



Monrovia Redevelopment Agency

**Five Year Implementation Plan
2009-10 through 2013-14
Project Area 1**

Redevelopment Agency Board

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Five-Year Implementation Plan 2009-2014
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I. INTRODUCTION

Pursuant to the Community Development Reform Act of 1993 (AB 1290-Isenberg), the Monrovia Redevelopment Agency (the "Agency") is required to adopt a Five Year Implementation Plan (the "Plan"). The Plan must include: a description of specific goals, strategies and programs to eliminate blight in the Project Area for a five year period, a description of potential projects and estimated expenditures, a report on the use of housing funds for low to moderate income housing projects, an application of low to moderate income housing laws and a description of the requirement for Replacement Housing Plans.

The Act further requires that the Plan be revised and adopted every five years and, at least once during the five year period, a public hearing on the Plan should be held to consider and make any necessary amendments. This Implementation Plan replaces the previous Five-Year Implementation Plan, which expires on December 31, 2009.

On December 4, 1994, the Monrovia Redevelopment Agency adopted its first Five Year Implementation Plan for the years 1995-2000. The following Implementation Plan for 2009-2014 was prepared by Agency staff and adopted by the Agency Board at a public hearing held on December 1, 2009. This is the Agency's fourth Five Year Implementation Plan.

II. AGENCY MISSION STATEMENT

The main objectives of the Monrovia Redevelopment Agency are to pursue mechanisms that will contribute to sustainable economic growth and improve the quality and quantity of affordable housing within the community. Through its efforts, the Agency has and shall continue to make major strides toward eliminating blight and blighting influences within the Project Area. All activities involving Agency funds shall contribute to one (or more) of the following Agency objectives;

- Elimination of blight
- Reinvestment in the community,
- Encouragement of investment by the private sector,
- Enhancement of the City's sales tax base
- Knowledge of current trends in the field of redevelopment
- Reduction of crime
- New and better employment base
- Keeping city competitive in business
- Correction of land uses that are incompatible
- Support and maintenance of low and moderate-income housing

Each and every Agency funded activity shall satisfy one or more of the above mentioned indicators. The purpose for establishing such criteria is to ensure that Agency funds are being implemented at their optimal and best use. As the field of redevelopment involves many different factions of the community, there is never an all encompassing solution to the challenges typically encountered. Yet, the ability to satisfy one (or more) of the objectives described above through the use of Agency funds, accomplish the goals set forth by Agency and serve as an indicator of achievement.

III. BACKGROUND

The Monrovia Redevelopment Agency was formed on March 4, 1969. Project Area No. 1, also known as the Central Redevelopment Project, was established on December 18, 1973. The Project Area covers 415 acres along Huntington Drive and Myrtle Avenue, incorporating the City's main business district and major transportation arteries. In July 2002, the Redevelopment Plan was amended and approximately 125 acres were added into the Project Area. This area is located primarily in the southern portion of the City, south of the Foothill (I-210) Freeway.

The Redevelopment Plan divides the Project Area into six separate strategic areas: Foothill Boulevard, the Historic Old Town Business District, West Huntington Drive, East Huntington Drive, South Myrtle Avenue and Station Square.

Over the past 36 years, the Agency has proceeded with a redevelopment strategy for the six areas, and during the last five years has concentrated on the most recently added area, Station Square. The following is a plan summary of the Agency's six strategic areas:

1. The strategy for **Foothill Boulevard** focuses on encouraging a combination of high-density housing, neighborhood retail and service related uses. It additionally seeks the relocation of heavy commercial and automotive related businesses to minimize negative impacts on adjacent residential neighborhoods.

2. The **Historic Old Town District** is a focal point for the community and a reminder of the City's heritage; however, changing economic trends and years of neglect had left the area severely blighted. The comprehensive strategy to revive the downtown has involved public improvements and an aggressive economic development strategy. In November 2000, Krikorian Premiere Theaters completed construction of a twelve-screen movie theater. This event was a major step forward, and the Agency continues its efforts to eliminate the remaining pockets of blight. Specific programs include a public improvements project to update the 1970s era renovation, a successful Business Development Assistance Program and a continuing proactive effort to attract a solid mix of restaurants and retailers. Several quality nighttime venues that will encourage evening pedestrian traffic have commenced construction. A significant housing project, Colorado Commons was built during the previous implementation plan and is at full occupancy. A non-redevelopment, mixed-use housing and retail project is currently being

constructed at the southeast corner of Myrtle and Olive Avenues and will be completed during the term of this Implementation Plan. It promises to bring new vitality to the shopping region and to significantly increase pedestrian traffic, thereby supporting the Old Town retail and dining establishments.

3. The Agency is working diligently to transform **West Huntington Drive** into a major retail and commercial destination. With a high-profile location at the intersection of Huntington Drive and the I-210 Freeway, this area provides some of our best opportunities to compete for regional retail business. Major developments over the life of the Project Area include: Huntington Oaks Shopping Center and Restaurant Row, Expo Design Center, Circuit City Center, Double Tree Hotel, Marriott Hotel, Huntington Crossing and Xerox. During the previous Implementation Plan, the hotels have reinvented themselves with major upgrades and name changes. The renovation of the Rosedale Plaza has brought in the City's first Henry's Market and will soon open additional national tenants within the plaza, including Walgreen's. In the former Expo Center, the construction of a Living Spaces and Paul's Big Screen TV was completed in October 2009. The favorable location of the former Circuit City site, has garnered the attention of national retailers considering a move to Monrovia and a brand new Kohl's Store has opened at the former Mervyn's location in the Huntington Oaks Shopping center. There is also a Disposition and Development Agreement for the southwest corner of Myrtle and Huntington. Marketing efforts for the site are focused on attracting a high-end office and restaurant user. The Agency is in discussions with the owners at the southeast corner of Huntington and Fifth Avenue for a new development. Although the current recession has negatively impacted a number of the retail outfits and several significant blighted areas still exist along West Huntington Drive, the Agency is continuing its efforts to attract new retail businesses and redevelop deteriorating properties.

