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# FIVE YEAR IMPLEMENTATION PLAN

## AVALON COMMUNITY IMPROVEMENT AGENCY

**FY 2009-10 THROUGH FY 2013-14**

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## INTRODUCTION

### About this Implementation Plan

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Every five years, redevelopment agencies are required to adopt an implementation plan that establishes five-year operational and financial work programs for carrying out the redevelopment and affordable housing responsibilities of the agency for each of its redevelopment project areas. This Five Year Implementation Plan (“Implementation Plan”) for the Avalon Community Improvement Agency (“ACIA”) covers the five-year planning period for fiscal years 2009-10 through 2013-14 for the Community Improvement Project Area (“Project Area”). This Implementation Plan also contains a Ten-Year Housing Compliance Plan (“Housing Compliance Plan”) for meeting ACIA’s affordable housing requirements for a ten-year compliance period (fiscal years 2004-05 through 2013-14), including obligations for producing, replacing, and expending funds for affordable housing.

### LEGAL AUTHORITY

In 1993, the Legislature passed Assembly Bill 1290 (Chapter 942, Statutes of 1993), which enacted the California Community Redevelopment Law Reform Act and made several substantive changes to the Community Redevelopment Law (Health and Safety Code §§33000 et seq.) (“CRL”) in an effort to increase both the effectiveness and accountability of redevelopment agencies. One notable statutory change was the addition of Article 16.5 (§§33490 et seq.) to the CRL, which required redevelopment agencies to adopt five year implementation plans for all redevelopment project areas on or before December 31, 1994, and every five years thereafter. CRL Section 33490(a) requires that the Implementation Plan contain:

- ACIA’s goals and objectives, programs, and projects within the Project Area for the next five years, including estimated expenditures.
- An explanation of how the goals and objectives, programs, projects, and expenditures will eliminate blight and promote affordable housing within the Project Area.
- A specific section that addresses ACIA’s housing responsibilities, including ACIA’s Low and Moderate Income Housing Fund (“Housing Fund”) and its requirements for producing and replacing affordable housing.

Given these required contents, the Implementation Plan can naturally serve as more than just a compliance document to adhere to the legal mandates of State law. The Implementation Plan provides ACIA with an opportunity to thoughtfully craft a purposeful and deliberate strategy for the next five years.



## WHAT IS REDEVELOPMENT?

### The Public Value & Benefits of Redevelopment

In 1952, California voters adopted Article XVI, Section 16 allowing the provision of tax increment financing for redevelopment of blighted communities. Californians recognized the need to provide a mechanism to reinvest in economically and physically blighted communities throughout California. The CRL was established as part of the Health and Safety Code (§§33000 et seq.) as a tool to assist local governments and to prescribe the powers of a redevelopment agency. A redevelopment agency prepares and carries out plans for the improvement, rehabilitation, and redevelopment of blighted areas through the assembly of land for development, utilization of tax increment, issuance of bonds, investment in infrastructure, and the creation of affordable housing opportunities. Redevelopment agencies throughout the State use redevelopment tools differently to address the unique problems within their communities. Redevelopment spurs new development, creates jobs, and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. Redevelopment is one of the most effective ways to revitalize an area plagued by social, physical, environmental, or economic conditions hindering private investment.

Redevelopment is a process created to assist local governments in eliminating physical and economic blight from a designated redevelopment project area. The goal of redevelopment is to create a safe, economically viable, and balanced community that provides all of the socially desirable attributes that communities take pride in: public and private improvements, good jobs, retail amenities, recreational opportunities, affordable housing, and increased property values. A redevelopment project area is established when an area exhibits conditions of both physical and economic blight (CRL §§33030 and 33031) as described below.

### BLIGHT

The CRL emphasizes redevelopment's role in eliminating blighting conditions in communities and takes great lengths to define blight. As defined by the CRL, blight constitutes physical and economic liabilities that affect the health, safety, and general welfare of a community. CRL Section 33030 describes a blighted area as being predominantly urbanized and substantially affected by the physical and economic properties of blight to such an extent that the community cannot reasonably be revived without redevelopment.

### Redevelopment by the Numbers:

**\$40.79 billion.** Redevelopment's economic contribution to California in 2006-2007.

**\$13.** Every \$1 of redevelopment agency spending generates nearly \$13 in total economic activity.

**303,946.** Full and part time jobs created in just one year (2006-2007).

**78,750 units** of affordable housing built or rehabilitated since 1995 by redevelopment agencies.

**18,522 units** of low and moderate income housing expected to be built or refurbished over the next two years.

**\$2 billion.** State and local taxes generated through redevelopment construction activities in 2006-2007.

**20%** of property tax revenues generated from redevelopment activities must be used to increase supply of affordable housing.

**2<sup>nd</sup> largest** funder of affordable housing in California after the federal government.

Source: California Redevelopment Association, 2009.



The CRL describes the physical and economic conditions that cause blight as follows:

### Physical Conditions (CRL §33031(a))

- Buildings with serious code violations, dilapidation, or deterioration such that it is unsafe or unhealthy for a person to live or work.
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots.
- Adjacent or nearby incompatible uses that prevent development.
- Existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes.



*Property Not Located in City of Avalon*

### Economic Conditions (CRL §33031(b))

- Depreciated or stagnant property values.
- Impaired property values due to hazardous wastes.
- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings in an area developed for urban use and served by utilities.
- A serious lack of commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores and banks.
- Serious residential overcrowding.
- An excess of bars, liquor stores, or adult-oriented businesses that have led to problems of public safety and welfare.
- A high crime rate that constitutes a threat to the public safety and welfare.



*Property Not Located in City of Avalon*

In accordance with the CRL, the existence of blight has been established in the Project Area and requires the implementation of redevelopment tools within the projects and programs established in this Five Year Implementation Plan.

### TAX INCREMENT FINANCING

Tax increment financing is the primary source of funding used to carry out redevelopment activities and undertake redevelopment projects in a community. Tax increment financing is based on the assumption that as an area is revitalized, more property taxes will be generated as a result of redevelopment. When a redevelopment project area is adopted, the current assessed values of all the properties within its boundaries are designated as the base year value (CRL §33328). As assessed values increase in a project area, tax increment revenue is generated by capturing the amount of value added since the base







year value was established. The increase in tax revenue, known as tax increment, is allocated to an agency for reinvestment back into a project area. Figure 1 is a graphical depiction of how tax increment is generated and distributed.

## 20 PERCENT HOUSING SET-ASIDE FUND

A portion of tax increment revenue received by a redevelopment agency must be used for the creation, improvement, and preservation of affordable housing within the project area. The CRL requires that a minimum of 20 percent of tax increment revenue be set aside into a separate Low and Moderate Income Housing Fund (“Housing Fund”) that is restricted for the purpose of creating, improving, and preserving low and moderate income housing (CRL §33334.2). Redevelopment agencies may use these funds for activities such as acquiring property, constructing on-site and off-site improvements related to affordable housing development, constructing or rehabilitating affordable housing units, providing subsidies to ensure affordability, and issuing bonds. Redevelopment agencies are one of the primary entities producing affordable housing throughout the state.

## PASS-THROUGH PAYMENTS

To ensure that the community’s other service providers continue to receive funding for their critical activities, redevelopment agencies are required to remit payments to affected taxing agencies in project areas from the tax increment allocation (CRL §33607.5). Affected taxing agencies typically include school districts, community college districts, and the county. The CRL prescribes an allocation formula to calculate payments unless a redevelopment agency has negotiated pass-through agreements with the taxing agencies. In Avalon, ACIA makes payments to the County of Los Angeles under a negotiated agreement and additionally makes payments to other taxing agencies in accordance with the CRL’s statutory formula.

