing. Applicable deposit and expenditure provisions:

- a. **The Set-Aside of Tax Increment:** Sections 33334.6 and 33334.2 require the set-aside of not less than 20% of tax increment in project areas.

To meet the affordable housing Goals and Objectives, the CDC will continue to make deposits into the Housing Fund equal to 20% of the tax increment it is allocated from the respective Project Areas and ensure that expenditures from the Housing Fund attain the proportional application to the various income categories indicated herein. The projects and programs discussed later in the Plan will identify the activities that will enable the CDC to meet its Goals and Objectives. The projections of deposits into the Housing Fund that are included in the following section assume that the full 20% set-aside will be made in each of the years covered by this five-year implementation plan. However, due to the State's budget crisis, the State has attempted repeatedly to shift property tax revenues from redevelopment agencies to K-12 schools and community colleges. West Covina's payment for FY2009-2010 is estimated at \$6,523,033, or nearly one-third of the CDC's annual budget. While the League of California Cities (League) and California Redevelopment Association (CRA) believe these redevelopment takeaways are unconstitutional and have filed a lawsuit on behalf of member agencies to challenge these provisions, the City and CDC are considering the option of borrowing from the Housing Fund to meet these financial obligations.

- b. **The Proportional Expenditure by Income Level:** Section 33334.4 requires the expenditure of housing funds to assist housing for persons of low income and housing for persons of very low income in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of moderate, low, and very low income within the community, as those needs have been determined for the community pursuant to Section 65584 of the Government Code, as needed and unmet by other governmental programs.

To determine this proportion, the CDC is using data obtained from US Census 2000 and Southern California Association of Governments (SCAG). SCAG has recently compiled housing affordability studies throughout its planning region and has allocated housing targets for the City of West Covina. For purposes of this five-year implementation plan, the City is applying the SCAG percentage breakout for very low-, low-, and moderate-income housing categories as a guide for determining the percentage allocation of the CDC's Housing Fund towards these income categories. Using this method, the CDC's

Housing Fund expenditures would be distributed as follows: 26.7% very low-income, 13.8% low-income, 25.1% moderate-income, and 34.4% above moderate-income.

- c. **The Proportional Expenditure by Household Type:** Section 33334.4 requires the expenditure of housing funds to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census of the United States Census Bureau.

According to the 2000 Census, the City's total population was 105,080, of which, 10,879 individuals were over the age of 65 years (10.4%). Furthermore, when comparing low-income household statistics, there are 8,896 low-income households in the City, of which, 1,773 are low-income senior households (19.9%). Therefore, 19.9% of the Housing Fund monies may be spent for senior housing, while 81.1% may be expended for family housing and other affordable housing programs and projects.

While the CDC intends to spend the above percentage of its Housing Fund on housing for persons of very low- and low-income, the target is intended to be met over the one-, five-, and ten-year cycles as set forth in the Redevelopment Law and over the life of the Project Area, not strictly on a project-by-project or annual basis. In some years, more or less monies may be spent on housing for persons with very low- and low-income, depending on housing opportunities, market conditions, and other restricting factors. The CDC will account for and monitor its expenditures of Housing Fund monies in order to comply with the proportionality requirements of Section 33334.4 over the one-, five-, and ten-year cycles set forth in the Redevelopment Law and over the life of the Project Areas for purposes of this Implementation Plan.

- d. **The Transfer of Housing Funds to Other Providers:** Section 33334.12 et seq. requires the transfer of "excess surplus" housing funds to the local housing authority or other providers.

During the term of this Implementation Plan and the term of the Project Areas, the CDC is subject to the provisions requiring the transfer of monies from the Housing Fund to the local housing authority or other housing producers in the West Covina area in the event there is an "excess surplus" in the Housing Fund pursuant to Section 33334.12. "Excess surplus" is defined as any unexpended and unencumbered amount in a project's Housing Fund that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the Housing Fund during the preceding four fiscal years.

3.6 Reports and Strategies to Provide Affordable Housing

- a. Estimates of the balances and deposits into the Housing Fund created to hold the set-aside of tax increment.
- b. A housing program identifying estimates of CDC-assisted housing units and expenditures from the Housing Fund.