4. Efforts by the Monrovia Redevelopment Agency to encourage the development of high-end office space have been very successful along **East Huntington Drive**. An important part of our strategy has been to help create high-tech research and development job opportunities in Monrovia. The Agency Board recognized early on that job creation is a critical component to a successful long-term community development strategy. As a result of the Agency's work, East Huntington Drive has become a center for high-tech/R&D business in the San Gabriel Valley. Future Agency activities will center on business retention and attraction to the area.

5. The **South Myrtle Avenue** area begins at Huntington Drive and extends south, past Duarte Road. Redevelopment activity in this area has been limited and some of the City's most severe blighting conditions persist in this area. The area includes many commercial and industrial uses, with older building improvements dating back over seventy years. The Agency's goal is to facilitate physical improvements and encourage economically competitive reuse of older properties.

6. The **Station Square** area was added to the project area in 2002 as part of the 6th Amendment to the redevelopment plan. The area located along the railroad right-of-way will be utilized for the extension of the Metro Gold Line, which is expected to occur in the next four to eight years. This area is situated between Magnolia Avenue to the west, and Shamrock Avenue to the east. While the Agency has acquired approximately 25% of the properties on the western portion of the Station Square Study Area, a significant portion of the eastern area has been acquired. The primary assets in the eastern area are the 10 acre, former Sweda site and an adjacent 2 acre former industrial equipment facility. An important objective for improving the area is reactivating the area as a transportation hub.

IV. CONDITIONS OF BLIGHT

By adopting the Monrovia Redevelopment Agency Redevelopment Plan, the Agency made certain findings and determinations pursuant to the Community Redevelopment Law of the State of California. The Agency's findings are in conformance with the definition of blight applying to redevelopment agencies prior to the advent of AB 1290 on January 1, 1994. Nevertheless, blighting conditions as defined by AB 1290 still exist in the Project Area. The Implementation Plan shall, therefore, draw upon the AB 1290 criteria to link the actions of the Agency to the elimination of blight.

Section 33030 and 33031 of the California Health and Safety Code define blight as the following:

33030. Blighted Areas.

- (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 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or 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.

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

33031. Physical and Economic Conditions at Blight.

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

- (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- (2) Conditions that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- (3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- (4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

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

- (1) Depreciated or stagnant property values
- (2) Impaired property values due in significant part to hazardous wastes on property where the Agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
- (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

- (4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- (5) Residential overcrowding that has resulted in significant public health or safety problems.
- (6) An excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.
- (7) A high crime rate that constitutes a serious threat to the public safety and welfare.

Through its projects and programs, the Monrovia Redevelopment Agency has made significant progress in eliminating deteriorating conditions; however, blight persists in many sections of the Project Area and the City. There are clearly conditions of blight so prevalent and substantial that they contribute to a lack of proper utilization that cannot be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

V. BLIGHTING CONDITIONS IN THE PROJECT AREA

The following blighting conditions exist in the Project area:

- ❖ **Unsafe and/or Economically Obsolete Buildings** – The Project Area contains several areas of blighted buildings, both commercial and residential, that do not meet current public safety codes, due to lack of maintenance, inadequate fire sprinkler systems, and a variety of obsolete and unsafe conditions. Buildings that fall into this category will continue to be an area of focus for Code Enforcement. In addition to unsafe conditions, many older commercial structures are functionally obsolete. Some buildings constructed in the 1950s, or before, have outlived their useful life and the businesses that originally occupied these locations have moved on or scaled down their operation significantly. A prominent example is the Sweda industrial property, located south of the Foothill (I-210) Freeway. The property covers several acres and is currently vacant. As vacant, these buildings demonstrate a threat to the overall health, safety and welfare of the surrounding neighborhood by exposing unsafe conditions, such as, fire hazards, criminal and drug activity and illegal dumping.
- ❖ **Parking Deficiencies** – The City currently maintains nine parking lots and a public parking structure in the historic Old Town Business District, and there is a high potential for parking shortages in the near future due to the economic revitalization of this area. After the opening of the Krikorian Premiere Theater, staff has since witnessed the arrival of several new restaurants to the area, which have a relatively high demand for parking. Also after the completion of the housing development on Myrtle and Olive Avenues, increasing visitation to the area will place pressure on existing parking capacity. Creating additional parking, and upgrading the existing 1950s era lots, will ultimately be required. In an effort to meet this need, the Agency is working on a multi-faceted program to modernize public parking and other facilities in the Old Town District.
- ❖ **Incompatible Adjacent Uses** – In the Project Area, there are several examples of residential neighborhoods adjacent to industrial/manufacturing or commercial uses without an adequate buffer separating the two areas. A prime example of this is in the first phase of the Station Square Study area, wherein acres of industrial

facilities are adjacent to single family homes. These circumstances often lead to a deterioration of neighborhoods and contribute to blight.

- ❖ **Irregularly Shaped/Inadequately Sized Lots** – Inadequately sized and/or irregularly shaped lots contribute to blight, because these conditions limit the ability of the market to redevelop such properties on its own. The Agency plays an important role in acquiring and consolidating irregularly shaped parcels suitable for redevelopment. In general, the Agency endeavors to consolidate parcels that, for various reasons, are not economically viable. These situations are typically present in areas of commercial and industrial developments built prior to 1960. Examples exist in certain sections of Huntington Drive, where some property improvements date back to the days when the street functioned as Route 66, as well as along South Myrtle.
- ❖ **Hazardous Waste** – A number of commercial and industrial buildings within the Project Area have outlived their use as manufacturing facilities, auto repair businesses, etc. The facilities are either incompatible with surrounding uses or, in some cases, vacant. Because of age and the previous use, many of these properties represent potential environmental hazards, which will ultimately limit the future economic viability of the property. There is also contaminated soil that must be remediated. Potential hazards include asbestos, lead-based paint, underground storage tanks, and other toxins. To alleviate some of these problems, the Agency has successfully utilized tools such as land acquisition and clearance. In the future, the Agency will likely continue to participate in the redevelopment of problem properties.
- ❖ **Crime Rate** – The implementation of Monrovia's Redevelopment Plan has had a significant impact on the reduction of crime. Bars, liquor stores, and densely spaced residential structures along Huntington Drive (and the problems associated with them) have been replaced by a number of more attractive, useful, and marketable structures, such as the Huntington Oaks Shopping Center and the Marriott Hotel.