The remaining portion of the tax increment revenue, after the required 20 percent set-aside to the Housing Fund and pass-through payments to the affected taxing agencies, are then available for eligible redevelopment projects, such as infrastructure improvements, community facilities, development incentives, debt service, and general administration of the agency. They cannot be used for ongoing operations and maintenance of public facilities.

## STATE TAKEAWAYS – SERAF PAYMENTS

As in prior years during the State’s fiscal crises, the Legislature is relying on “takeaways” from local governments to help close the State’s massive budget gap in the form of revenue shifts to a Supplemental Educational Revenue Augmentation Fund (“SERAF”), intended to be distributed to schools to alleviate a significant portion of the State’s Proposition 98 backfill obligations. Statewide, a total of \$2.05 billion in redevelopment funds are being shifted from redevelopment agencies to SERAF in fiscal years 2009-10 and 2010-11, including \$1.7 billion in fiscal year 2009-10 and \$350 million in fiscal year 2010-11. Locally, ACIA’s share for fiscal year 2009-10 was \$1,476,537 and is estimated by the California Redevelopment Association (“CRA”) to be \$303,710 for fiscal year 2010-11, totaling an estimated \$1,780,247 in takeaways. ACIA elected to suspend \$1 million from the FY 2009-10 housing set-aside deposit to help make its SERAF payment, which is permitted by CRL Section 33334.2(k). The \$1 million must be repaid by June 30, 2015.

On January 10, 2011, Governor Jerry Brown released a state budget proposal seeking to close the state’s massive \$26.6 billion budget gap through a variety of budget cuts and tax extensions. A key element of his budget proposal was the elimination of redevelopment agencies in California altogether. Aspects of the proposal included, but are not limited to, eliminating redevelopment agencies, paying off and fulfilling existing debt and contractual obligations, allocating in fiscal year 2011-12 \$1.7 million for state General Fund offsets, and reallocating tax increment revenues among the existing local government taxing entities in the affected redevelopment projects. Senate Bill 77 and Assembly Bill 101 are the budget trailer bills serving as the legislative vehicles for the Governor’s proposal. As of May 2011, both measures failed to receive the required two-thirds approval of each house and a bipartisan agreement on a state budget package had not been reached, though a number of alternative proposals have been proposed and are being considered by the Legislature.



## **WHAT IS A REDEVELOPMENT PLAN?**

A redevelopment plan provides a legal framework for long-term planning and the implementation of revitalization activities in a redevelopment project area. It also establishes a financing method by authorizing the agency's use of financing tools to implement projects and policies. The redevelopment plan also sets the basic goals, powers, and limitations within which the redevelopment agency must conduct its activities over the life of the project area. It does not provide a detailed, rigid course of actions to achieve those goals but establishes how the agency intends to alleviate blight in the project area. Table 1 on Page 8 lists the time and financial limitations contained in ACIA's Plan for the Community Improvement Project Area ("Redevelopment Plan").

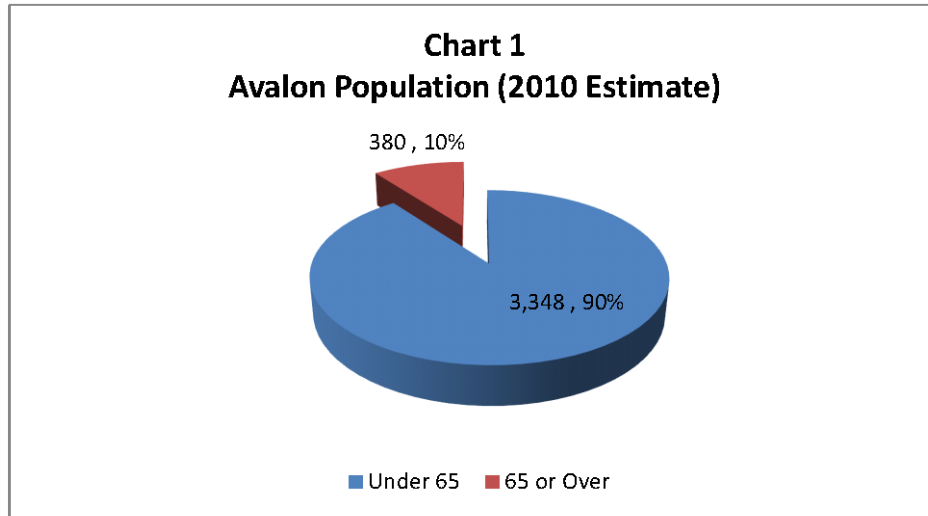


## ABOUT THE AVALON COMMUNITY IMPROVEMENT AGENCY

### History and Profile

#### HISTORY

The City of Avalon, located on Santa Catalina Island, incorporated in 1913. It is the southern-most city in Los Angeles County and spans approximately three square miles. As of the 2000 United States Census, the total population of Avalon was 3,127, of which 2,814 (90%) were under the age of 65. The population as of April 1, 2010 was estimated at 3,728, of which 3,348 (90%) were estimated to be under the age of 65 (see Chart 1).<sup>1</sup> The City Council created the Avalon Community Improvement Agency in 1983 to eliminate blighting conditions, construct public improvements to facilitate blight elimination, promote economic development, and assist in the improvement and production of affordable housing in the community. The Community Improvement Project Area was established by the City Council on December 28, 1983, with the adoption of Ordinance No. 755 and the original Redevelopment Plan, which established the framework for redevelopment implementation activities in the Project Area.



Sources: California State Department of Finance and ESRI Business Analyst

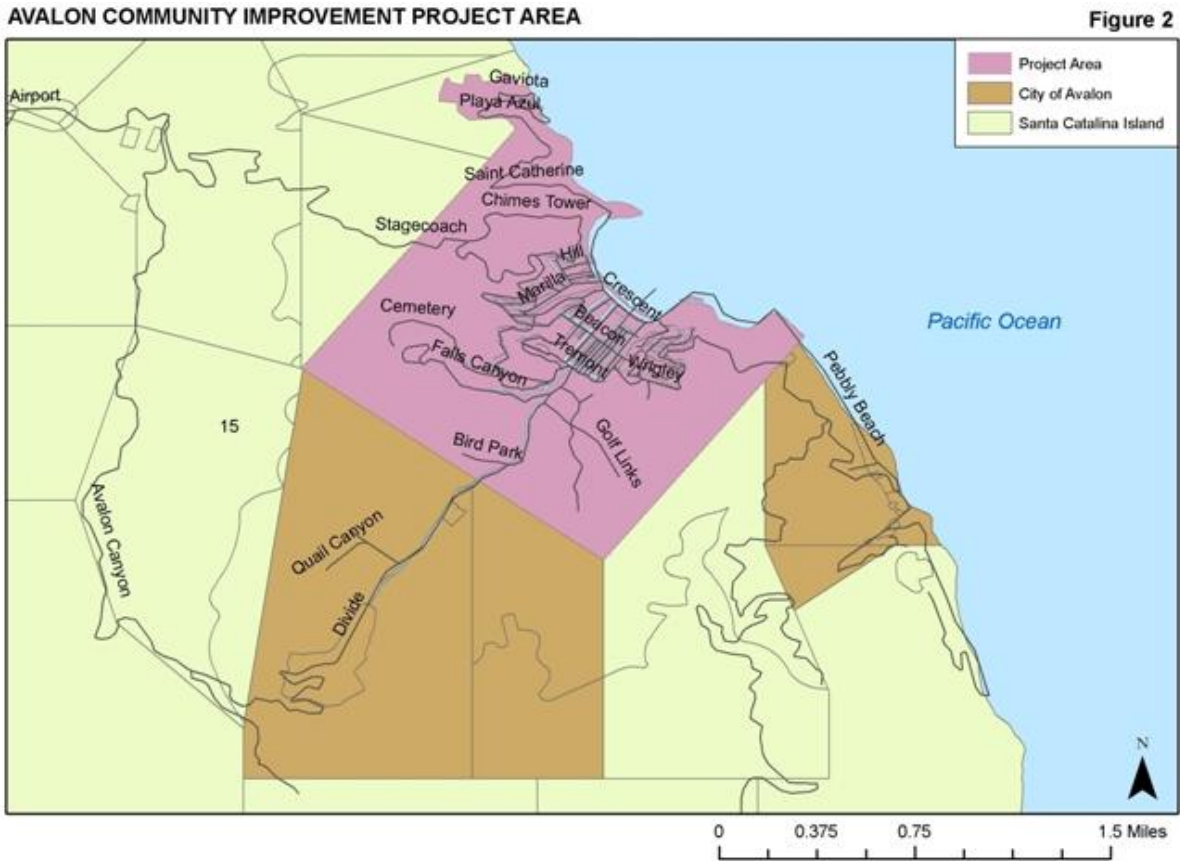
<sup>1</sup> Total population estimates from the State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2010-2011, with 2010 Benchmark. Sacramento, California, May 2011. Population under the age of 65 estimates from ESRI Business Analyst, Market Profile 2010.