- c. As applicable, an indication of housing activity that has occurred to the extent that the housing production requirements of Section 33413(b) apply.
- d. Estimates of housing units that will be produced in the Project Area for each of the various income categories, as applicable.

3.7 Housing Fund Resources and the Housing Program

This section will discuss the financing of housing activities and includes estimates of deposits into the Housing Fund and obligations against the fund. This section also presents the CDC's housing program and projects with estimates of the number of new, if any, substantially rehabilitated, if any, or price-restricted units to be assisted during each year of the next five years and estimates of the expenditures of monies from the Housing Fund annually during the five-year term of this Implementation Plan.

The CDC is a major facilitator of affordable housing in the City of West Covina. In concert with other City departments and regional service providers, the CDC has been actively involved in the provision of affordable housing whether as construction or substantial rehabilitation. The CDC together with the Planning Department have coordinated activities and jointly pursued potential funding sources such as the Section 8 New Construction Program which resulted in the construction of the Mountain Shadows development (80 d.u.) at 2775 Valley and the Olive Tree Senior Apartments (83 d.u.) at 721 N Azusa Ave. These projects are affordable to very low-income households. The CDC also assisted in the construction of the Rollingwood Apartments (169 d.u.). To achieve this accomplishment, the CDC has historically and aggressively pursued a multitude of potential funding sources, such as Los Angeles County Bond Programs, State Housing Tax Credits, Federal Home Loan Bank Affordable Housing Program, CalHFA, and other financial sources.

Under the requirements of the Code, the CDC is required to identify a plan for using the annual deposits in the Low- and Moderate-Income Fund. This section will describe (1) the current balance of the Fund; (2) the annual deposit estimate; (3) the annual expenditure; and (4) the number of units to be developed and/or improved as a result of those expenditures.

a. Current Balance

According to the City of West Covina's Finance Department, as of June 30, 2009, the fund balance of the Housing Fund was estimated at \$15,022,200. It is anticipated that these monies will be used to fund future affordable housing construction, the Housing Preservation Program, as well as any other ongoing program needs.

b. Annual Deposit Estimate

Table 4 describes the anticipated annual deposits into the Low- and Moderate-Income Housing Fund during the next five fiscal years for both Project Areas.

**Table 4: Anticipated Annual Deposits into Low- and Moderate-Income Housing Fund
(Fiscal Years 2010-2014)**

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Totals
Merged Proj. Area	\$3,320,000	\$3,320,000	\$3,380,000	\$3,500,000	\$3,500,000	\$17,020,000
Citywide Proj. Area	\$480,000	\$480,000	\$490,000	\$520,000	\$520,000	\$2,490,000
Program Income	\$180,000	\$200,000	\$210,000	\$225,000	\$643,800	\$1,458,800
Interest Earning	\$200,000	\$240,000	\$275,000	\$275,000	\$275,000	\$1,265,000
Total Revenues	\$4,180,100	\$4,240,100	\$4,355,000	\$4,520,000	\$4,938,800	\$23,692,600

Source: City of West Covina Department of Finance

Prepared by JWA Urban Consultants, Inc.

c. Annual Expenditures of the Low- and Moderate-Income Fund

Table 5 indicates the estimated beginning balances in the Housing Fund and the projected deposits into the Housing Fund. The Housing Set-Aside revenue shown on Table 5 was estimated based on 20% of the total tax increment revenue for the project areas, less allowable administrative charges collected by Los Angeles County for the calculation, collection, and allocation of property taxes. With the exception of the amounts in FY2009-2010, the amounts shown on Table 5 are estimates and actual tax increment revenues and resulting Housing Set-Aside revenues could vary from the amounts shown on Table 5. The preparation of the budget shown on Table 5 is meant to provide an indication of the financing of the Housing Program and of the estimated expenditures to be made during the five years of the Implementation Plan. The intent is not to restrict CDC activities to only those projects, programs, and expenditures shown on Table 5. Specific decisions on each of these items will be made as part of the CDC's annual budget process, in response to and anticipation of shifting market conditions.