Despite Agency success in removing and redeveloping blighted areas, the City's growth has generated new problems, with less obvious solutions. By working together with public safety personnel, Housing and Neighborhood Preservation, we are endeavoring to maximize the use of our resources to eliminate blight within the City of Monrovia.

VI. AGENCY BOARD STATED GOALS

The following is a list of the stated goals as identified and prioritized by the City Council/Agency Board:

1. Fiscal Responsibility.

To provide Monrovia residents with full value for their tax dollars and make certain essential public services are properly funded.

2. Public Safety.

To assure residents and their families will be safe in their homes and in their neighborhoods, as well as receive basic disaster protection of their property, with emphasis on crime prevention and disaster preparedness.

3. Economic Development/Redevelopment.

To continue opportunities for Monrovia, provide a strong economic base and create a vital downtown, and create jobs for Monrovia residents.

4. Citizen Participation.

To increase opportunities for Monrovia residents and businesses to take part in City government decision-making and service provision.

5. Quality City Personnel.

To attract, develop and retain high quality employees so that Monrovians will receive the best possible public service.

6. Quality of Life.

To provide quality parks, library, telecommunications, code enforcement and community services to all Monrovians.

7. City Infrastructure.

To maintain our investment in the City's infrastructure and to upgrade deficient areas.

8. Transportation.

To enhance transportation services for Monrovia residents and business people. The City shall cultivate opportunities including fixed route shuttle service, para-transit and rail transit to complement existing programs.

9. Support of Education.

To assist the Monrovia Unified School District in enhancing and strengthening Monrovia Schools.

10. Affordable Housing.

To maintain an adequate supply of affordable housing for low and moderate income residents, senior citizens, and first-time home buyers.

11. Youth Policies

To enhance opportunities for Monrovia youth in recreation, sports, training, and development as an alternative to drugs, alcohol, and gangs.

12. Environmental Preservation

To respond to the landfill crisis and seek progressive solutions to preserve the natural resources through a variety of conservation strategies ranging from land preservation to recycling.

VII. PROGRAMS AND PROJECTS

Over the next five years, the Agency will implement the following projects and programs to meet the goals and objectives of the Agency, and eliminate blighting conditions:

Economic Development	
Foothill Blvd	Enterprise Zone The redevelopment of Foothill Boulevard has been a long-standing goal of the Agency. The Agency continues to strive to rehabilitate the dilapidated and incompatible uses in the area and encourage business development. A tool that would be used in business retention and development on Foothill Boulevard and throughout the City is an Enterprise Zone designation. In 2009, the City applied for an Enterprise Zone, Such a designation would encourage business retention and attraction by providing significant State tax credits at no cost to the City and local incentives to businesses located in the Zone. Although Monrovia did not receive one of the coveted designations, the City will continue to apply in subsequent rounds.
Historic Old Town District	Business Development Assistance As part of the continuing effort to maintain the economic vitality of the Old Town District, through the Business Development Assistance Program, the Monrovia Redevelopment Agency provides financial assistance to Old Town merchants and land owners to cultivate ambitious and creative ideas that will expand and grow businesses in the Old Town district. The program has a three pronged approach that consists of a: Business Development Program, a Business Attraction Program and a Broker Incentive Program. Under this revised program, the Agency is

Historic Old Town District

able to provide loans to existing businesses, attract new business from our "most wanted list" and incentivize qualified brokers who work to attract the City's preferred users into the downtown district.

601 South Myrtle Avenue

Following years of neglect, the Agency assumed responsibility for renovating this highly visible structure located at the heart of Old Town. The result is an impressive brick building that blends into and enhances Old Town's unique character. The Agency entered into a DDA with T-Phillips, a bar and grille type of restaurant that will serve as a gathering place for families, working professionals, as well as attract nighttime foot traffic. Construction on the interior improvements has commenced. Completion is expected before January 2010.

419 South Myrtle Avenue

The Agency has provided a loan for the interior rehabilitation of this site. The site is a London style gastro-pub, a unique concept that will generate nighttime activity in the Old Town district. The opening is scheduled for Winter 2009.

OT Public and Parking Improvements

The construction of the City's first public parking structure was completed during the Colorado Commons development. Staff is continuing to study the feasibility of parking expansion throughout the downtown. During the previous implementation plan, new sidewalks, street lighting, and other improvements were completed in the Old Town district. The City and Agency will continue to work together to ensure the Public improvements are maintained and upgraded when necessary.

West Huntington

Huntington Dr. and Myrtle Ave.

The Agency currently has a DDA for the development of a 40,000 sq ft upscale office and restaurant development. This will complete the decades of renovation on Huntington Drive. The site is currently vacant. Construction is expected to commence in 2010.

Rosedale Center and Ranch Market

At the inception of the Project Area, the Agency made a conscious decision to exclude the above named shopping centers from the Project Area, because they represented the best retail developments in the City. After 25 years, and the advent of newer developments in the area, the centers are showing their age and functional obsolescence. Through numerous discussions with the new owner of The Rosedale Center, the center, renamed Huntington Plaza has recently been upgraded with the addition of a Henry's market and soon will host a number of new in-line shops to enhance the economic vitality of this Center. The renovation of the Ranch Market center is a goal that could be further explored during this implementation plan.

Huntington and Fifth

In 2001, Xerox Corporation completed construction of a 140,000 square foot office building at the former Santa Anita Trailer Park property near the corner of Huntington Drive and Fifth Avenue. Completion of this development is a significant milestone for the Agency and leads into a second phase involving redevelopment of property adjacent to Xerox. The adjacent property is located directly north of Xerox, at the corner of Huntington and Fifth. The property is currently occupied by a public storage facility. Because of its

West Huntington

avored location near the I-210 Freeway, and proximity to many hotels, restaurants and retail establishments, the property is highly coveted for a variety of commercial uses. It is, therefore, a goal of the Agency to utilize the site in a more beneficial manner. The Agency is currently in discussions with the adjacent property owners for the redevelopment of this site.

Former Expo Site

Living Spaces/ Paul's Big Screen TV is currently renovating the site. Tenant improvements have commenced, and the store officially opened in November 2009.