## PROJECT AREA

The Project Area accounts for approximately one square mile, or 30 percent of the City's total land area, and includes the City's downtown area and a mix of restaurants, retail, hotel, recreational, residential, and public uses. It contains City Hall and includes the harbor and beaches. Figure 2 displays a map of the Project Area.





## IMPLEMENTATION PLAN FIVE YEAR GOALS AND OBJECTIVES

The specific goals and objectives for the five-year term of this Implementation Plan are presented below. They are consistent with goals defined in the Redevelopment Plan. A primary objective over the next five years will be to fund wastewater infrastructure improvements which will accomplish multiple goals described below.



CLEAN

**Eliminate Blight.** Eliminate the conditions of blight existing in the Project Area and prevent their recurrence. Provide low interest loans and grants for voluntary resident and owner participation in residential and commercial rehabilitation and restoration.



ACCESS

**Upgrade Public Infrastructure.** Improve public infrastructure in the Project Area to provide safer and more efficient public services. Includes upgrades to city streets, sidewalks, alleys, street lighting, storm drains, water and sewer system, the sewage treatment plant, and undergrounding of utilities.



INVEST

**Improve Public Facilities.** Improve public facilities to enhance government services and public safety. Includes City Hall, the City corporation yard, fire stations, and Avalon Municipal Hospital.



PLAY

**Provide Recreational Improvements.** Improve and upgrade public recreational facilities to enhance quality of life. Examples include construction, repair, and replacement of public restrooms; construction of and improvements to City parks; improvements to Pleasure Pier and Cabrillo Mole; and construction of a multi-purpose community center and municipal swimming pool.



LIVE

**Affordable Housing.** Provide and preserve affordable housing.



## REDEVELOPMENT PLAN LIMITS

As described earlier, the Redevelopment Plan sets forth time limitations with regard to collecting tax increment revenue, incurring bonded indebtedness, plan effectiveness, and the use of eminent domain. The following table presents the current time and financial limits contained in the Redevelopment Plan.

<b>Redevelopment Plan Limits</b>		<b>Table 1</b>
<b>ACIA Community Improvement Project Area</b>		
<b>Date of Adoption</b>	12/28/1983 <sup>1</sup>	
<b>Time Limits</b>		
Incur Debt	1/1/14 <sup>2</sup>	
Plan Effectiveness	40 years (1/1/24) <sup>3</sup>	
Increment Collection	50 years (1/1/34) <sup>3</sup>	
Eminent Domain	No Authority <sup>1,4</sup>	
<b>Financial Limits</b>		
Bonded Debt*	\$30 million <sup>1</sup> (2011=\$69 million) <sup>1</sup>	
Tax Increment		
<i>Redevelopment Plan*</i>	\$500 million <sup>1</sup> (2011=\$1.2 billion) <sup>5</sup>	
<i>County Tax Sharing Agrmt</i>	\$500 million net County share <sup>6</sup>	
* Amounts annually adjusted by CPI (LA-Long Beach Metropolitan Area)		
<sup>1</sup> Ordinance No. 755	<sup>5</sup> Ordinance No. 979-01	
<sup>2</sup> Ordinance No. 979-00	<sup>6</sup> ACIA-LA County Agreement for Reimbursement of Tax Increment Funds, as Amended	
<sup>3</sup> Ordinance No. 914-95		
<sup>4</sup> Ordinance Nos. 1060-07 & 1062-07 (Reaffirmed in 2007 pursuant to SB 53)		
<i>Sources: ACIA, California Department of Finance</i>		



## **FIVE YEAR FINANCIAL OUTLOOK**

During the next five years, ACIA is projected to receive approximately \$28.4 million in gross tax increment revenues within the Project Area. Except for fiscal year 2009-10, 20 percent will be set aside and deposited in ACIA's Housing Fund. ACIA suspended \$1 million of its housing set aside deposit in 2009-10 in order to make its SERAF payment that year. This amount will be repaid into the Housing Fund from fiscal years 2011-12 to 2014-15. The remaining funds will be used to make pass-through payments to affected taxing entities, debt service payments, SERAF payments, and project and administrative costs. ACIA has a negotiated pass-through agreement with the County of Los Angeles and makes statutory payments to other taxing entities.



## **RECENT REDEVELOPMENT ACCOMPLISHMENTS**

### **The Public Value & Benefit of Redevelopment**

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ACIA has championed many successful public improvement projects in the Project Area, including:

#### **SALT WATER, SEWER, AND WASTEWATER SYSTEM IMPROVEMENTS**

ACIA continually oversees repairs and upgrades to the City's salt water system, sewer system, and waste water treatment facility as necessary. The improvements enhance public safety. Recently completed projects include:

- Sewer and Salt Water Pump Station Repairs/Replacements
- Sewer Collection System
- Low Flow Diverters
- Fire Reservoirs
- Wastewater Treatment Plant Upgrades (Headworks, Aeration System, Secondary Clarifier, Centrifuge Conveyor, Gravity Thickener, Sludge Bed Modifications)
- Downtown Storm Drains
- Terrace Drainage
- Ongoing Emergency Repairs

#### **SANITATION IMPROVEMENTS**

In order to be in compliance with U.S. Environmental Protection Agency regulations, ACIA was required to discontinue incinerator operations at the sanitation facility. As a result, ACIA constructed a Materials Recovery Facility and Composting Operation.

#### **STREET & HANDICAP ACCESSIBILITY IMPROVEMENTS**

ACIA has undertaken many street repair projects since the Redevelopment Plan was adopted. Repairs range from slope repairs, slurry and road patching, overlay, and paver installation. Handicap access has been provided on sidewalks where appropriate. Recently completed road projects include:

- Wrigley Road Reconstruction
- Vons Crosswalk
- Middle Terrace Reconstruction
- Lover's Cove Repairs
- Tremont Street Drain Replacement
- Phase I and Phase II Sidewalk Repair
- City-wide Pot Hole Program
- Emergency Mud Flow Mitigation

#### **FIRE STATION**

A new fire station was completed in 2004 to eliminate the use of an unsafe, inaccessible, and deteriorating facility.