Table 5: Housing Program Budget (Fiscal Years 2010-2014)

	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Revenues						
Beginning Fund Balance	\$15,856,666	\$11,052,112	\$11,592,412	\$12,164,412	\$12,719,262	\$63,384,864
Housing Set-Aside ¹	\$3,800,000	\$3,800,000	\$3,870,000	\$3,940,000	\$4,020,000	\$19,430,000
Program Income	\$180,000	\$200,000	\$210,000	\$220,000	\$225,000	\$1,035,000
Interest Earnings ²	\$200,000	\$240,000	\$275,000	\$275,000	\$275,000	\$1,265,000
Total Resources (including beg. balance)	\$20,036,666	\$15,292,112	\$15,947,412	\$16,599,412	\$17,239,262	\$85,114,864
Cumulative Net Deposits (not incl. beg. balance) ³	\$4,588,100	\$4,628,100	\$4,749,200	\$4,838,000	\$4,938,800	\$23,742,200
Expenditures						
Home Improvement Loan Program (HILP)	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Home Preservation Program (HPP)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
New Construction	\$5,092,200	TBD	TBD	TBD	TBD	\$5,092,200
Other Programs	\$322,900	\$97,500	\$97,500	\$97,500	\$97,500	\$712,900
Administration Expenses ⁴	\$1,699,302	\$1,784,200	\$1,873,500	\$1,967,150	\$2,065,500	\$9,389,652
Debt Service	\$1,270,152	\$1,218,000	\$1,212,000	\$1,215,500	\$1,212,000	\$6,127,652
Total Expenditures	\$8,984,554	\$3,699,700	\$3,783,000	\$3,880,150	\$3,975,000	\$24,322,404
Balance Available⁵	\$11,052,112	\$11,592,412	\$12,164,412	\$12,719,262	\$13,264,262	\$60,792,460

Source: City of West Covina Finance Department

Prepared by JWA Urban Consultants, Inc.

¹ City of West Covina Finance Department² Investment Earnings calculated at 1.5%³ Equals cumulative deposits of Housing Set Aside Monies, including interest and program income⁴ Based on information provided by CDC, assuming 5% annual increases⁵ Reflects total resources less total obligation and total expenditures⁶ Does not include potential sale of ROP Home as negotiations have not been finalized.

As shown on Table 5, the cumulative monies in the Housing Fund, including investment earnings on balances in the Housing Fund, that are estimated to be available over the five-year period of this Implementation Plan are approximately \$23.75 million. This is the amount available to the CDC to implement and fund the Housing Program. No other resources are assumed to be used in any significant amount to implement the Housing Program for the five years covered by this Plan. There may be other monies available from state and federal sources and programs, such as CDBG, HOME, HCD, CalHFA, and recent federal stimulus packages, which may be expended on the Housing Program, but such funding source(s), are not allocated at the time of preparation of this Implementation Plan. CDC will consider and coordinate annual redevelopment activities in relation to these other funding sources when developing a comprehensive approach towards meeting affordable housing needs of the community.

A description of the projects and programs comparing the CDC's housing activities and the period for each is discussed below.

1. Home Improvement Loan Program (HILP)

The CDC has continued its Home Improvement Loan Program. The Program is funded solely with Housing Set-Aside funds. This ongoing program targets very low- and low-income families. The primary goal of the program is to enable families to make safety and living improvements to their homes. The program allows low-income residents to receive no-interest, deferred payment loans for up to \$10,000. Loans are due when the property is sold or title is transferred, when the property is refinanced and the lender requires subordination of the CDC loan, or when the owner dies or no longer lives in the home. Allowable projects include exterior painting, landscaping, plumbing, handicap modifications, building code violations, structural repairs, water heaters, electrical, and insulation improvements. This is an existing program that is implemented throughout the City.

Current Project Status/Anticipated Expenditure: 1,561 Home Improvement Loans have been issued since the inception of the program in 1979. The CDC typically budgets for 50 HILP loans, for a total of \$500,000, per fiscal year. This number is expected to continue for the duration of the 2010-2014 Implementation Plan.

2. First-Time Homebuyers Assistance Program

The CDC initiated this program in 1994. Under the program, first-time homebuyers are eligible to receive “gap financing” assistance for partial down payments. The amount of assistance is the lesser of \$25,000 or 20% of the purchase price for the purchase of a home in West Covina. The loan is secured through a second deed of trust at a simple annual interest rate of 5% over 25-year amortization period. There are no payments during the first 5 years of the loan and in Year 6, payments of the principal and interest start. The loan is paid off when the property is sold or refinanced in excess of first mortgage or if it is no longer owner-occupied. The buyer is required to provide at least 3% of the purchase price as down payment. The CDC-funded portion of this program is limited to persons and families of low- and moderate-income.