Former Circuit City Site

The property is currently vacant. The Agency has met with the owners of the property who are actively marketing the site.

Huntington Oaks Shopping Center

Over the years this site has seen some deterioration due to the economic downturn. A major anchor in the Center, Mervyn's filed bankruptcy and closed all locations. The former Spire restaurant user, also closed the location. The retail company, Kohl's has assumed a lease at the Mervyn's site and is scheduled to open in September 2009. The Agency is actively working with the property management company to secure a new restaurant user. The improvement of this major shopping center is a priority to the Agency.

<p>East Huntington</p>	<p>Specific Business Attraction and Marketing</p> <p>To encourage further development of a high tech business base, the Agency uses the tools of redevelopment, to eliminate some of the major barriers to economic growth in Monrovia. Equally important in the effort to improve the community, are programs initiated by the Agency to market the City and attract business. The marketing effort will include the creation and updating of printed material, video, and computer based information. The Agency will also make direct contact to entice specific businesses to locate in Monrovia. In addition, the Agency will provide technical assistance to businesses wishing to locate or expand their operations.</p> <p>A specific goal in this effort is to foster the growth of high-tech businesses specifically "green" companies. Following 36 years of intensive redevelopment activities, East Huntington Drive has transformed from a major source of blight into a center of commerce and jobs in the community. Many businesses attracted to this area are from one of the "high-tech/R&D" fields such as computer hardware and software, scientific research, biomedical and business applications, and product development. To encourage the growth of this important sector of the economy, the Agency will continue its efforts to recruit and assist high-tech businesses in locating to Monrovia, as well as to provide suitable facilities to meet their physical requirements.</p>
<p>South Myrtle</p>	<p>Myrtle Avenue Corridor</p> <p>The region on Myrtle Avenue between the Old Town district and the Station Square Study Area has been identified</p>

<p>South Myrtle</p>	<p>by the Urban Land Institute as the Myrtle Avenue corridor. Irregularly shaped/inadequately sized lots, parking deficiencies and dilapidated buildings are characteristic of this area. The Agency will continue efforts to revitalize this City entrance by making the area more pedestrian friendly and maximizing the land use.</p> <p>Freeway Entrance Improvement Recognizing the importance of first impression, the Redevelopment Agency is working with the City to design an attractive entry statement for traffic exiting the I-210 Foothill Freeway. The objective is to give travelers an upscale look that is representative of Monrovia as an attractive and welcome location to live and conduct business.</p>
<p>Station Square</p>	<p>Station Square Study Area The expanded study area is bound by the I-210 Freeway on the north, Duarte Road on the south Magnolia Avenue on the west and Shamrock on the east. The first phase is bound by Myrtle to the east. The area has a number of aging industrial uses, housed in older blighted structures. The most notable use in the area is the historic Monrovia Railroad Depot, which is vacant and substantially deteriorated. A major Agency objective is to rehabilitate this historically significant structure. There is currently a DDA for the development of the first phase. Major hazardous mitigation is currently ongoing.</p> <p>Sweda/Foodmaker Site This twelve acre area industrial site was acquired by the Agency to ensure that the site would achieve its highest and best use. The Agency's ultimate goal is to sell the properties to an owner-user that will upgrade the area and make the site more functional.</p>

Housing

New Housing Development

Urban Housing Group Development

A Private Developer is moving forward with a luxury rental housing development on the corner of The Myrtle and Olive. Although this is not a redevelopment project, the addition of this development will provide an upgraded entrance, as well as a number of new residents to Old Town.

Habitat for Humanity

The Agency has a DDA with the San Gabriel Valley Chapter of Habitat for Humanity to provide for the development of a four unit planned development on Sherman Avenue.

1234 Sherman Avenue

Over the last several years, the Agency has sought to identify and eliminate the core blighting influences on Sherman Avenue. This site has historically been at the center for series of criminal, gang-related activities. The acquisition and demolition of this dilapidated property has contributed to the enhancements already made to the area, while preserving our investment in the future of this neighborhood. The Agency anticipates selling the property once the economy has recovered.

Infill Housing Development

As part of the Monrovia Redevelopment Agency's overall effort to improve housing conditions, the Agency actively monitors neighborhoods for single properties with severe health and safety issues for redevelopment. Upon identifying and clearing such properties, the Agency will facilitate the appropriate housing development for low and moderate income families.

<p>Homebuyer Assistance Programs</p>	<p>Silent Second Program Buying a home is an important goal for most families and, considering the rising cost of housing, it is increasingly difficult for moderate income families to afford a home. To assist first-time homebuyers, who fall within the targeted income category, the Redevelopment Agency has established the Silent Seconds Program to help finance the purchase of a home. First-time buyers can utilize these programs for the purchase of new homes that are developed as part of Agency efforts. The County's guidelines unfortunately make qualification for the program difficult. Therefore, the Agency can only offer this program in conjunction with Agency housing developments. Staff maintains a "wait-list" for applicants that would like to be contacted when opportunities are available.</p> <p>Loan Monitoring Previous loans granted by the Agency are maintained by staff. Staff will continue to maintain files and enforce the restrictions of the various contracts.</p>
<p>Residential Rehabilitation Programs</p>	<p>Monrovia Area Partnership (MAP) This program, funded by the Agency is offered to low income residents in specific geographic areas of the city. The program offers a range of assistance from home improvement grants and public infrastructure upgrades to chain-link-fence replacement assistance, recreation and literacy programs, and youth employment services.</p>

VIII. AFFORDABLE HOUSING COMPLIANCE PLAN INTRODUCTION

The foregoing *Affordable Housing Compliance Plan* addresses the Agency's affordable housing production needs and presents the anticipated production for Fiscal Year 2009-2010 through 2013-2014. Since the inception of the Agency in 1973, improving the quality and quantity of affordable housing continues to be a primary objective. Through property acquisitions and site consolidation, the Agency has been very successful in eliminating blighted areas and assisting low-moderate income families and senior citizens to find a home in Monrovia. The Agency shall continue its dedication to providing affordable housing opportunities in and around the project area.