#### **AFFORDABLE HOUSING DEVELOPMENT**

ACIA has facilitated the development of 127 affordable units through the Tremont Street Apartments, Eucalyptus Hill Gardens, Bird Park, and Beacon Street properties. ACIA is continuing to work closely with the Santa Catalina Island Company on additional future affordable housing projects.

#### **RESIDENTIAL REHABILITATION PROGRAM**

ACIA has provided loans to citizens to rehabilitate their homes and eliminate blight. Loans were amortized for 15 years with 3 percent interest. Deferred loans were also provided with zero percent interest to qualified applicants.



### **FIRST TIME HOMEBUYER/DOWN PAYMENT ASSISTANCE PROGRAM**

Prior to 2009, ACIA sold seven properties under the first time homebuyer program. The program included three components, including down payment assistance, silent second loans, and land leases. In 2009, ACIA launched a newly revamped Low and Moderate Income Down Payment Assistance Program and provided assistance to two moderate income households that year.







## REDEVELOPMENT WORK PROGRAM




### Five Year Work Program for Reinvestment & Revitalization

The Five Year Work Program of redevelopment projects and programs seeks to implement the goals of the Redevelopment Plan. The Work Program describes the projects proposed, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved.<sup>2</sup>



Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Avalon Hospital Safety Improvements</b></p> <p>A portion of ACIA’s bonds issued in 2003 were dedicated to making seismic safety improvements at Avalon Hospital. Phase I has been completed and additional improvements will be made during the Implementation Plan period.</p> <p>Completion of this project would address unsafe and unhealthy buildings.</p> <p><i>Timeframe.....FY 2011-12 thru 2013-14</i></p>	<p>\$1,000,000</p>	
<p><b>Salt Water, Sewer, and Wastewater System Improvements</b></p> <p>ACIA will continue to make improvements to the City’s salt water, sewer, and wastewater treatment systems as necessary. Several urgent sewer projects were recently identified, ranging from cleaning out certain segments of the system, slip lining others, and complete replacement of some sewer collection systems. Overdue repairs and improvements will also be made to the sewer plant and lift stations. A modern monitoring system will be installed that will allow key functions of the system to be monitored over the internet in real time, thereby providing early warning of potential problems. Additionally, the wastewater treatment facility is operating at full capacity. Future expansion, upgrades and repairs are necessary to keep it in operation.</p> <p>Completion of this project would address inadequate public utilities. Repairs to these systems are necessary to enhance public safety related to fire suppression and safe drinking and swimming water.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$5,000,000</p>	

<sup>2</sup> Costs are subject to change, and completion of these projects may require future action by ACIA.



Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Sanitation Facility Improvements</b></p> <p>Constant upgrades are necessary to maintain the Materials Recovery Facility and Composting Operation. ACIA will continue to make improvements as necessary to be in compliance with the ever changing regulations and guidelines administered by the Environmental Protection Agency.</p> <p>Completion of this project would address inadequate public improvements.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$1,000,000</p>	
<p><b>Street &amp; Other Infrastructure Improvements</b></p> <p>ACIA will continue to make street and other infrastructure improvements in the Project Area as appropriate. Potential projects include, but are not limited to, repairs to streets, sidewalks, and alleys; street lighting improvements; street beautification programs; storm drain improvements; utility undergrounding; and the installation of ramps and other handicap accessibility features. ACIA will also pursue rock fall mitigation on Pebbly Beach road. Once in place, the improvements will allow the road to be reopened to pedestrians, bicyclists, and golf carts.</p> <p>Completion of this project would address inadequate public improvements.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$1,000,000</p> <p>Plus additional funding as available</p>	
<p><b>Public Facility &amp; Recreation Improvements</b></p> <p>Improvements will be made to public facilities to enhance quality of life and attract people to areas where local merchants conduct business. Potential projects include, but are not limited to, improvements to the City's corporation yard; repair and replacements of existing public restrooms; construction of new public restrooms; improvements to existing City parks; construction of a new City park; improvements to the Pleasure Pier and Cabrillo Mole; construction of a multi-purpose community center; and construction of a municipal swimming pool.</p> <p>Completion of this project would address inadequate public improvements.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$1,000,000</p> <p>Plus additional funding as available</p>	






Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Commercial Rehabilitation</b></p> <p>ACIA may provide low interest loans and grants for voluntary owner participation in commercial rehabilitation and restoration.</p> <p>Completion of this project would address blighting conditions such as unsafe and unhealthy buildings, depreciated property values, low lease rates, and high vacancy rates.</p> <p><i>Timeframe..... FY 2009-10 thru 2013-14</i></p>	<p>As funding becomes available</p>	<p>                        CLEAN INVEST                 </p>



## AFFORDABLE HOUSING PROGRAM

### Five Year Work Program for Balanced Communities

Over the next five years, ACIA plans to implement the following affordable housing projects and programs. The below schedule of actions describes the projects proposed, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved.<sup>3</sup>

Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Low and Moderate Income Down Payment Assistance Program</b></p> <p>This mortgage subsidy program assists low and moderate income families who are first time home buyers. Approximately 4 units may be assisted during the next five years.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$125,000</p>	 <p>LIVE</p>
<p><b>Residential Rehabilitation Program</b></p> <p>This loan program offers low and moderate income families a 0-3% interest rate on loans to make health and safety repairs to their homes (e.g., new roof, new windows, paint, insulation, new flooring, and repairs to sewer problems). The maximum loan amount is \$40,000. Approximately 25 units may be assisted during the next five years.</p> <p><i>Timeframe.....FY 2009-10 thru 2013-14</i></p>	<p>\$250,000</p>	 <p>CLEAN LIVE</p>
<p><b>Affordable Housing Production</b></p> <p>ACIA will pursue affordable housing projects and programs to develop new affordable housing, rehabilitate existing units, and establish affordability covenants as market and funding opportunities become available. Currently, ACIA plans to build new housing units at 206 E. Whittley, a property that currently contains a four-plex and one single family residence. It is unknown how many units will be provided as the project is still in the planning stages. ACIA staff is in ongoing discussions with the Santa Catalina Island Company about providing additional affordable housing in the Project Area.</p>	<p>\$7,000,000</p> <p>Plus additional as funding becomes available</p>	 <p>CLEAN LIVE</p>

<sup>3</sup> Source: ACIA



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# HOUSING COMPLIANCE PLAN

**FY 2004-05 THROUGH 2013-14**

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## HOUSING COMPLIANCE PLAN

### Creating Balanced Communities

One of the primary goals of redevelopment agencies is the creation of balanced communities through the redevelopment of declining neighborhoods and the production and preservation of quality housing for lower income families and individuals. This goal is met by agencies through three measures of performance:

**Housing Production:** Redevelopment agencies are required to ensure that a percentage of all new or substantially rehabilitated housing units built in a Project Area are made available and affordable to low and moderate income households. These required affordable units are commonly referred to as “Inclusionary Units.”

**Replacement Housing:** Redevelopment agencies are required to ensure that any housing units occupied by low or moderate income persons destroyed or removed as a result of a redevelopment agency project or activity are replaced within four years. In accordance with the Redevelopment Plan, ACIA is required to replace units within one year of destruction or removal.

**Expenditures by Household Types:** Redevelopment agencies are required to set aside at least 20 percent of their tax increment to a separate Housing Fund restricted for the purpose of creating low and moderate income housing (CRL §33334.2). To ensure that these funds are appropriately spent, the CRL has restrictions on the amount of Housing Funds an agency must spend over a ten-year period on housing affordable to very low income households, low income households, and housing for low income residents under the age of 65.