Current Project Status/Anticipated Expenditure: Since its inception, the Program has assisted 142 First Time Homebuyers. However, the program was terminated in FY2004-2005 due to a significant decrease in applicants. The decrease in applicants was a result of less eligible low and moderate-income applicants given the increase in home prices in the West Covina housing market at the time. The CDC will continue to manage any outstanding loans on the program.

3. Home Preservation Program (HPP)

This is a housing program intended to allow moderate-income families to make improvements to their homes. The program focuses on visual improvements such as landscaping, painting, roof, and façade enhancements. The loans enable homeowners to improve their properties in such a manner as to increase the overall appearance of their neighborhoods. This effort will be combined with increased code enforcement on specific streets providing a strategic community reinvestment effort. As with the HILP, loans are due when the property is sold or title is transferred, when the property is refinanced and the lender requires subordination of the CDC loan, or when the owner dies or no longer lives in the home. The loan can be repaid in full at any time. Loans are made up to \$10,000 to moderate-income families with 5% simple interest accruing after the tenth year.

Current Project Status/Anticipated Expenditure: 456 Housing Preservation Loans have been issued since the inception of the program in 2000. The CDC typically budgets for 10 HPP loans, for a total of \$100,000, per fiscal year. This number is expected to continue for the duration of the 2010-2014 Implementation Plan.

4. New Housing Construction

The CDC desires to assist in the construction of new affordable housing and/or rehabilitation of existing single- and multi-family housing. Currently, the Senior Villas II project is expected to begin construction in early 2010 and is expected to provide 64 affordable units plus 1 manager unit. It is scheduled for completion in fall 2010.

The CDC anticipates an additional 100 units would be assisted over the next 10-year period, with the provision of low-income housing being the primary objective. Due to the built-out nature of the Project Area and the City, infill housing offers the best opportunity for new housing construction. CDC efforts in fostering new low- and moderate-income housing could include land acquisition and land write-downs. Such activities may also include working with private developers or nonprofit development corporations to plan, design, and assist in the construction of affordable housing units available at an affordable housing cost. Due to the current economic slowdown, actual expenditures in support of this program and the potential number of housing units that could be created are difficult to estimate at this time.

Current Project Status/Anticipated Expenditure: Senior Villas II: This is a senior housing rental project located on a 1.08-acre parcel at 1838 E. Workman Avenue. The developer is West Covina Senior Villas II, LP (Pacific Development/TELACU Industries). The developer is constructing 64 units for senior occupancy (13 very low-income and 51 low-income units) and 1 on-site manager's unit. The CDC is contributing \$8.6 million in the form of a loan, evidenced by a Promissory Note, and forgivable over the 99-year term if the affordability covenants and all conditions of the OPA are maintained. The anticipated completion date is fall 2010.

Although no other specific projects are identified, the CDC anticipates assisting housing developers and property owners with projects designed to increase, improve or preserve the community's supply of affordable housing. Such programs will be reviewed and implemented on a case-by-case basis and could include new construction, substantial rehabilitation, or the provision of affordability covenants.

5. Administrative Expenses

In the course of implementing the Housing Program, administrative costs will be incurred. Such expenditures include salaries, overhead, consultant and legal expenses, supplies, etc. Actual administrative expenditures must be determined each year and found to be necessary and reasonable to implement the housing programs. The amounts shown in Table 5 could be more or less than the actual amounts expended during the five-year period.

3.8 Housing Constructed, Rehabilitated, or Price Restricted (2005-2009)

The CDC has assisted in the creation of 91 affordable housing units between 2005 and 2009. Of these, six were moderate-income, 68 were low-income, and 17 were very low-income units. The projects where these units were developed are as follows.

- a. **Abell-Helou SFDU Project:** Developer Abell-Helou completed 21 single-family houses in 2005, of which a minimum of five houses must be affordable to moderate-income households. The CDC purchased the 2.6-acre parcel, located at the northwest corner of Nogales High School's 45-acre campus from the school district for \$740,000, and resold it to the developer for the same price. In exchange for the five price-restricted houses, the CDC is contributing \$500,000 of its set-aside funds for the project, which is located adjacent to the developer's other housing project, known as Sycamore Glen. This project did not displace any residents or create the loss of affordable housing units from the housing stock.
- b. **Senior Villas I:** This is a senior housing rental project located on a 1.66-acre parcel at 1842 E. Workman Avenue. The developer is West Covina Senior Villas (Pacific Development/TELACU Industries). The developer constructed 85 units for senior occupancy (17 very low-income and 68 low-income units) and 1 on-site manager's unit. The CDC contributed \$4.25 million in the form of a loan, evidenced by a Promissory Note, and forgivable over the 99-year term if the affordability covenants and all conditions of the OPA are maintained. The project was completed in 2005.
- c. **ROP Construction:** On September 4, 2007, the CDC approved an Educational Service Agreement with the Regional Occupational Program (ROP) for the construction of a 3-bedroom/2-bath house, approximately 1,500 sq. ft. in area. The project site was a vacant 9,750 sq. ft. lot at 1420 S. Willow Avenue identified as APN 8467-011-023. The CDC provided \$393,500 and an additional \$47,500 of set-aside funds for the construction of this project. The CDC is currently marketing the home for sale to an eligible low-income

or moderate-income household, with affordability covenants recorded on the property for 45 years.

Table 6 provides a breakdown of the assisted units over the past five-year period of the prior Implementation Plan, by Project Area location, program, and affordability levels.

Table 6: Locations and Income Analysis of Homes Constructed or Substantially Rehabilitated 2005-2009

Location	Project Area	Very Low-	Low-	Moderate-	Total Units
Abell-Hellou	West Covina "Merged"	0	0	5	5
Senior Villas I	West Covina "Merged"	17	68	0	85
ROP House	(outside of project areas)	0	0	1	1
TOTAL		17	68	6	91

Source: CDC

Prepared by JWA Urban Consultants, Inc.

Table 7 provides an indication of the number of housing units to be assisted by the CDC over the next five-year period of the proposed Plan. The types of housing projects include new construction, rehabilitation, and homebuyer assistance. Many of the units, if not all, will be price-restricted for affordability occupancy requirements (i.e. affordable price restrictions over a 45-year period for ownership housing and 55-year period for rental housing) from the programs listed below.

Table 7: Estimate of CDC Assisted Housing Units (Fiscal Years 2010-2014)

CDC Project/Program	2009/10	2010/11	2011/12	2012/13	2013/14	Totals
Home Improvement Loan Program (HILP)²						
Total Units	50	50	50	50	50	250
Total Expenditures	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Home Preservation Program (HPP)³						
Total Units	10	10	10	10	10	50
Total Expenditures	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
New Construction						
Total Units	0	64	TBD	TBD	TBD	TBD
Total Expenditures	\$0	\$5,092,000	TBD	TBD	TBD	TBD
Total Housing Units to be Constructed, Rehabilitated or Price Restricted	60	124	60	60	60	364

Source: CDC

Prepared by JWA Urban Consultants, Inc.

¹ Estimates based on CDC information and discussions with CDC staff

² Home Improvement Loan (HILP): Reflects estimate of units to be assisted utilizing Low-Moderate Income Housing Fund at \$10,000 per loan. Funds are used to assist low-income households with home rehabilitation financing at 0% interest.

³ Home Preservation Program (HPP): Reflects estimate of units to be assisted utilizing Low-Moderate Income Housing Fund at \$10,000 per loan. Funds are used to assist moderate-income households with home rehabilitation financing at 5% deferred interest.

3.9 Housing to be Destroyed or Removed (2010-2014)

At this time, the CDC does not anticipate removing any affordable housing due to CDC activities in the Project Areas. At such time that a removal of housing is considered, a relocation plan for

displaced residents will be completed prior to commencement actions and no actions will be taken until such time that affected residents have properly relocated in accordance with California Redevelopment Law.

3.10 Housing Compliance

The following sections describe the ten-year goals and objectives for the West Covina Community Development Commission in compliance with Code Section 33413(a) and 33413(b)(2).

AB 315 added language to CRL Section 33413(b.(4)) which requires agencies to adopt, by January 1, 1993, a plan for each project area. The plan is to outline the agency’s ten-year strategy for housing compliance. The Inclusionary Housing Compliance Plan must be reviewed and if necessary, amended at least every five years in conjunction with the former Housing Element cycle to be consistent with the City’s Housing Element. Covenants must be recorded against the property, which maintains the affordability restrictions for the longest feasible time, but for not less than the period of the land use controls established in the applicable Redevelopment Plan. These requirements apply in the aggregate and not to each individual case of rehabilitation, development, or construction.

a. Replacement Requirements

To create the number of units required by the replacement housing rules, the CDC may opt to replace its affordable units outside the designated project Areas. As stated above, the CDC must create two units outside the Project Areas for every one unit required within the Areas. For example, if a low- or moderate-income unit is destroyed or removed, due to actions of the CDC, the unit must be replaced on one-to-one basis within the project area or on a 2-to-1 basis if it is replaced outside of the project area.

No housing units were removed from the Project Areas during the 2005-2009 Plan term and the CDC is not anticipating the removal of any affordable housing units during the 2010-2014 Implementation Plan period. As such, no precise replacement plan is required at this time. However, at any future date that the CDC contemplates the removal of housing or the displacement of families, the CDC shall complete a detailed replacement-housing plan in accordance with the applicable State and Federal law.

A review of the CDC’s Annual Report, required by Code Section 33080.1(a), indicate that for the past five years no new construction of housing in the project areas has occurred which would trigger the “inclusionary housing” requirements of the Code.

b. Compliance

The CDC is currently in full compliance with the Health & Safety Code with respect to affordable housing and expects to remain in compliance over the life of this Plan. Should the CDC approve a redevelopment project, which removes or destroys a housing unit from the housing supply, it will be replaced within the time specified. This will also be

done throughout the life of both Project Areas. Table 8 below illustrates that the CDC has not only met its Inclusionary Housing obligations, but is 525 units over its Inclusionary Housing requirement.

Table 8: Summary of Affordable Housing Compliance

	Very Low-	Low-	Moderate-	Total
Removed Prior to 1994	3	4	5	12
Removed 1994-1999	12	12	11	35
Removed 2000-2004	0	0	0	0
Removed 2005-2009	0	0	0	0
To Be Removed 2010-2014	0	0	0	0
Inclusionary Housing	59	37	37	133
2 to 1 Rule	0	0	0	0
Total Housing to be Replaced	(74)	(53)	(53)	(180)
Built Prior to 1994	0	0	0	0
Built 1994-1999	82	107	225	414
Built 2000-2004	17	95	24	136
Built 2005-2009	17	68	6	91
To be built 2009-2014	13	51	0	64
Total Housing Replaced	129	321	255	705
Housing Compliance Surplus	+55	+268	+202	+525

Source: CDC

Prepared by JWA Urban Consultants, Inc.

At any future date, if the CDC contemplates the removal of housing or the displacement of families, a detailed replacement housing plan will be prepared and adopted in advance, in accordance with the applicable State and Federal laws, identifying specific replacement housing locations and sources of financing.

3.11 Summary

The West Covina Community Development Commission has taken a proactive stance on the provision of affordable housing as well as the provision of a diversity of housing types within the community. The City of West Covina, incorporated in 1923, is a fully urbanized city having very few vacant or underutilized properties that are suitable for the development of additional housing. However, the CDC is continuing its search and evaluation of available properties as they may become available for housing development consideration. It is the intent of the CDC to continue to provide and ensure that all reasonable measures have been considered and evaluated in maintaining a high quality and standard of living for all of the residents. The CDC has completed projects that have supplied housing to the less fortunate, and complies with all sections of the California Health & Safety Code pursuant to affordable housing. The CDC plans to maintain its focus on rehabilitation and revitalization of the current housing supply as the City is almost fully urbanized. The CDC will also endeavor to complete new construction of affordable housing on appropriate in-fill sites when such sites may become available.

Given the expenditure of monies for the successful implementation of the Housing Program over the five-year period of the proposed Plan, the CDC will have:

- Expended approximately \$24,322,404 on various low- and moderate-income housing projects and ancillary expenditures (administrative costs); and
- Assisted in the rehabilitation of approximately 300 units using Set-Aside funds.
- Assisted with the construction of approximately 64 units using Set-Aside funds.