IX. REPLACEMENT HOUSING REQUIREMENTS

Following is a description of the Health and Safety Code Sections Addressing Replacement and Inclusionary Housing Plans and Requirements:

The California Community Redevelopment Law (CRL), Health and Safety Code Sections 33000 et seq., states that one of the fundamental purposes of redevelopment is to increase and improve the community's supply of Low and Moderate Income (LMI) housing. This is accomplished through three different, but interrelated requirements imposed on all agencies by CRL. These three requirements provide for the production, improvement and preservation of housing for low and moderate income persons. These requirements are:

- No less than 20 percent of tax increment must be expended to increase, improve and preserve the supply of LMI housing in the community (H&S 33334.2);
- The Agency must replace LMI housing units which are removed as a result of a redevelopment project (the Replacement Rule, H&S 33413(a); and
- A fixed percentage of all housing constructed in a redevelopment Project Area must be affordable to low and moderate income persons and families (the Inclusionary Rule, H&S 33413(b).

Section 33413(b)(4) and Sections 33413.5 of the Health and Safety Code require that all redevelopment agencies adopt a plan to comply with the requirements of the Replacement and Inclusionary Rules, respectively.

1. Health and Safety Code Sections Addressing Replacement and Inclusionary Housing Plans and Requirements

- **H&S Section 33413(a) – The Replacement Rule**

Section 33413(a) of the Health and Safety Code requires that whenever dwelling units housing persons of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment program subject to a written agreement with the Agency, the Agency shall, within four (4) years of the removal of the dwelling units, cause to be developed an equal number of replacement dwelling units.

For affordable units removed prior to September 1, 1989, replacement units must be available at an affordable housing cost to persons and families of low and moderate income, without regard to the specific income of the person or family originally occupying the removed dwelling unit. However, for units removed after September 1, 1989, effective January 1, 2002, California law requires that 100 percent of the replacement units be affordable to the same income groups that occupied the units removed.

- **H&S Section 33413(b)(1) and (2) – The Inclusionary Rule**

Section 33413 (b)(1) of the Health and Safety Code requires that at least 30 percent of all new and substantially rehabilitated dwelling units actually developed by a redevelopment agency shall be available to affordable housing cost to persons and families of low or moderate income, and not less than 50 percent of those units shall be available at affordable housing cost to very low income households.

Section 33413(b)(2) requires that at least 15 percent of all dwelling units developed within a project area by public or private entities or persons other than the Monrovia Redevelopment Agency, including those developed pursuant to a written agreement with the Agency, shall be available at affordable housing cost to persons and families of low or moderate income, and not less than 40 percent of the affordable units shall be available at affordable housing cost to very

low income households. To illustrate the Inclusionary Rule in terms of numbers, of every 100 dwelling units developed or rehabilitated by entities other than the Agency, 15 shall be affordable, with 9 affordable to persons of low or moderate income, and 6 available to persons of very low income.

2. **Terms of Affordability**

Effective January 1, 2002, Health and Safety Code Section 33413(c) requires that replacement and inclusionary units shall remain available at affordable housing cost to the income levels indicated for not less than 55 years (for rental units) and not less than 45 years (for owner occupied units). Health and Safety Code Section 33334.3(f) states that when housing units are developed or assisted with money from the Agency's 20 percent affordable housing set aside fund, the Agency shall require that those housing units shall remain affordable for the longest feasible time, but for not less than 55 years for rental units, or 45 years for owner-occupied units.

In addition, Health and Safety Code Section 33334.13 requires that Very Low Income and Lower Income units developed with assistance from a home ownership residential mortgage revenue bond program or a California Housing Finance Agency home financing program shall remain available at affordable housing cost for at least 30 years. Finally, Government Code Section 65915 states that Lower Income units provided pursuant to a density bonus shall remain affordable for 30 years.

It is the goal of the Monrovia Redevelopment Agency and the City of Monrovia that Very Low Income, Lower Income and Moderate Income units developed anywhere within the City pursuant to any of these Sections shall remain affordable for the longest feasible time, up to and including 55 years, if at all possible.

3. **H&S Section 33413(b)(4) – The Inclusionary Housing Plan Requirement**

Section 33413(b)(4) of the Health and Safety Code, added in 1991, requires each redevelopment agency to adopt an Inclusionary Housing Plan, prior to January 1, 1993, indicating how the Agency will comply with the requirement of the Inclusionary Rule, and that the plan shall be consistent with the Housing Element. Section 33413(d)(1) states that this section only applies to redevelopment projects for which a final redevelopment plan is adopted on or after January 1, 1976. The Plan shall be reviewed and amended at least every five years, in conjunction with the Housing Element cycle. The Plan shall include estimates of the number of new or rehabilitated residential LMI

units developed by the Agency, or pursuant to an Agency agreement, and the numerical breakdown of those units into income categories, in order to meet the requirements of the Inclusionary Rule, paragraph (b)(1). The Plan shall also include estimates of the number of LMI units developed by entities other than the Agency, and the numerical breakdown of those units in order to meet the requirements of paragraph (b)(2). Finally, the Plan must include a projection of the number of LMI units to be developed by the Agency, or pursuant to an Agency agreement, during the next five years if any, to meet the requirements of the Inclusionary Rule, paragraph (b)(1). The Inclusionary Rule also stipulates that each LMI unit developed by the Agency, or pursuant to an Agency agreement, *outside* the Project Area shall only receive one half credit towards fulfilling the Agency's Inclusionary requirements.

4. H&S Section 33413.5- The Replacement Requirement for Redevelopment Projects.

Section 33413.5 of the Health and Safety Code requires each redevelopment agency to adopt by resolution a Replacement Housing Plan indicating how the agency will comply with the requirements of the Replacement rule as provided for in Section 33413(a). Section 33413(d)(1) states that this section only applies to redevelopment projects for which a final redevelopment plan is adopted on or after January 1, 1976. The Replacement Plan shall include:

- location of replacement housing;
- means of financing replacement housing;
- compliance with Article XXXIV;
- number of affordable units planned for construction; and
- the timetable for meeting replacement housing objectives

5. H&S Section 33334.5 - Replacement Housing Requirements for Redevelopment Plans

Section 33334.5 of the Health and Safety Code requires that every redevelopment plan adopted or amended to expand the Project Area after January 1, 1977, shall contain a provision regarding replacement housing requirements pursuant to Sections 33413 and 33413.5 of the Health and Safety Code. Irrespective of the January 1, 1977 implementation date expressed in Section 33334.5, Section 33413(d) imposes the Replacement and Inclusionary Rules on any Redevelopment Plan adopted on or after January 1, 1976. Monrovia's

Central Redevelopment Project Area No. 1 was adopted in 1973, and was amended seven times, most recently in 2002.