To create transparency and accountability in ACIA’s activities to meet these three measures of performance, state law requires ACIA to prepare and adopt a Housing Compliance Plan (“Compliance Plan”) every ten years. This Compliance Plan contains a work program for meeting ACIA’s ten year affordable housing obligations under the three measures of performance.

### HOUSING PRODUCTION

To create revitalized and balanced communities, ACIA must ensure that very low, low, and moderate income households have opportunities to live in the Project Area as it changes and redevelops through the production of affordable housing. When new or substantially rehabilitated housing is produced in the Project Area, ACIA incurs an obligation to reserve a portion of these housing units as affordable to very low, low, and moderate income households.



### PRIVATELY DEVELOPED VS. ACIA-DEVELOPED HOUSING

Housing production obligations differ for ACIA-developed housing and privately-developed housing. In most cases, redevelopment agencies work with and assist private developers in the production of new or substantially rehabilitated housing. In these cases, at least 15 percent of all new or substantially rehabilitated housing units developed by persons or entities other than ACIA must be affordable to very low, low, and moderate income households (“Inclusionary Units”). At least 40 percent of the Inclusionary Units must be affordable to very low income households.

If ACIA directly develops housing, at least 30 percent of all the new or substantially rehabilitated housing units must be affordable to very low, low, and moderate income households. At least 50 percent of the Inclusionary Units must be affordable to very low income households. ACIA typically relies on other private and nonprofit entities to develop housing with the assistance of ACIA and has not directly developed housing to date.

ACIA may satisfy its housing production obligations by aggregating affordable housing throughout, and outside of, the Project Area rather than by individual residential developments on a project-by-project basis. When ACIA meets its affordable housing requirement outside of the Project Area, however, two affordable housing units must be provided for every one housing unit required. ACIA must also make a determination that they are of benefit to the Project Area.





## HOUSING PRODUCTION OBLIGATION

ACIA's affordable housing production obligation is based on the actual activity that occurs within the Project Area during the ten year compliance period. For planning purposes, to estimate ACIA's housing production obligations for the remainder of the Housing Compliance Plan's ten-year period and the life of the Redevelopment Plan, ACIA estimated the total number of units that will be constructed or substantially rehabilitated in the Project Area and applied the CRL's inclusionary formula. This housing production analysis accounts for all residential construction or substantial rehabilitation that has occurred in the Project Area since its inception to determine ACIA's cumulative housing production obligations. Table H-1 presents ACIA's housing production obligations during the following periods:

- **Prior to 1995:** Inception (December 28, 1983) through December 1994
- **First Compliance Period:** January 1995 through December 2004
- **Current Compliance Period:** Fiscal years 2004-05<sup>4</sup> through 2013-14
- **Future Compliance Period:** Fiscal years 2014-15 through 2023-24 (remaining life of the Redevelopment Plan)
- **All Compliance Periods:** Inception (December 28, 1983) through expiration (January 1, 2024)

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<sup>4</sup> Although there is a six-month overlap between calendar year 2004 and fiscal year 2004-05, there were no new units constructed or substantially rehabilitated in the City during 2004, resulting in no impact to ACIA's production obligation.



**Inclusionary Housing Obligation Status**  
**Avalon Community Improvement Agency**

**Table H-1**

Time Period		Number of Units Produced	Total Number of Affordable Units Required	Very Low Units Required
Date of Adoption Through December 1994	Agency Developed Units	-	-	-
	Privately Developed Units	344	51.6	20.6
<b>SUBTOTAL</b>		<b>344</b>	<b>51.6</b>	<b>20.6</b>
1st 10-Yr. Period January 1995 - December 2004	Agency Developed Units	-	-	-
	Privately Developed Units	52	7.8	3.1
<b>SUBTOTAL</b>		<b>52</b>	<b>7.8</b>	<b>3.1</b>
2nd 10-Yr Period FY 2004-05 - 2008-09 FY 2009-10 - 2013-14	Agency Developed Units	-	-	-
	Privately Developed Units	15	2.3	0.9
	Agency Developed Units (Projected) <sup>1</sup>	-	-	-
	Privately Developed Units (Projected)	129	19.4	7.7
<b>SUBTOTAL</b>		<b>144</b>	<b>21.6</b>	<b>8.6</b>
3rd 10-Yr. Period (1st Half) FY 2014-15 - 2018-19	Agency Developed Units (Projected)	-	-	-
	Privately Developed Units (Projected)	129	19.4	7.7
<b>SUBTOTAL</b>		<b>129</b>	<b>19.4</b>	<b>7.7</b>
Remainder FY 2019-20 - 2024-25	Agency Developed Units (Projected)	-	-	-
	Privately Developed Units (Projected)	129	19.4	7.7
<b>SUBTOTAL</b>		<b>129</b>	<b>19.4</b>	<b>7.7</b>
<b>Total Units Over Life of Redevelopment Plan</b>			<b>119.7</b>	<b>47.9</b>

<sup>1</sup> An additional 387 units are projected to be developed or substantially rehabilitated in the Project Area based on an analysis of new development capacity contained in the *City of Avalon 2000-2008 Housing Element*. The total amount has been divided evenly among the remaining three implementation plan time periods as an estimate based on current economic conditions.

Sources: *First American Title Metroscan Information Service and ACIA*

As shown in Table H-1, ACIA's total production obligation for the current ten year compliance period (FY 2004-05 through FY 2013-14) is 22 affordable units, 9 of which must be affordable to very low income households. ACIA's total obligation for the entire life of the Redevelopment Plan (1983-2024) is forecasted to be 120 affordable units, 48 of which must be affordable to very low income households. ACIA's actual fulfillment of these obligations to date is shown in Table H-2. Table H-3 summarizes ACIA's actual and projected inclusionary unit production fulfillment over the life of the Redevelopment Plan. If ACIA produces units as projected, it will meet affordable housing production obligations and have a surplus of very low income units.



**Calculation of Affordable Units Produced**  
**Avalon Community Improvement Agency**

**Table H-2**

Time Period	Projects	Location of Units		Number of Very Low		Number of Low Income Units		Number of Moderate		Total Number of Units	
		Inside	Outside	Total	Credited	Total	Credited	Total	Credited	Total	Credited
Plan Adoption	<b>Plan Adoption - December 1994</b>										
	Tremont Street Apartments <sup>1</sup>	x		-	-	50	-	-	-	50	-
	Eucalyptus Hill Gardens	x		40	40	-	-	-	-	40	40
<b>SUBTOTAL</b>				<b>40</b>	<b>40</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>40</b>
1st 10-Yr. Period	<b>January 1995 - December 1999</b>										
	<i>None</i>										
	<b>SUBTOTAL</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>January 2000 - December 2004</b>										
Bird Park	x		24	24	-	-	-	-	24	24	
Beacon Hill	x		13	13	-	-	-	-	13	13	
<b>SUBTOTAL</b>				<b>37</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>37</b>
<b>SUBTOTAL</b>				<b>37</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>37</b>
2nd 10-Yr Period (first half)	<b>FY 2004-05 - 2008-09</b>										
	<i>None</i>										
<b>SUBTOTAL</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>				<b>77</b>	<b>77</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>77</b>

<sup>1</sup> The Tremont Street Apartments are affordable to low income households for a period of 30 years through Section 8 financing. They do not count as inclusionary units without Agency covenants (a minimum 55 year term is required for affordable rental units to be inclusionary).

Source: City of Avalon 2000-2008 Housing Element

**Calculation of Affordable Housing Production Requirements**  
**Avalon Community Improvement Agency**

**Table H-3**

	Units Required		Units Produced		Surplus / (Needed)	
	Affordable	Very Low	Affordable	Very Low	Affordable	Very Low
Plan Adoption Through December 1994	51.6	20.6	40.0	40.0	(11.6)	19.4
<b>1st Ten Year Period</b>						
January 1995 - December 2004 (Actual)	7.8	3.1	37.0	37.0	17.6	53.2
<b>Cumulative Through December 2004</b>	<b>59.4</b>	<b>23.8</b>	<b>77.0</b>	<b>77.0</b>	<b>17.6</b>	<b>53.2</b>
<b>2nd Ten Year Period</b>						
FY 2004-05 - 2008-09 (Actual)	2.3	0.9	0.0	0.0	15.4	52.3
FY 2009-10 - 2013-14 (Forecast)	19.4	7.7	4.0	0.0	0.0	44.6
<b>Cumulative Through FY 2013-14</b>	<b>21.6</b>	<b>8.6</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>44.6</b>
<b>Redevelopment Plan Duration</b>						
FY 2014-15 - 2024-25 (Forecast)	38.7	15.5	39.0	18.0	0.3	47.1
<b>Total Life of Redevelopment Plan</b>	<b>119.7</b>	<b>47.9</b>	<b>120.0</b>	<b>95.0</b>	<b>0.3</b>	<b>47.1</b>

Source: ACIA



As shown in Tables H-2 and H-3<sup>5</sup>:

**Prior to 1995:** From inception (1983) through December 1994, ACIA was required to generate 52 affordable units, including 21 very low income units. During that period, 40 very low income units were developed at Eucalyptus Hill Gardens that meet the inclusionary requirements prescribed by the CRL. An additional 50 low income units were built at Tremont Street Apartments; however they do not have qualifying affordability covenants. This resulted in a production need of 12 additional affordable units. The 40 very low income units developed at Eucalyptus Hill Gardens, however, met and exceeded the 21 unit inclusionary requirement for very low income housing by 19 units.

**First Compliance Period:** From January 1995 through December 2004, ACIA was required to generate 8 affordable units, including 3 very low income units. During that period, 37 very low income units were actually developed or substantially rehabilitated. This resulted in a cumulative production surplus of 18 units, fulfilling the affordable unit production requirement for years “Prior to 1995” and through the “First Compliance Period”. The inclusionary requirement for very low income units was also exceeded by 53 units by the end of the First Compliance Period. Surplus units can be applied toward unit obligations in the next compliance period.

**Current Compliance Period:** ACIA’s actual and forecasted production obligation from fiscal years 2004-05 through 2013-14 is 22 affordable units, including 9 very low income units. There were no affordable units produced during the first five years of the “Current Compliance Period”. Thus far, 2 moderate income units have been produced during the second five years of the period through ACIA’s Low and Moderate Income Down Payment Assistance Program. At least 2 additional deed-restricted affordable units are expected to be created through the Program by the end of the period. Surplus units from the First Compliance Period can also be applied to the Current Compliance Period, fulfilling the inclusionary requirement through 2013-14. The surplus of very low income units from prior years meets and exceeds the inclusionary requirement for very low income units through the Current Compliance Period by 45 units.

Although ACIA has exceeded its very low income housing production requirement to date, this does not prohibit ACIA from pursuing additional very low income housing. ACIA needs to focus on expending Housing Funds on very low and low income housing during the next five years of the Current Compliance Period in order to meet expenditure requirements described later in this plan.

**Future Compliance Period:** During the next and final ten year compliance period (FY 2014-15 through 2024-25), ACIA is forecasting an additional 39-unit obligation, including 16 very low income units. ACIA anticipates producing 39 additional affordable units, of which 18 may be very low income. This will meet and exceed the production obligation for affordable and very low income units. Although ACIA does not need to produce additional very low income units to meet the production obligation for very low income housing in the “Future Compliance Period,” it will be necessary to expend money on very low income housing to meet expenditure requirements described later in this plan.

**All Compliance Periods:** Based on actual and forecasted housing production obligations, ACIA estimates a total obligation of 120 affordable units throughout the life of the Redevelopment Plan, including 48 very low income units. ACIA anticipates meeting this obligation by producing 120 affordable units throughout the life of the Redevelopment Plan, including 95 very low income units.

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<sup>5</sup> The numbers described in this section may not appear to add properly due to rounded decimals. Affordable housing production information contained in Tables H-2 and H-3 is derived from the City of Avalon 2000-2008 Housing Element for all affordable housing projects that have been produced through FY 2008-09.



## REPLACEMENT HOUSING

Whenever housing occupied by low and moderate income persons or households are destroyed as part of an ACIA redevelopment project, ACIA is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated in the city. The CRL requires the replacement units to be produced within four years; however the Redevelopment Plan requires the units to be replaced within one year. These units must provide at least the same number of bedrooms destroyed, and 100 percent of the replacement units must be affordable to the same income categories (e.g., very low, low, moderate) as those removed. ACIA receives a full credit for replacement units created inside or outside of the Project Area.<sup>6</sup>



This Housing Compliance Plan does not contain a project that will result in the destruction or removal of affordable dwelling units.

## HOUSING FUND REVENUES, EXPENDITURES & ACTIONS

ACIA's primary funding source for its affordable housing work program is the annual deposit of 20 percent of tax increment revenues into the Housing Fund. The CRL requires that these funds be used to increase, improve, and preserve the community's supply of affordable housing available, to persons and families of very low, low, and moderate incomes. Table H-4 presents ACIA's projected Housing Fund revenues, expenditures, and actions over the next five years.



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<sup>6</sup> Prior to January 1, 2002, 75% of all replacement units must be of the same income category or a lower income category as those persons or households displaced.



**Projected Housing Fund Revenues, Expenditures, and Actions - 2009-10 through 2013-14**  
**Avalon Community Improvement Agency**

**Table H-4**

	Projected					Projected 5 Year TOTAL
	1 2009-10	2 2010-11	3 2011-12	4 2012-13	5 2013-14	
<b>Beginning Cash Balance</b>	<b>7,177,692</b>	<b>6,591,199</b>	<b>6,624,725</b>	<b>4,955,658</b>	<b>3,284,105</b>	
<b>Revenues</b>						
Net Tax Increment Revenues <sup>1</sup>	93,320	1,094,914	1,120,798	1,147,199	1,174,129	4,630,360
SERAF Repayment <sup>1</sup>			250,000	250,000	250,000	
Rental/Lease Income <sup>2</sup>	750	761	773	784	796	3,864
Interest Revenue <sup>2</sup>	43,219	98,868	99,371	74,335	49,262	365,054
<b>Total</b>	<b>137,289</b>	<b>1,194,543</b>	<b>1,470,941</b>	<b>1,472,319</b>	<b>1,474,187</b>	<b>5,749,279</b>
<b>Total Available Funds</b>	<b>7,314,981</b>	<b>7,785,742</b>	<b>8,095,666</b>	<b>6,427,976</b>	<b>4,758,292</b>	
<b>Operations and Debt Service Costs</b>						
SERAF Payment <sup>3</sup>	-	-				-
Debt Service <sup>4</sup>	522,995	521,937	520,646	519,122	522,365	2,607,065
Administration, Maintenance, Overhead <sup>5</sup>	164,673	167,966	171,326	174,752	178,247	856,965
Professional Services <sup>5</sup>	36,114	96,114	98,036	99,997	101,997	432,258
<b>Total</b>	<b>723,782</b>	<b>786,017</b>	<b>790,008</b>	<b>793,871</b>	<b>802,609</b>	<b>3,896,288</b>
<b>Funds Available for Housing Projects</b>	<b>6,591,199</b>	<b>6,999,725</b>	<b>7,305,658</b>	<b>5,634,105</b>	<b>3,955,682</b>	
<b>Contribution to Housing / Projects</b>						
Affordable Housing Production 206 E. Whittley Other Opportunities as Available			2,350,000	2,350,000	2,300,000	7,000,000 TBD TBD
LMI Down Payment Assistance Program		125,000	-	-	-	125,000
Housing Rehabilitation Program		250,000	-	-	-	250,000
<b>Total</b>	<b>-</b>	<b>375,000</b>	<b>2,350,000</b>	<b>2,350,000</b>	<b>2,300,000</b>	<b>7,375,000</b>
<b>Total Costs</b>	<b>723,782</b>	<b>1,161,017</b>	<b>3,140,008</b>	<b>3,143,871</b>	<b>3,102,609</b>	<b>\$ 11,271,288</b>
<b>Ending Cash Balance</b>	<b>6,591,199</b>	<b>6,624,725</b>	<b>4,955,658</b>	<b>3,284,105</b>	<b>1,655,682</b>	