X. REPLACEMENT AND INCLUSIONARY HOUSING PLAN

The Monrovia Central Redevelopment Project Area No. 1 was created by Ordinance No. 73-29, December 18, 1973. Section 515 of the Ordinance states that a Replacement Housing Plan designed to replace affordable housing dwelling units will be made available for public review no less than thirty (30) days prior to the execution of an agreement for the disposition and development of property or an owner participation agreement that will result in the removal of housing units from the Low and Moderate Income housing market. Further, Section 515 states that the Agency shall effect the replacement of LMI housing units pursuant to the guidelines set forth in Health and Safety Code 33413.

1. The Housing Element

The purpose of the City's Housing Element is to:

- Identify Monrovia's housing needs and mitigation measures
- Identify housing goals, objectives, and policies
- Report on implementation progress
- Set forth an eight -year housing program implementation schedule

The housing program must include actions that conserve and improve the condition of existing affordable housing stock, and assist in the development of adequate housing to meet the needs of low and moderate income households.

The Housing Element specifies that the City will comply with the minimum legal requirements of, and be in compliance with, California Redevelopment Law. The Housing Element has identified the Agency's 20 percent affordable housing set aside fund as one of the appropriate funding vehicles for addressing the City's affordable housing goals.

As a specific housing program goal, the City will strive to attain its own Eight Year Goals as highlighted in the Housing Element, as well as

maintain compliance with all of its California Redevelopment Plan replacement and inclusionary requirements.

2. Replacement Housing Per H&S 33413(a) – Central Redevelopment Project Area No. 1

The following table identifies the number of housing units that would be removed if the proposed projects were implemented:

<u>Replacements Units Required</u>	Very Low	Low	Moderate	Total
Units removed (not replaced) or proposed for removal as of 12/31/2009¹	0	2¹	12²	14
Additional Units Proposed for removal during current Implementation Plan 2010-2014	0	0	0	0
Minimum Replacement Requirement	0	2	12	14
¹ - Units indicated are located on Sherman Avenue. ² -Units indicated are part of the Station Square Development.				

The following Table identifies existing and future housing developments that will be constructed during the implementation plan:

<u>New Housing Units</u>	Very Low	Low	Moderate	Total
Habitat for Humanity	0	4	0	4
Station Square	0	0	684	684
Fifth and Huntington	0	0	125	125

3. Inclusionary Housing Requirement Per H&S 33413(b) – Central Redevelopment Project Area No. 1

The Inclusionary Rule requires that at least 15% units developed in a redevelopment project area adopted on or after January 1, 1976 be available at an affordable housing cost to persons and families of low or moderate income. Not less than 40% of the affordable units shall be available at an affordable housing cost to very low income households. Development in the affected redevelopment project area has resulted in an inclusionary housing requirement of zero units.

4. Compliance with Health and Safety Code Section 33413.5 – Replacement Housing Plan

- **General Location of Replacement Housing** - Replacement housing will be located City wide.
- **Means of Financing Replacement Units** - The Agency will use its 20 percent housing set aside funds in working with private profit and non-profit development entities to develop and/or preserve affordable housing units. The form of assistance will include any or several of the following:
 - land acquisition and assemblage
 - site demolition, grading, and preparation
 - occupant relocation
 - on-site and off-site improvements
 - deferred development fees
 - mortgage credit and down payment assistance programs
 - implementation or coordination of local, state or federal low income and first time homebuyer programs
 - loans, advances, or other indebtedness
 - bond programs and other leveraging opportunities
 - supplement the CDBG housing rehabilitation program.

The City will use its various resources, including its general fund, to: implement density bonus programs; provide land resource and land use studies; investigate and implement where appropriate inclusionary zoning requirements, linkage fees, and modified impact fees.

Where appropriate, affordable housing units will be provided by the development entity through inclusionary requirements, which are voluntary at this time, but contemplated as a mandatory program for the future, and through density bonuses provided pursuant to the Government Code, Section 65915. Affordable units provided through these two methods will not use Agency or City funds unless the development of these units is a result of an agreement with the Agency or City wherein use of Agency or City funds is specifically identified.

5. Exemption from Article XXXIV requirements:

Specifically exempted from the requirements of Article XXXIV are housing units:

- intended for owner-occupancy rather than rental occupancy;
- privately owned housing which is not exempt from property taxation, and in which not more than 49% of the units are occupied by low income persons;
- privately owned housing which is not exempt from property taxation by reason of any public ownership and is not financed with direct long-term financing from a public body; and
- rehabilitation, reconstruction, or replacement of an existing low rent housing project.

Other types of exemption from the requirement are based on judicial and legislative interpretation of the meaning to "develop, construct, or acquire". These interpretations do not apply if the Agency's activity is limited to any of the following: financing secured by a deed of trust; land acquisition; leasing units from a private owner if the lease does not result in a decrease of property tax; providing assistance to an owner or occupant of existing housing which enables the occupant to live in decent, safe and sanitary housing at an affordable rent; performing conventional activities of a lender; and, imposing mandated or authorized conditions accepted by the recipient of the assistance.

Should the Agency, at some point in the future, decide to undertake a development with potential Article XXXIV considerations, the provisions and procedures outlined in the Government Code shall be adhered to.

EXHIBIT A

Estimate of Economic Development Funds

Monrovia Redevelopment Agency
 Fund #11 - Economic Development Fund
 Cash Flow Analysis

Description	Actuals FY 08-09	Actuals FY 07-08	Estimated FY 09-09	Budgeted FY 09-10	Budgeted FY 10-11	Budgeted FY 11-12	Budgeted FY 12-13	Budgeted FY 13-14
Revenue								
Proceeds from notes taken back on acquisitions	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings	\$134,818	\$18,843	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$157,525	\$88,033	\$28,200	\$68,288	\$67,817	\$88,278	\$70,581	\$72,074
Misc. Project Revenues (lease rev., etc.)	\$0	\$0	\$188,152	\$172,288	\$178,017	\$178,237	\$183,128	\$185,739
Transfers in (from other)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers in (from 2001 bond)	\$0	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0
Transfers in (from 2008 bond proceeds)	\$17,834,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Sales:								
500 S. Magnolia Ave.					\$1,000,000			
Group of properties to S & P #8					\$10,000,000			
501 S. Myrtle Ave.			\$0					
Swedish financing (2008 Notes)			\$5,478,708					
Swedish financing (City loan)			\$7,500,000					
Sale of Swedish property			\$0			\$12,000,000		
Sale of Foodtrucks								
Total Revenue	\$19,481,003	\$5,626,833	\$16,216,171	\$228,136	\$11,348,034	\$12,248,813	\$23,789	\$238,868
Expenditures								
Personnel Costs	\$446,213	\$467,302	\$514,280	\$534,853	\$596,258	\$678,508	\$801,847	\$825,752
Maintenance and Operations	\$303,818	\$271,824	\$514,072	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Swedish public improvements			\$78,343	\$0	\$0	\$0	\$0	\$0
Loan repayments	\$371,008							
Operating Transfers Out	\$367,058	\$404,262						
Station Square project costs		\$282,968	\$1,070,282					
Sign Contract		\$290,000						
City loan payments			\$187,500	\$187,500	\$187,500	\$7,687,500		
Metric Machine note payments (10 years)		\$229,528	\$289,400	\$284,000	\$284,000	\$284,000	\$284,000	\$284,000
Foodtrucks note payments (5 yr repayment)		\$178,200	\$712,800	\$712,800	\$712,800	\$712,800	\$534,500	\$284,000
Misc Project Costs (not land acquisition)	\$358,538	\$21,452	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Operational costs	\$2,287,038	\$2,278,818	\$3,443,748	\$2,104,122	\$2,058,508	\$4,817,808	\$1,775,267	\$1,284,753
Land Acquisition Costs:								
1822 S. Magnolia Ave (Metric Machine) #	\$2,505,468							
501 S. Myrtle Ave.	\$2,008,825							
501 S. Myrtle Ave. General Improvements		\$23,258	\$512,240	\$250,000				
1875 S. Phoenix & 830 S. Magnolia (Action)	\$2,414,000							
204 W. Pomona (Misc Industrial)	\$3,215,288							
200 W. Pomona (China property)	\$1,824,885							
230 W. Evergreen	\$479,210							
124-128 W. Pomona Ave.		\$284,364						
Coca Cola (123 and 137 W. Pomona Ave.)		\$4,822,870						
132 W. Pomona Ave.		\$478,588						
Foodtrucks*		\$5,167,028						
Local 345 (142 W. Pomona Ave.)		\$443,819						
142 W. Pomona		\$485,031						
302 W. Evergreen Ave.			\$420,287					
Swedish			\$75,984,100					
Ward City settlement			\$800,000					
Total Expenditures	\$14,783,718	\$15,078,828	\$21,180,263	\$2,324,123	\$2,098,558	\$9,817,808	\$1,775,267	\$1,284,753
Excess (Deficiency) Row Over Exp	\$4,697,285	\$1,548,005	\$5,035,908	\$2,924,013	\$9,249,476	\$2,431,005	\$1,513,622	\$1,054,115
Available Cash Balance	\$8,828,978	\$1,778,268	\$7,318,847	\$3,893,847	\$858,478	\$2,071,827	\$684,378	\$441,477
# Cash down payment was \$200,000. \$2M note was taken. (Shown as note proceeds in revenue section) ## Properties include Metric, Action, Misc, and China * Cash down payment of \$2.1M. \$2M note taken. (Shown as note proceeds in revenue section.)								
Land Available For Sale	\$12,784,548	\$28,845,142	\$43,240,508	\$12,807,753	\$12,877,783	\$12,877,783	\$12,877,783	\$12,807,753
Loans Receivable	\$168,727	\$168,727	\$168,727	\$168,727	\$168,727	\$168,727	\$168,727	\$168,727
Total Fund Balance	\$12,953,275	\$29,013,869	\$43,409,235	\$13,036,480	\$13,046,510	\$13,046,510	\$13,046,510	\$13,036,480

Estimate of Housing Funds

Monrovia Redevelopment Agency
 Fund 021 - Low & Moderate Housing Fund
 Cash Flow Analysis Based On Land Acquisitions
 FY 02-03 and Forward

Description	Actuals FY 03-03	Actuals FY 03-04	Budgeted FY 04-05	Budgeted FY 05-06	Budgeted FY 06-07	Budgeted FY 07-08	Budgeted FY 08-09	Budgeted FY 09-10
Revenue								
Tax Increment	\$1,344,241	\$1,255,331	\$1,200,567	\$1,310,308	\$1,342,726	\$1,350,531	\$1,300,072	\$1,424,212
Investment Earnings	\$50,000	\$34,545	\$25,520	\$33,912	\$30,301	\$20,004	\$40,061	\$40,422
Down Payment Assistance Program	\$257,203	\$173,122	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Misc. Project Revenues (lease rev., etc.)	\$104,700	\$52,842	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Transfers in (retirement)	\$21,001	\$31,225	\$31,650	\$32,480	\$33,138	\$33,700	\$34,475	\$35,154
Land Sales:								
Reimbursement: 1001 S. Myrtle Ave.			\$729,704	#				
Reimbursement: 1025 S. Myrtle Ave.			\$1,700,220	#				
Reimbursement: 138 E. Olive Ave.			\$280,783	#				
Sale of Magnolia & Quarts properties			\$285,000	#				
Sale of 415 Royal Oaks (Housing 101)			\$200,000	#				
Total Revenue	\$1,987,557	\$1,503,015	\$5,739,070	\$1,512,700	\$1,540,163	\$1,522,074	\$1,504,538	\$1,625,588
Expenditures								
Personal Costs	\$203,718	\$200,853	\$222,247	\$335,137	\$348,542	\$352,434	\$379,064	\$302,093
Maintenance and Operations	\$50,183	\$52,238	\$53,273	\$54,338	\$55,425	\$56,533	\$57,064	\$58,217
Debt Service - Principal and Interest	\$720,200	\$718,587	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000
Operating Transfers Out	\$63,168	\$129,035	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Project Costs (not land acquisition)	\$304,155	\$123,670	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
Operational costs	\$1,443,464	\$1,377,479	\$1,395,520	\$1,400,470	\$1,423,260	\$1,439,019	\$1,454,040	\$1,470,282
Land Acquisition Costs:								
Miscellaneous (Mag & Quarts)	\$30,508							
102 W. Huntington Drive	\$20,358	\$580,304						
115 W. Huntington Drive		\$721,132						
123-124 W. Huntington Drive		\$758,780						
1218 Sherman Way (Housing 100 #4)		\$118,748						
138 E. Olive Ave.		\$280,783						
142 E. Cypress Ave.		\$463,034						
1621 S. Myrtle Ave.			\$729,704					
1625-1629 S. Myrtle			\$1,700,220					
Total Expenditures	\$1,900,330	\$4,244,349	\$3,234,444	\$1,909,470	\$1,423,260	\$1,439,019	\$1,454,040	\$1,470,282
Excess (Deficiency) Rev Over Exp	(364,632)	(341,734)	\$1,504,226	\$103,221	\$116,734	\$123,054	\$141,889	\$154,586
Undesignated Fund Balance	\$2,062,210	(3381,524)	\$1,574,702	\$1,678,022	\$1,704,217	\$1,823,271	\$2,063,159	\$2,210,345
Land Available For Resale	\$4,257,364	\$7,254,253	\$5,793,110	\$5,703,110	\$5,703,110	\$5,793,120	\$5,793,121	\$5,703,122

Assumptions made:

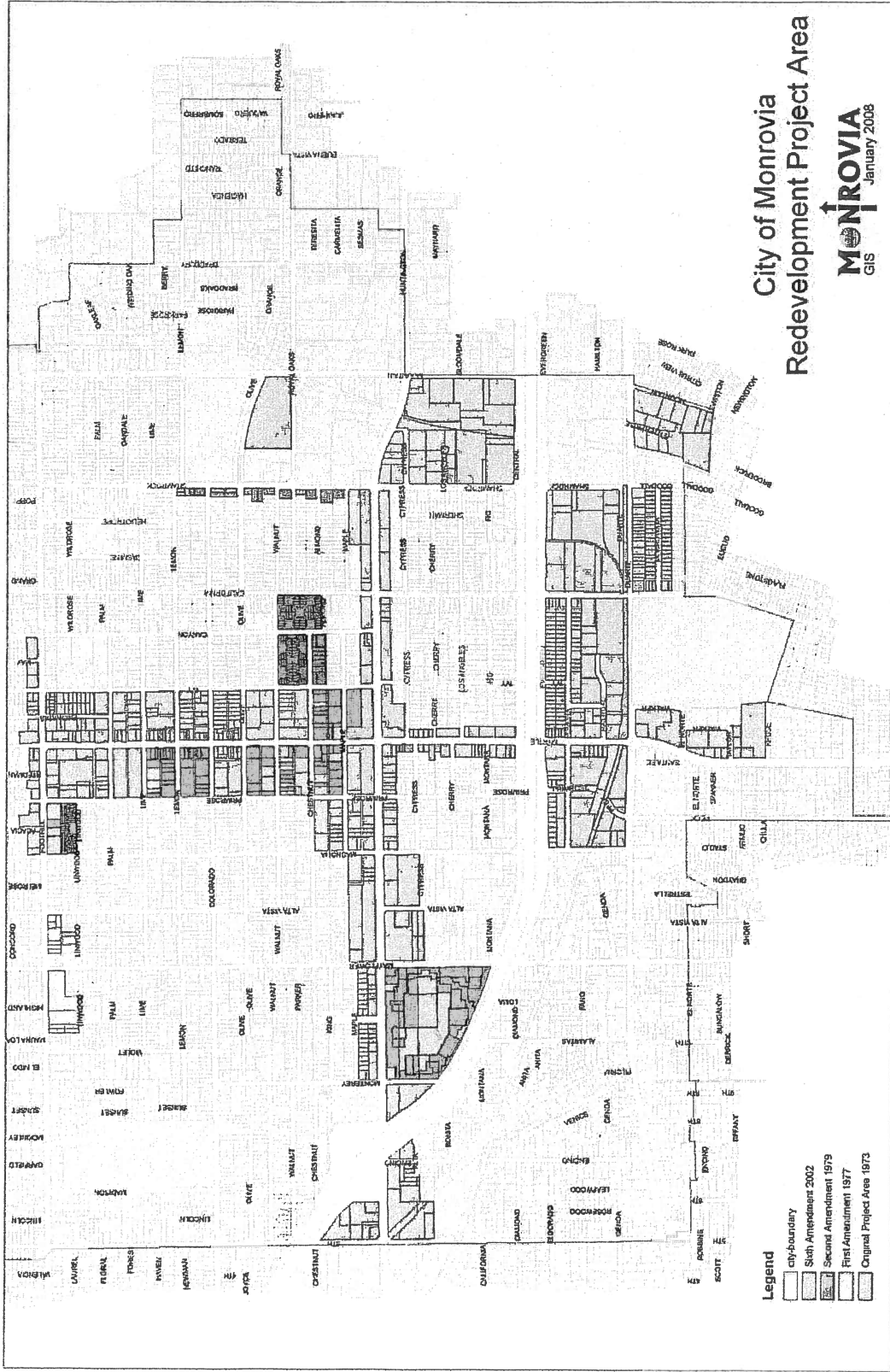
WHA receive \$75,000 a year in Down Payment Assistance Loans that are refinanced

WHA receive \$50,000 a year in rents, lease revenue, etc.

Estimated \$100,000 in down payment assistance loan expenditures

- Pending. Collection on any or all of these could take up to six months

EXHIBIT B



City of Monrovia
 Redevelopment Project Area



- Legend**
- city boundary
 - Sixth Amendment 2002
 - Second Amendment 1979
 - First Amendment 1977
 - Original Project Area 1973