<sup>1</sup> Reflects actual deposits in FY 2009-10 and 2010-11. Net Tax Increment Revenues do not include \$1 million suspended from the Agency's FY 2009-10 housing set-aside deposit for its SERAF payment that year pursuant to CRL Section 33334.2(k). The \$1 million must be repaid by June 30, 2015. Repayment is estimated to be split evenly among FY 2011-12 to 2014-15. Deposits for FY 2011-12 through 2013-14 are 20 percent of ACIA's gross tax increment revenue, which is estimated to increase by 2 percent annually.

<sup>2</sup> Estimated to increase by 1.5 percent annually over the next five years.

<sup>3</sup> It is assumed that the FY 2010-11 SERAF payment will not be made using Housing Funds.

<sup>4</sup> Debt service schedule from the Official Statement for the 2003 Housing Taxable Tax Allocation Bonds, Series B

<sup>5</sup> Estimated to increase by two percent annually over the next five years.

Source: 2009-10 Annual Report to the California Department of Housing and Community Development, RSG

ACIA had a beginning cash balance of \$7.2 million dollars at the beginning of fiscal year 2009-10. It is estimated that ACIA will have \$5.8 million in housing revenues over the next five years. Approximately \$3.9 million will be required for operation and debt service costs. ACIA will spend an estimated \$7.4 million on affordable housing projects and programs, leaving a remaining balance of nearly \$1.7 million. Additional funds may be spent as needed.





## EXPENDITURES BY HOUSEHOLD TYPES

To ensure that Housing Fund revenues are being spent consistent with local housing needs, new statutes took effect in 2002 (AB 637, Lowenthal—Chapter 738, Statutes of 2001) requiring redevelopment agencies to spend Housing Fund monies within a ten year period in proportion to their communities' projected need based on household type, including income and age.

The CRL requires that ACIA's Housing Fund be expended in proportion to the community's need for very low and low income housing, and in proportion to the community's low income population under the age of 65. A community's proportionate need by income category is based on the community's Regional Housing Needs Assessment ("RHNA") allocation. The California Department of Finance allocates RHNA by county based on demographic projections. Regional councils of governments, like the Southern California Association of Governments, further break down and allocate RHNA by municipal jurisdiction. To determine a community's proportionate housing need by age category, ACIA relies on the U.S. Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy ("CHAS") allocation numbers.<sup>7</sup> Since data relating to low income persons under the age of 65 is not readily available from the U.S. Census, the metric that closest approximates it is from the CHAS database which represents data of low income households below the age of 62.

In accordance with Avalon's RHNA allocation, ACIA is required to expend a minimum of 44 percent of its Housing Fund on very low income households, a minimum of 26 percent on low income households, and a maximum of 30 percent on moderate income (or unrestricted) households during the current ten-year compliance period.<sup>8</sup> ACIA is also required to expend a minimum of 86 percent of its Housing Fund on non-age restricted housing ("Family" households) and a maximum of 14 percent on age restricted housing ("Senior" households) during this ten-year period. Over the past five years, ACIA spent \$2.9 million on housing projects and programs, the majority of which was spent on low income and family housing. ACIA will have approximately \$9.3 million available to spend on affordable housing projects and programs from fiscal years 2009-10 through 2013-14. ACIA will plan accordingly to expend future funds to meet proportionality requirements over the remaining term of the compliance period (from 2009-10 through 2013-14). Charts 2 to 5 graphically depict ACIA's past progress and future goals for meeting proportionality mandates.

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<sup>7</sup> Prior to January 1, 2006, non-senior proportionality targeting requirements were based on the proportion of the total population under 65. Effective January 1, 2006, the requirements were amended to be based on the proportion of low income population under 65.

<sup>8</sup> Southern California Association of Governments, City of Avalon Regional Housing Needs Assessment 2006-2014.

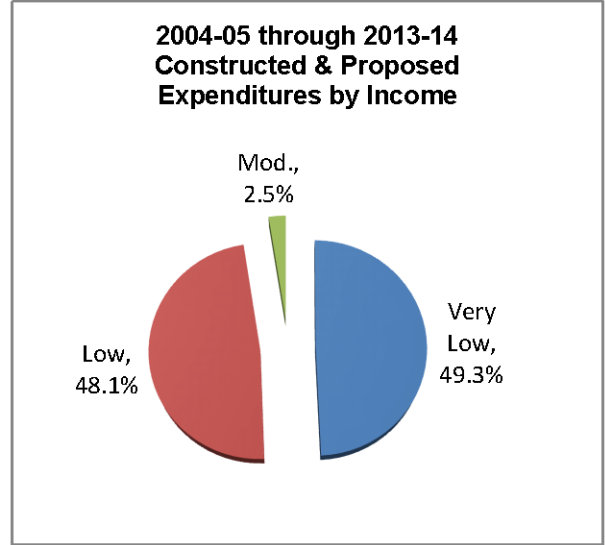
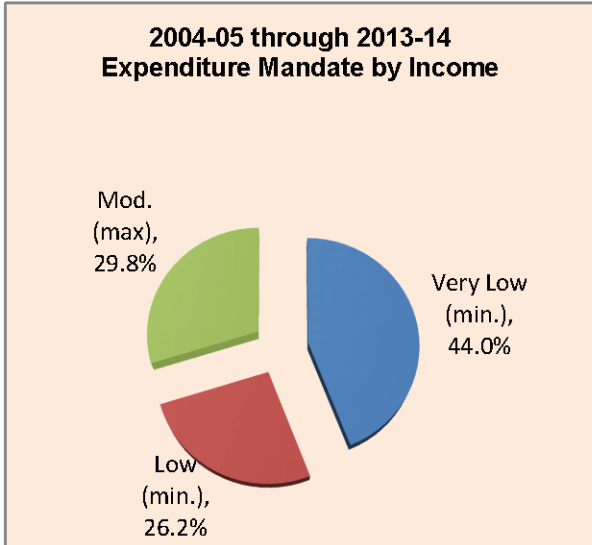


**Charts 2 to 5**

**Expenditure Proportionaltiy Requirement**

**Actual & Proposed Expenditures**

**By Income Level**



**By Family Type**

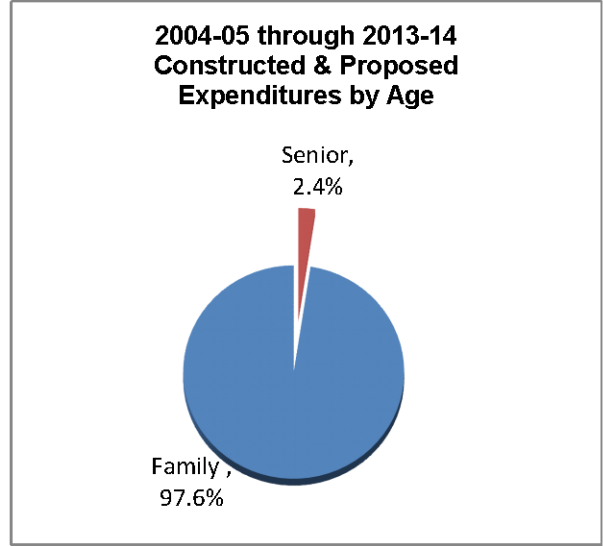
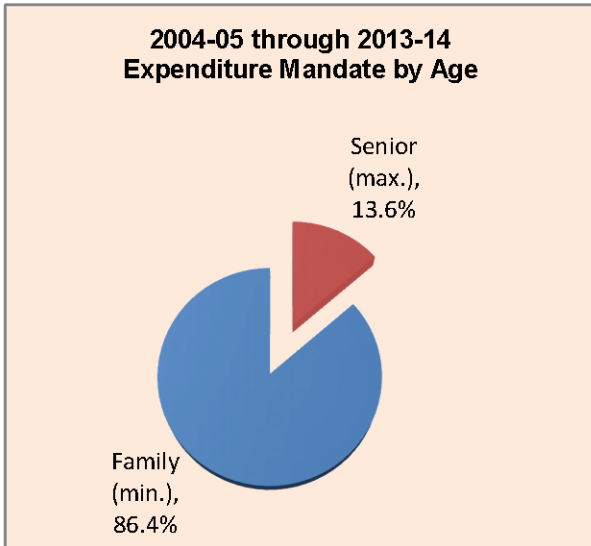




Table H-5 details ACIA’s expenditures on housing projects and programs by income and age level over the first five years of the current ten-year compliance period. It also shows how \$7.4 million in estimated expenditures may be spent by household type over the next five years in order to meet proportionality targets for the ten-year compliance period. Actual expenditures may change as projects are further into the planning process, however ACIA will plan accordingly to meet proportionality requirements.

**Housing Fund Proportional Expenditure Allocation**  
**Avalon Community Improvement Agency**

**Table H-5**

Income Level	RHNA Allocation (Units) <sup>1</sup>	Targeting Requirement (% of Total)	First 5 Years		Second 5 Years		10-Year Period	
			2004-05 to 2008-09		2009-10 to 2013-14		2002 to 2013-14	
			Actual Expenditure	%	Estimated Expenditure	%	Estimated Expenditure	%
Very Low (minimum)	37	44.0%	\$ 1,426,300	49.8%	\$ 3,625,000	49.2%	\$ 5,051,300	49.3%
Low (minimum)	22	26.2%	\$ 1,426,300	49.8%	\$ 3,500,000	47.5%	\$ 4,926,300	48.1%
Moderate/Unrestricted (max.)	25	29.8%	\$ 9,278	0.3%	\$ 250,000	3.4%	\$ 259,278	2.5%
<b>Total</b>	<b>84</b>	<b>100.0%</b>	<b>\$ 2,861,878</b>	<b>100%</b>	<b>\$ 7,375,000</b>	<b>100%</b>	<b>\$ 10,236,878</b>	<b>100.0%</b>

Age Category (Income Restricted)	CHAS Allocation (Households) <sup>2</sup>	Targeting Requirement (% of Total)	First 5 Years		Second 5 Years		10-Year Period	
			2004-05 to 2008-09		2009-10 to 2013-14		2002 to 2013-14	
			Actual Expenditure	%	Estimated Expenditure	%	Estimated Expenditure	%
Family (minimum)	785	86.4%	\$ 2,861,878	100%	\$ 7,125,000	96.6%	\$ 9,986,878	97.6%
Senior (maximum)	124	13.6%	\$ -	0%	\$ 250,000	3.4%	\$ 250,000	2.4%
<b>Total</b>	<b>909</b>	<b>100.0%</b>	<b>\$ 2,861,878</b>	<b>100%</b>	<b>\$ 7,375,000</b>	<b>100%</b>	<b>\$ 10,236,878</b>	<b>100.0%</b>

<sup>1</sup> Percentage of housing fund expenditures based on City of Avalon Regional Housing Needs Assessment 2006-2014 ("RHNA").

<sup>2</sup> Percentage of housing fund expenditures for households under the age of 65 based upon 2000 Census data reported in the Comprehensive Housing Affordability Strategy ("CHAS").

Sources: SCAG, HUD CHAS, ACIA



**FAMILY UNITS ASSISTED BY HOUSING FUND**

The CRL requires that the Compliance Plan provide a summary of the number of the projects assisted by the Housing Fund to create extremely low, very low, and low units over the past Implementation Plan period (FY 2004-05 through 2008-09). The CRL also requires a recap of the number, location, level of affordability and the amount of Housing Funds expended on multi-family units. As Table H-6 shows, 49.8 percent of ACIA's Housing Fund expenditures was spent on very low income units and 49.8 percent on low income units. This assumes that ACIA will establish an even mix of very low and low income covenants at 206 E. Whittley. The actual income levels may be different as planning progresses; however, ACIA will be mindful of meeting its proportional expenditure requirements for the Current Compliance Period. A small portion (0.3 percent) of ACIA expenditures funded a study for unrestricted income units at the Metropole Property, which will eventually be developed by the City. The total number of units assisted is unknown at this time because the projects are in an early planning phase. All project expenditures were for family (non-age restricted) units over the last five years.



**Housing Fund Expenditures 2004-05 through 2008-09** Table H-6  
 Avalon Community Improvement Agency

Project	Very Low Inc. Units	Housing \$ Spent on Very Low Inc. Units	Low Inc. Units	Housing \$ Spent on Low Inc. Units	Moderate/Unrestricted Inc. Units	Housing \$ Spent on Moderate/Unrestricted Inc. Units	Total Affordable Units	Total Housing Expenditures
Metropole Property Appraisal & Design (future development)	0	-	0	-	TBD	9,278	TBD	9,278
206. East Whittley Property Acquisition (future development)	TBD	1,426,300	TBD	1,426,300	0	-	TBD	2,852,600
<b>Total</b>	<b>TBD</b>	<b>\$ 1,426,300</b>	<b>TBD</b>	<b>\$ 1,426,300</b>	<b>TBD</b>	<b>\$ 9,278</b>	<b>TBD</b>	<b>\$ 2,861,878</b>

Age Category	Very Low Inc. Units	Housing \$ Spent on Very Low Inc. Units	Low Inc. Units	Housing \$ Spent on Low Inc. Units	Moderate/Unrestricted Inc. Units	Housing \$ Spent on Moderate/Unrestricted Inc. Units	Total Affordable Units	Total Housing Expenditures
Units for Seniors	0	-	0	-	0	-	0	-
Units for Families	TBD	1,426,300	TBD	1,426,300	TBD	9,278	TBD	2,861,878
<b>Total</b>	<b>TBD</b>	<b>\$ 1,426,300</b>	<b>TBD</b>	<b>\$ 1,426,300</b>	<b>TBD</b>	<b>9,278</b>	<b>TBD</b>	<b>\$ 2,861,878</b>

Note: No Housing Fund money was spent on extremely low income units. The number of units at each property are to be determined as the projects are still in the planning phases.

Source: ACIA

**HOUSING UNITS CONSTRUCTED DURING PRIOR IMPLEMENTATION PLAN WITHOUT HOUSING FUNDS**

No affordable housing units were constructed during the prior implementation plan period in the Project Area without Housing Funds.



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Adopted: June 7, 2011

Prepared by:

