

**City of Irwindale
Community Redevelopment Agency
2010-2014 Five-Year Redevelopment
Implementation Plan**



**Irwindale Community Redevelopment Agency
5050 North Irwindale Avenue, Irwindale California 91706
Telephone: (626) 430-2200
FAX: (626) 962-4209**

Table of Contents

I.	REDEVELOPMENT PROJECT AREA AND IMPLEMENTATION INFORMATION	5
A.	IMPLEMENTATION PLAN	5
1.	<i>Background</i>	5
B.	THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY.....	6
C.	REDEVELOPMENT PROJECT AREAS.....	6
1.	<i>Redevelopment Project Areas</i>	6
2.	<i>Summary of Key Ordinances 1976-2009</i>	7
	<i>Source: ICRA</i>	7
3.	<i>Redevelopment Project Time Limits</i>	8
D.	KEY REDEVELOPMENT LEGISLATION.....	9
1.	<i>Supplemental Educational Revenue Augmentation Funds (SERAF)</i>	9
E.	REDEVELOPMENT BLIGHT STANDARDS	9
1.	<i>Original Blight Standards</i>	9
2.	<i>Current Blight Standards</i>	10
F.	PROJECT AREA CONTEXT - CITY HISTORY	12
1.	<i>Population, Labor Force, Employment</i>	14
2.	<i>Land Use</i>	15
3.	<i>City Natural Resources</i>	15
4.	<i>Mining Reclamation Activities</i>	16
II.	PROJECTS CONTEMPLATED IN THE PREVIOUS 5 YEAR PERIOD	17
A.	NON-HOUSING REDEVELOPMENT PROJECTS	17
1.	<i>Cal-Mat Shop Site</i>	17
2.	<i>Former Shannon Casket Site</i>	17
3.	<i>Arrow Highway Site Assembly</i>	17
5.	<i>Irwindale Gateway Center, Phase II/ East Live Oak and Rivergrade Road</i>	18
6.	<i>Irwindale Business Center</i>	18
7.	<i>Denny's Restaurant</i>	18
8.	<i>Industrial Design Guidelines (Previously Community Design/Identification Program)</i>	18
9.	<i>Fourth Street Site Assembly/Public Improvements</i>	19
10.	<i>West Live Oak Site Assembly/Public Improvements</i>	19
11.	<i>Park Development</i>	19
12.	<i>The NuWay Industries Landfill</i>	19
13.	<i>17 Acres Site (Materials Recovery Facilities)</i>	19
14.	<i>Speedway Business Park (formerly Buena Vista Development Site)</i>	20
15.	<i>Kincaid Pit North</i>	20
16.	<i>Irwindale Pit No.1 (Formerly known as the Manning Pit)</i>	20
B.	ECONOMIC DEVELOPMENT PROGRAMS.....	21
1.	<i>Ranch Markets</i>	21
2.	<i>Scholastic Book Fairs</i>	21
3.	<i>Irwindale Speedway Partnership</i>	21
4.	<i>Small Business Development Center (SBDC)</i>	21
5.	<i>Business Development Brochure</i>	21
6.	<i>Commercial Façade Rehabilitation Grant Program</i>	21

C.	PUBLIC IMPROVEMENTS COMPONENT	22
III.	PROPOSED PROGRAM FOR THE NEXT 5 YEAR (FY 2009-2014) PERIOD	23
A.	REDEVELOPMENT PROJECT AREA GOALS	23
B.	PROGRAM OBJECTIVES	24
C.	PROPOSED ICRA PROGRAMS AND PROJECTS	26
1.	17-Acre Site - Materials Recovery Facility – (MRF).....	26
2.	Cal-Mat Shop Site	27
3.	Shannon Casket Site	27
4.	North Kincaid Pit.....	27
5.	Arrow Highway Site Assembly.....	28
6.	Arrow Highway & Live Oak Property/Vulcan Triangle	29
7.	Irwindale Pit No.1 (Formerly known as the Manning Pit)	29
8.	East Live Oak and Rivergrade Road.....	29
9.	Denny’s Restaurant	30
10.	242 Live Oak Avenue	30
11.	2424 Mountain Avenue.....	30
12.	2511 Buena Vista	31
13.	NWC Azusa Canyon Rd. & Los Angeles St.	31
14.	5130 Irwindale Avenue.....	32
D.	CAPITAL IMPROVEMENT PROGRAM	33
E.	PROPOSED PROGRAM AND REDEVELOPMENT GOALS.....	34
F.	BLIGHT RELATIONSHIP - NON-RESIDENTIAL PROJECTS	35
1.	17-Acre Site (Materials Recovery Facility).....	35
2.	Cal-Mat Shop Site	36
3.	Shannon Casket Site	36
4.	North Kincaid Pit.....	36
5.	Arrow Highway Site Assembly.....	37
6.	Arrow/Live Oak Property.....	37
7.	Irwindale Pit No.1 (Formerly known as the Manning Pit)	38
8.	East Live Oak and Rivergrade Road.....	38
9.	Denny’s Restaurant	39
10.	242 Live Oak Avenue	39
11.	2424 Mountain Avenue.....	39
12.	2511 Buena Vista	40
13.	NWC Azusa Canyon Rd. & Los Angeles St.	40
14.	5130 Irwindale Avenue.....	40
G.	BLIGHT RELATIONSHIP CAPITAL IMPROVEMENT PROJECTS	42
H.	REVENUES AND EXPENDITURES.....	43
1.	Gross Tax Increment Revenue Projections (FY 2009-2014)	43
2.	Net Revenue-From Tax Increments (FY 2009-2014).....	43
3.	Five -Year Net Income and Expenditure Projections (FY 2009-2014)	44
I.	SUMMARY	45

IV.	AFFORDABLE HOUSING COMPLIANCE REQUIREMENTS.....	46
A.	INTRODUCTION	46
B.	CURRENT STATUS OF ICRA'S OBLIGATIONS	48
1.	<i>Low and Moderate Income Housing Fund (Set-Aside of Tax Increment)</i>	48
2.	<i>Unit Production and Replacement Requirements</i>	49
C.	HISTORICAL AFFORDABLE HOUSING ACTIVITIES	51
1.	<i>New Affordable Housing Development</i>	51
2.	<i>Rehabilitation Program</i>	51
3.	<i>Affordable Housing Acquisition Program</i>	52
b.	<i>Arrow Highway Site Assembly</i>	52
4.	<i>Summary of Housing Assistance and Production/Inclusionary Obligations</i>	52
D.	<i>Replacement Housing Requirements</i>	55
E.	PROPORTIONAL EXPENDITURES OF HOUSING FUND MONIES	57
1.	<i>Very-Low and Low Income Housing Expenditures</i>	57
2.	<i>Age Restricted Housing Expenditures</i>	58
F.	PLANNED HOUSING PROGRAM 2009/10 TO 2013/14	60
1.	<i>Housing Fund Resources</i>	60
2.	<i>New Housing Development</i>	60
3.	<i>Rehabilitation Programs</i>	61
4.	<i>Affordable Housing Acquisition Program</i>	62
G.	COMPLIANCE WITH CRL HOUSING REQUIREMENTS	65
1.	<i>Housing Fund Resources</i>	65
2.	<i>Production of Housing</i>	65
3.	<i>Replacement Housing</i>	66
4.	<i>Proportionality</i>	66
H.	ICRA COMPLIANCE BY END OF EFFECTIVENESS OF PLAN	68
I.	NEXT STEPS	68

Tables

Table 1 - Summary of Key Ordinances	7
Table 2 - Redevelopment Project Time Limits	8
Table 3 - Population, Age, Ethnicity, Education, Income	14
Table 4 - Labor Force and Employees	14
Table 5 - Employed Resident Age 16 and over by Occupation	14
Table 6 - Land Use Mix	15
Table 7 - Capital Improvement Plan Activities (FY 2005-2009)	22
Table 8 - Planned Capital Improvement Plan Activities (FY 2009-2014)	33
Table 9 - Proposed Program and Redevelopment Goals	34
Table 10 - Gross Tax Increment Revenue Projections (FY 2009-2014)	43
Table 11 - Net Revenue-From Tax Increments (FY 2009-2014)	43
Table 12 - Five -Year Net Income and Expenditure Projections (FY 2009-2014)	44
Table 13 - Low Mod Housing Fund Deposits; Expenses; Net Proceeds (FY 2001-2014)	48
Table 14 - 2009 Income Limits	49
Table 15 - Summary of Units Rehabilitated by Income Level and Year	52
Table 16 - Summary of New Construction and Substantial Rehabilitation Since 1995/96	52
Table 17 - Production/Inclusionary Obligation	53
Table 18 - Net Housing Production (Inside/Outside Project Area)	54
Table 19 - Occupant Income Levels and Bedroom Count for All Removed Dwellings	56
Table 20 - SCAG Regional Housing Needs	57
Table 21 - SCAG RHNA Proportionality Percentages	57
Table 22 - SCAG RHNA Proportionality Percentages with Dollars	58
Table 23 - ICRA Expenditures by Income Level (FY 2001/02 to 2008/09)	58
Table 24 - Age Statistics – Under 65 Years	58
Table 25 - The Housing Program and Housing Fund Expenditures	60
Table 26 - Proposed Housing Development FY 2009-2014	64
Table 27 - Proposed Housing Development by Income Level FY 2009-2014	64
Table 28 - Housing Production 1994-2014	65
Table 29 - Replacement Housing Requirements	66
Table 30 - Actual and Planned Proportionality Expenditures FY 2001/02-2013/14	66

I. REDEVELOPMENT PROJECT AREA AND IMPLEMENTATION INFORMATION

A. Implementation Plan

1. Background

AB 1290, also known as the Community Redevelopment Law (CRL) Reform Act of 1993, became effective on January 1, 1994 as Section 33490 of the California Health & Safety Code ("the Code"). AB 1290 requires that each redevelopment agency prepare and adopt a five-year implementation plan. This Five Year Implementation Plan ("Plan") FY 2009/10 to 2013/14, documents the proposed actions of the Irwindale Community Redevelopment Agency (ICRA), and details how these actions will lead to the elimination of blight and the creation and preservation of affordable housing.

The Implementation Plan may be viewed as a required planning tool that addresses the goals, objectives, projects and expenditures for the next five years for all redevelopment all project areas.

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

Implementation plans throughout the State were required to be adopted, after a public hearing, beginning December 31, 1994, and every five years thereafter. The ICRA adopted its original Implementation Plan after a public hearing on December 22, 1994. The ICRA adopted its second Implementation Plan on December 9, 1999. In addition, according to Section 33490(c), every redevelopment agency is required to review the Implementation Plan during the mid-point of the five-year term and to hold a public hearing for that purpose.

The Plan has been prepared in accordance with the provisions of Section 33490 of the Code and is intended to replace the previous Plan document adopted on December 7, 2004. The Plan identifies those programs and projects that were cited in the 2005-2009 Implementation Plan and provides a summary of the progress made during this prior plan period. In addition, this Plan provides a discussion of new projects occurring since adoption of the 2005-2009 Plan. This Plan also considers the activities and progress of projects presented in the Mid-Term Review of the 2005-2009 Implementation Plan.

B. The Irwindale Community Redevelopment Agency

The ICRA was activated by the City Council of the City of Irwindale in January of 1973 and established itself as the ICRA Board and appointed the City Manager to serve as the Executive Director. Since its inception, the ICRA's policy in the formation of redevelopment project areas has consistently focused on areas with obvious blighting characteristics and conditions. Since 1973, the ICRA and the City Council have approved three (3) redevelopment project areas ("Project Areas"), excluding amendments to existing areas, in accordance with the State Health and Safety Code. This FY 2009-2014 Implementation Plan will serve as the official Implementation Plan for all three Project Areas.

C. Redevelopment Project Areas

1. Redevelopment Project Areas

The three individual redevelopment project areas are described as follows:

a. City Industrial Development Project Area

Established in 1976, the City Industrial Development Project Area is primarily composed of properties zoned for commercial and industrial use. This area includes almost all of the City of Irwindale, encompasses 6,075 acres, and includes five active quarry sites. This project area encompasses nearly 99% of the city geography. As the quarries are mined to their optimum economic potential, a principle goal of the ICRA is to rehabilitate and reclaim the expended quarries for industrial, commercial, recreational and residential uses. To date, approximately 285 acres of depleted mining pits have been reclaimed and redeveloped into industrial and recreational uses. An additional 184 acres are currently being reclaimed. The ICRA's diligence in reclaiming quarries has resulted in impressive and productive land use. A notable project is the former 123-Acre quarry that emerged as the Irwindale Business Center now offering 2.1 million square feet of marketable space.

b. Nora Fraijo Project Area

Adopted in 1974, pursuant to Ordinance No. 272 this project area consists of 16 residential properties.

c. Parque Del Norte Project Area

Adopted in 1976, pursuant to Ordinance No. 299 this project area consists of 8 residential properties.

2. Summary of Key Ordinances 1976-2009

The following table summarizes key ordinances that affect the Irwindale Community Redevelopment Agency and its Project Areas during the period 1976-2007.

Table 1 - Summary of Key Ordinances

Ord. No.	Ordinance Title	Approval Dates
272	Adopting a Redevelopment Plan Pursuant to Section 33365 of the Health and Safety Code of the State of California With Reference to the Nora-Fraijo Redevelopment Project.	1/10/1974
299	Adopting a Redevelopment Plan for the Parque Del Norte Redevelopment Project	4/15/1976
302	Adopting a Redevelopment Plan for the City Industrial Development Project Pursuant to Section 33365 of the Health and Safety Code of the State of California.	7/19/1976
303	Approving a Redevelopment Plan of the City of Duarte which includes a Portion of the City of Irwindale.	9/26/1976
316	Approving and Adopting Amendment No. 1 to the Redevelopment Plan for City Industrial Redevelopment Project.	8/26/1977
336	Amending Ordinance No. 302 (Redevelopment Plan)	2/14/1980
411	Imposing Certain Limitations on the Irwindale Community Redevelopment Agency in Implementing the Redevelopment Plans for Parque Del Norte Redevelopment Project, Nora Fraijo Redevelopment Project and City Industrial Development Project.	12/18/1986
492	Establishing and Confirming Time Limitations for the Nora Fraijo, Parque del Norte and City Industrial Development Redevelopment Project Areas within the City of Irwindale, California, Pursuant to the Provisions of California Health and Safety Code Section 33333.6	12/15/1994
545	Extending Certain Time Limits Applicable to the Redevelopment Plan for the Parque del Norte Redevelopment Project Pursuant to Health and Safety Code Section 33333.6(f)(2)	12/30/1999
546	Extending Certain Time Limits Applicable to the Redevelopment Plan for the Nora Fraijo Redevelopment Project Pursuant to Health and safety Code Section 33333.6(f)(2)	12/30/1999
554	Adopting the 2000 Amendment to the Redevelopment Plan for the City Industrial Development Project	6/28/2001
566	Eliminating the Time Limit for Incurring Indebtedness in the Redevelopment Plan for the City Industrial Development Project Pursuant to Health and Safety Code Section 33333.6(e)(2)	10/10/2002
578	Extending the Existing Time Limits for the Effectiveness of and the Receipt of Tax increment for the Redevelopment Plan for the City Industrial Development Project, the Redevelopment Plan for the Nora Fraijo Redevelopment Project, and the Redevelopment Plan for the Parque del Norte Redevelopment Project	12/2/2003
615	Describing the Program for the Use of Eminent Domain Within the City Industrial Development Project Area by the Irwindale Community Redevelopment Agency	6/27/2007

Source: ICRA

3. Redevelopment Project Time Limits

When the California Community “Redevelopment Law” Code (Section 33000 et seq.) was reformed by AB 1290, one of the major modifications included the requirement that all Project Areas contain certain time limits for activities, including the effective life of the Plan, the date to which debt could be incurred, and the date for which tax increment receipts by the ICRA would end. This new law applied to all existing projects as well as any new areas that were adopted after January 1, 1994. Table 2 below identifies these time limits, which have been incorporated into the Redevelopment Plans through ICRA and City Council actions.

In January of 2002, the Legislature enacted Senate Bill 211 (“SB211”), an amendment to the Code, which enabled a City Council to adopt an ordinance allowing an agency to incur new debt until the end of the active life of the project area. In October of 2002, the Irwindale City Council adopted Ordinance 566, adjusting the time limits on incurring indebtedness within the City Industrial Development Project Area. This area includes large tracks of blighted property that benefited when the time limits on establishment of loans, advances and indebtedness was modified. The City chose not to include Nora Fraijo and the Parque del Norte Project Areas in this ordinance. These two small Project Areas, already built-out, have no opportunity to grow more tax increment. Therefore, there would be no benefit to their inclusion under the SB 211 provisions.

In August of 2003, the State Legislature passed Senate Bill 1045 (“SB1045”), an amendment to the Code, which required redevelopment agencies to make certain payments to the Educational Revenue Augmentation Fund (SERAF). SB 1045 also allows redevelopment agencies that make such payments to amend their redevelopment plans by extending the time limits by one year for redevelopment activities and for receipt of tax increment revenues. In December of 2003, the Irwindale City Council adopted Ordinance No. 578, extending the time limits for the City Industrial Development Project, the Nora Fraijo Redevelopment Project, and the Parque del Norte Redevelopment Project Areas for one year.

As indicated, upon payment of the SERAF funds to the State, redevelopment agencies are permitted to add an additional year to the Plan Effective Time limit. However, law suits contesting the legality of such payments have been filed. As of the writing of this plan such law suits have not been adjudicated. Therefore, the following chart only reflects the current Plan Time limits without the additional year resulting from SERAF payments.

Table 2 - Redevelopment Project Time Limits

Redevelopment Plan	Adoption Date	Debt Time Limit	Plan Effective Time Limit	Tax Increment Time Limit	Ordinance #
City Industrial Development	1976	2017*	2017	2027	492
Nora Fraijo	1974	2015	2015	2025	492
Parque Del Norte	1976	2017	2017	2027	492

Source: Irwindale Community Redevelopment Agency

*Includes the one additional year allowed by payment of ERAF to 2017, but not the additional year from SERAF

D. Key Redevelopment Legislation

1. Supplemental Educational Revenue Augmentation Funds (SERAF)

In July 2009, the state legislature and Governor approved Budget Bill AB X4-26, which authorized a \$2.05 billion payment from local redevelopment funds statewide. These monies are to be deposited into a fund known as SERAF to be applied toward the State's ongoing obligation to fund local education. The first year payment from redevelopment agencies is \$1.7 billion, and the second year is \$350 million. Payments are due by May 10, 2010 of the applicable year. ICRA's 1st year share is \$5,982,673 million and \$1,231,727 in the second year. The first year share results in a reduction of 31% of the total gross tax increment revenues from all projects and a 6% reduction in the second payment year. In exchange, redevelopment agencies can extend the affected redevelopment plans by one year.

In order to make its SERAF payment, an agency may use any funds that are legally available and not legally obligated for other uses. In addition, the SERAF payment obligation is subordinate to the lien of any pledge of collateral securing the payment of principle or interest on bonds. If an agency makes a finding that it has insufficient funds to make its SERAF payment, it has several payment options. An agency can borrow from or suspend payments to the Low and Moderate Income Fund to pay the SERAF obligations, but the agency then must repay any borrowed or suspended funds within five years, or it is required to set aside an additional 5 percent of tax increment to the Low and Moderate Income Fund (in addition to the 20 percent otherwise required) for as long as the agency receives tax increment. The Housing Fund must therefore be repaid by June 30, 2015.

An agency that does not make SERAF payment or have it made on its behalf, faces a "death penalty" essentially requiring it to suspend all operations other than existing obligations, including ceasing all funding for affordable housing projects, as well as increasing its Low and Moderate Income Fund set aside to 25 percent for as long as the agency receives tax increment.

The ICRA has therefore elected to borrow the required \$7.2 million from its Low and Moderate Income Fund and make payments to the State.

E. Redevelopment Blight Standards

1. Original Blight Standards

Before the passage of AB 1290, the Redevelopment Law defined the specific characteristics of blight in Sections 33031 and 33032. All the ICRA existing Project Areas were adopted using these blight definitions as summarized below for point of reference:

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

- a) Defective design and character of physical construction.
- b) Faulty interior arrangement and exterior spacing.

- c) Inadequate provision for ventilation, light, mixed character, or shifting uses.

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

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

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

As these were the conditions upon which the Project Areas were originally selected, they are the standards the ICRA used until 1994 to evaluate its performance with in regard to the elimination of blight.

Some of the conditions of blight that exist in the ICRA's Project Areas include: (1) buildings characterized by dilapidation, deterioration, and defective design; (2) buildings and lots affected by substandard design, inadequate size given market conditions, multiple ownership, and lack of parking; (3) depreciated and stagnant property values with impaired values; (4) abnormally low lease rates compared to other properties of similar characteristics; (5) contaminated land; and, (6) quarries that require land reclamation.

2. Current Blight Standards

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

Section 33030.

- (a) It is found and declared that there exist in many communities blighted areas which constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.
- (b) A blighted area is one that contains both of the following:
 - (1) An area that is predominantly urbanized, as that term is defined in Section 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:
 - i. 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.
 - ii. 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.

Section 33031.

- (a) This subdivision describes physical conditions that cause blight:
 - (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
 - (2) Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
 - (3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
 - (4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- (b) This subdivision describes economic conditions that cause blight:
 - (1) Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459).
 - (2) Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

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

F. Project Area Context - City History

In order to better understand the redevelopment efforts of the Irwindale Community Redevelopment Agency, it is important to understand the history and nature of the City. The community of Irwindale was first settled by the families of Gregorio Fraijo and Fecundo Ayon during the 1850's. Generations of these families still reside here today. The City is 9.5 square miles and located 20 miles east of downtown Los Angeles. Irwindale was incorporated in 1957 and became the 56th city of Los Angeles County. The following tables provide a snapshot of the current demographics, workforce and employment, land use, natural resources, and mining activities that comprise the city. In addition, a map showing the City boundaries is shown. As indicated virtually the entire City is located within the City Industrial Redevelopment Project Area.



The following section presents an overview of the City of Irwindale in terms of demographics, labor force, and local employment. Understanding these factors helps to understand the nature and goal of the ICRA redevelopment program. Less than 1% of the City is zoned for residential uses. This factor helps to explain the relatively small resident population. The city has a slightly higher projected population growth rate than the County of Los Angeles (LA County) based on econometric analysis by Synergos Technologies, a prominent economic and demographic data provider. The median age of the Irwindale resident population is younger than the LA County average age. In addition, the City's ethnicity composition is 90% Hispanic as compared with LA County. College educational attainment levels are lower than LA County for persons 25 years and above. Notably, the 2009 County median income is almost identical to the LA County level. The following presents tables summarizing these metrics.

1. Population, Labor Force, Employment

Table 3 - Population, Age, Ethnicity, Education, Income

Category	Irwindale	Los Angeles County
2009 Estimate City Population	1,578	9,915,681
Projected Growth Rate-next 5 years (2009-2014)	3.4%	3.06%
Median Age	31.8	35.3
Hispanic Ethnicity Percentage	90%	50%
Some College and Above-25 years and above*	35%	49%
Median Household Income	\$56,548	\$56,874

Source: Synergos Technologies 4th Quarter 2009

* E.g., community college and higher educational attainment

Table 4 below presents comparative figures between the City and LA County. It shows that about 43% of the City resident population is in the labor force as compared with 46% of the LA County population. A significant factor is that Irwindale has an extremely high jobs/housing ratio. This is evidenced by the high number of daytime employees 8,172 as compared with the City workforce of 676 persons. The City also has a higher Blue Collar occupation rate 73% as compared with 67% of the County.

Table 4 - Labor Force and Employees

Category	Irwindale	Los Angeles County
Resident Labor Force	676	4,581,636
Workplace Establishments	497	255,807
White Collar Occupations	27%	33%
Blue Collar Occupations	73%	67%

Source: Synergos Technologies 4th Quarter 2009

Table 5 - Employed Resident Age 16 and over by Occupation

Management, Professional, and Related occupations	27%
Management, Business, and Financial Operations Occupations	11%
Professional and Related Occupations	16%
Service Occupations	21%
Healthcare support occupations	0%
Protective service occupations	4%
Food preparation and serving related occupations	7%
Building and grounds cleaning and maintenance occupations	5%
Personal care and service occupations	6%
Sales and Office Occupations	30%
Sales and related occupations	12%
Office and administrative support occupations	18%
Farming, fishing, and forestry occupations	1%
Construction, Extraction, and Maintenance Occupations	7%
Production, Transportation, and Material Moving Occupations	15%

Source: Synergis Technologies 4th Quarter 2009

2. Land Use

The City is primarily composed of properties zoned for commercial and industrial use. Virtually, 99% of the City is located within the City Industrial Redevelopment Project area.

Table 6 - Land Use Mix

Residential	0.98%
Office/Commercial/Retail	2.62%
Industrial	43.14%
Open Space	31.58%
Governmental/Institutional	7.45%
Railroads	0.96%
Roads	7.89%

Source: City of Irwindale

3. City Natural Resources

The only significant asset of the City of Irwindale was an unlimited supply of rocks and water from the San Gabriel River. After 1860, the rocky soil that made Irwindale undesirable for farming was gold to the fledging construction industry. In 1909, the first quarry opened north of what is now Foothill Boulevard, and Irwindale is designated as a "Significant Mineral Resource Zone" by the State of California. In fact, most of California's roads and freeways have some element of Irwindale's rock in them, as do many highways and interstate byways in the western United States. Today the sand and gravel mining industry is still an important part of the local economy and contributes to the unusual character of the City. Notwithstanding this historical condition, the City is now also a magnet for diverse business and commercial activities. Contributing to this industrial base is the City's strategic location in the center of the San Gabriel Valley, situated between the 210 and 605 freeways, which has attracted many large and well know businesses. The City continues to transition from a mining-oriented community to a first-rate manufacturing and diverse modern suburban City.

4 Mining Reclamation Activities

As one of California's largest mining areas, Irwindale is leading the trend toward reclaiming old pits and turning them into tax-generating businesses. The City of Irwindale continues to work closely with the operational mining companies in the city, ensuring future reclamation of existing mining quarries. It is these future reclamation opportunities that will cause the City to be one of the last communities in Los Angeles County and the San Gabriel Valley to offer large parcels of developable land. City officials hope to phase out mining pits and replace them with industrial parks and major businesses like Millercoors (formerly Miller Brewing Company), which has been in the City since the 1970s. Another major City success is the new \$150-million Irwindale Business Center (IBC), a 2.2-million-square-foot development built on a reclaimed gravel pit. The IBC contains 38 companies and approximately 2,200 employees.

The process for reclamation of mined lands entails complex land planning, environmental approvals, government consultation, and permit process. The physical process of reclaiming mined lands includes grading, backfilling, re-soiling, re-vegetation, soil compaction, and other reclamation requirements. These efforts will address soil erosion control, water quality and watershed control, waste disposal, and flood control. Unlike most other redevelopment projects throughout the state, the lead time required to plan, acquire, and reclaim former mined lands is much longer for ICRA projects.

II. PROJECTS CONTEMPLATED IN THE PREVIOUS FIVE YEAR PERIOD

As required by the Code, the prior 2005-2009 Implementation Plan included expected programs/projects and costs based on the anticipated revenues and other market conditions. The following list provides a summary of the ICRA's activities during this previous Implementation Plan period. These projects are located within the City Industrial Development Project Area.

A. Non-Housing Redevelopment Projects

1. Cal-Mat Shop Site

This approximately 23 acre property, located on the NWC of Azusa Canyon Road and Cypress Avenue, was purchased by the ICRA in 2003 with the intent of developing affordable housing. The ICRA demolished and cleared all improvements and conducted a Phase I and Phase II site assessment and remediation on the site in preparation for development. The property's close proximity to rail road tracks caused much concern for a housing development especially after a rail car chemical spill occurred on the site. In view of such concerns, the ICRA decided to change its plans and pursue a commercial/industrial development on this site. In March 2008, the ICRA initiated a request for proposal (RFP) soliciting developer interest. The ICRA received interest from 15 developers and selected the team of Huy Fong Foods, Inc. and 7th Street Development. The ICRA entered into negotiations in June of 2008 and after a lengthy negotiating period resulting from the economic downturn, the ICRA approved a Disposition and Development Agreement in October of 2009. The project received its entitlement approvals in November of 2009, and construction is expected to begin in summer 2010.

2. Former Shannon Casket Site

This site is located at 15744 Arrow Highway and was acquired by the ICRA in 2006. Environmental contamination was identified and remediated in 2006. The goal for this site was to pursue a mixed-use development (retail/office or commercial/retail) development. Two developer solicitations were initiated in 2007 and 2008 which resulted in no responses. ICRA staff responded by actively soliciting developers to create development interest in the site. The ICRA received development interest from three parties for a mixed-use development. In the first quarter of 2009, the ICRA commenced preliminary discussions with a hotel developer for a mixed-use hotel/retail project. Lack of financing, and concerns over the downturn in the economy and the hospitality industry, however, caused the developer to cease negotiations in the third quarter of 2009. In anticipation of a potential hotel development, the City established a Transient Occupancy Tax in 2009.

3. Arrow Highway Site Assembly

This project site was originally planned as a mixed use development with an affordable component. It includes various properties commonly known as Arrow Automotive (16233 Arrow Highway), Dishanni (16223 Arrow Highway), Jeffries (16331 Arrow Highway), and the Rock House (16203 Arrow Highway). Other recently acquired properties include 5223 Morada Street, 16239 Arrow Highway, 16331 Arrow Highway, and 5257 Vincent Avenue. All the properties were acquired between 1997 and 2009. The properties are located on the north side of Arrow Highway between Vincent Avenue on the east and mid block on the west, and within close proximity to the Civic Center complex. Some of the subject properties were acquired with Low-Moderate Income housing funds. If no affordable housing is developed on the site, the housing fund will be reimbursed.

4. Arrow Highway & Live Oak Property (also known as Gore Point)/ Vulcan Triangle

Located at the west intersection of Arrow Highway and Live Oak Avenue this ICRA owned site has excellent access to the Irwindale Speedway. Prior to 2005, the ICRA distributed a Request for Qualifications to interested developers, but decided not to go forward with the project due to major access issues. The ICRA began considering the redevelopment of this property in conjunction with the adjacent Vulcan Triangle, which was deeded to the City in 2009. Use of the Vulcan Triangle will require fill and the stabilization of a slope between this property and the JH Pit.

5. Irwindale Gateway Center, Phase II/ East Live Oak and Rivergrade Road

This subject site is encumbered with a sales tax rebate covenant that the ICRA agreed to reduce in order to encourage its development. Plans are underway for a combination fast food restaurant, gas and diesel fuel station, car wash and convenience store. During 2008, the project plans were submitted to the City for plan check, however, the downturn in the economy and the credit markets caused the developer to place the proposed project on hold.

6. Irwindale Business Center

This 123-acre former Calmat quarry is located across from the Irwindale Civic Center, and fronts Irwindale Avenue and Arrow Highway. Phase I was completed in 2002 with approximately 1.2 million square feet of office and light industrial uses. Phase II was completed with approximately 1,000,000 square feet of additional industrial space. This project has now been completed and is 100% occupied. The ICRA assisted with pre-development activities and facilitated the permit process.



7. Denny's Restaurant

The project site is located at 6550 North Irwindale Avenue. This ICRA owned site has housed various restaurants and is currently leased by a Denny's restaurant. A market study prepared by Keyser Marston consultants determined that this site is optimal for retail development. In this regard, the ICRA will be considering the inclusion of this site in conjunction with the redevelopment of the adjacent Kincaid Pit North property.

8. Commercial and Industrial Design Guidelines (Previously Community Design/Identification Program)

This project is complete and has been implemented. New design guidelines were adopted in

February 2002 to enhance future development and set uniform development standards for non-residential development throughout the City. The Irwindale Business Center, the Buena Vista Business Center, the Irwindale Commerce Center, and the Tifal Development Project exemplify successful implementation of the 2002 Design Guidelines. In implementing the 2002 Design Guidelines, staff found that the Guidelines: (1) did not provide adequate flexibility for exemptions, (2) required a development standard that appeared to be excessive (i.e., the requirement that 20% of the gross site area be landscaped), and (3) did not provide sufficient guidance on the interpretation of the architectural theme. Therefore, amended Commercial and Industrial Design Guidelines were adopted in January 2009 that addressed these three issues. These guidelines are critical as the City begins a gradual transition from a mining town to a commercial metropolitan community.

9. Fourth Street Site Assembly/Public Improvements

This project site is located between Fourth Street and Azusa Canyon Road on the north side of Arrow Highway. The site is 17.91 acres consisting of 10 parcels. This industrial area is developed with incompatible and obsolete land uses. It has been ICRA's desire to assemble the properties and redevelop the area into a mixed-use retail and industrial development. Due to a lack of available funds and the extensive cost of acquiring, relocating, and preparing the site for development, the ICRA is reconsidering its strategy for this area.

10. West Live Oak Site Assembly/Public Improvements

Located on both sides of the street west of the Irwindale Speedway, the area consists of underutilized properties. The ICRA hoped to create new commercial opportunities. During the last planning period no progress was made on this project as a result of limited financial resources.

11. Park Development

One of the ICRA realized goals was to develop new open space and park facilities to serve the City's residents. The ICRA was able to 1) create a new substantially landscaped walking path that meandered along the 123-acre **Irwindale Business Center**, 2) implement substantial improvements to **Irwindale Community Park**, and 3) begin construction on a new community park (Jardin de Roca) with skate park, basketball and tennis courts, picnic areas, tot lot, opens pace, and walking trails on Irwindale Avenue across from Irwindale City Hall.

12. The NuWay Industries Landfill

The proposed project site is privately owned and located east of the San Gabriel River/605 Freeway and west of Live Oak Lane near the Irwindale Speedway. This former quarry is in the process of being appropriately reclaimed. It has been the ICRA's desire to transform the reclaimed landfill property into a 68-acre regional retail site. However, due to litigation related to improper filling of the site, this effort will be delayed. Staff will continue to monitor the legal proceedings and work with the property owner as appropriate to find solutions to properly reclaim and develop the site.

13. 17 Acres Site (Materials Recovery Facility)

This 17.2 acre ICRA owned site was acquired in 1990 and is located on the NWC of Arrow Highway and Live Oak Avenue. The ICRA previously pursued the development of an Auto After-Market project, as well as other retail development. In 2005 the ICRA changed its marketing strategy and initiated a Statement of Interest (SOI) process for the development of a Materials Recovery

Facilities (MRF). The SOI process resulted in the selection of Athens Services to negotiate the development of a MRF. ICRA staff has executed a Memorandum of Understanding with Athens and is the process of negotiating a disposition and development agreement.

14. Speedway Business Park (formerly Buena Vista Development Site)-2544 Buena Vista Street

This project is **complete** and includes four buildings totaling approximately 84,000 square feet. The development was constructed on property owned by the ICRA on the northeast corner of Buena Vista Street and Miguel Miranda Avenue (formerly Tifal Avenue). The project was completed in 2006 pursuant to a Disposition and Development Agreement with 7th Street Development.

15. Kincaid Pit North

The proposed project site is located north of and adjacent to the Foothill Freeway and south of Foothill Boulevard. The project site is comprised of 2 parcels and is 14.88 acres. The Kincaid Pit North is an expended quarry that the ICRA acquired in 2005. The visibility of this site is very good, but the parcel sits astride the boundary line between Azusa and Irwindale, has drainage problems, has not been reclaimed, and has poor access. Due to all these factors redeveloping the site has been very difficult. The ICRA has previously worked with potential developers to overcome these development issues; however, progress has been delayed due to lack of financial resources and the recent economic downturn.

16. Irwindale Pit No.1 (Formerly known as the Manning Pit)

Previously identified as the Town Center Development, this site was acquired in 1995 utilizing Low and Moderate Income Housing funds and with the intent of reclaiming the pit to develop affordable housing, and light industrial /commercial facilities. The project has been delayed by significant problems stemming from improper fill material and compaction issues. As a result, the ICRA removed this property from its affordable housing program, and in 2005 replaced the affordable housing funds used to acquire it. In preparation for the remediation of the pit, a field exploration program was commissioned. Between 2005 and 2008 several studies were conducted which analyzed the site for possible contamination, structural and compaction issues; subsurface conditions, and settlement analysis. The study also reviewed the feasibility of redevelopment; and characterized backfill and differential settlement factors. A notice to proceed on remediation of the pit was granted by the City on August of 2009.

B. Economic Development Programs

1. Ranch Markets

This completed project involved ICRA coordination of various forms of business technical assistance in an effort to retain jobs. In September 2002, Southern California Edison informed the ICRA of the owner's intent to close the Ranch Markets Company. In response the ICRA coordinated the expertise of various business assistance agencies, which resulted in methods to reduce operating expenses and managing worker's compensation issues. These efforts resulted in substantial cost savings that enabled the company to remain in business and retain 60 jobs in the City of Irwindale.

2. Scholastic Book Fairs

The ICRA facilitated the attraction and relocation of the Scholastic Book Fairs business to Irwindale. This assistance included coordination of entitlement and building permits. This company is located within the Irwindale Business Center which helps schools with fundraising through book sales. The company has created 75 jobs and generated new sales tax revenues to the City of Irwindale.

3. Irwindale Speedway Partnership

The Irwindale Speedway, completed in 1999, is a state-of-the-art half-mile oval track with seating for 6,500 spectators. The facility was constructed on the site of a former tire landfill. This project is complete and involved the City entering into a Development Agreement that resulted in an economic partnership with the Speedway to enhance the reader board sign located at the Speedway site along the 605 Freeway. The sign identifies the City and utilizes the City's illuminated logo. In exchange for the ICRA's assistance, the ICRA receives on-going advertising as well as opportunities to promote business and economic development activities in Irwindale. The ICRA continues to work with the speedway to ensure the success of the facility.

4. Small Business Development Center (SBDC)

This program officially began September 1, 2003, but was discontinued in 2009 as a result of lack of funding from the State. The SBDC provided one-on-one consulting to businesses in a wide array of areas; their services were free to Irwindale businesses and a small fee was charged for businesses outside the City. The ICRA will monitor the organizations future for a possible contract renewal.

5. Business Development Brochure

The ICRA retained consultants to prepare a brochure for distribution. The brochure is used for economic development purposes and business attraction efforts. It highlights existing businesses and favorable economic opportunities in the City and promotes a new and positive image of Irwindale. The brochure is the key marketing tool ICRA staff has to market business opportunities to businesses and developers. The ICRA continues to utilize the marketing document to help attain its economic development objectives.

6. Commercial Facade Rehabilitation Grant Program

The goal of this pilot program was to address physical and visual blight in older buildings along the commercial corridors of the community. This program was intended to eliminate defective designs, physical blight due to age, obsolescence, deterioration, dilapidation, and incompatible, and shifting uses. This program has been discontinued while the ICRA re-evaluates program

parameters and funding. The ICRA will reconsider this program as it evaluates its redevelopment plans for the various commercial sections of the Project Area.

C. Public Improvements Component

As previously indicated virtually the entire city is located within the Industrial Project Area boundaries. The ICRA therefore has invested a portion of its tax increment resources for enhancement of its infrastructure throughout the Project Area. Projects have included rehabilitation of Gladstone Street, Rivergrade Road, and Live Oak Avenue, as well as traffic signals and traffic improvements at various locations. A complete list of the proposed capital improvement projects for FY 2005-2009 is displayed in Table 7.

Table 7 - Capital Improvement Plan Activities (FY 2005-2009)

Project	Status
Street Improvements to Hidalgo and Juarez Streets	Not Complete
Irwindale Avenue Misc. Improvements – Modify median Olive to Cypress Streets	Completed
Modify Traffic Signals: Arrow Hwy/4th Street, Arrow Hwy/ Azusa Canyon Road, Arrow/Morada Street	Not Complete
Gladstone Street Rehabilitation – Irwindale Avenue to Ayon Street	Completed
Install Perimeter Block Wall, Irwindale Pit No. 1	Completed
Install Traffic Signal – Edna Place/Irwindale Avenue	Completed
Rehabilitate Rivergrade Road – Los Angeles to 1,000' south of Arrow Hwy	50% Completed
Olive Street Storm Drain – Azusa Canyon to West City Limits	Not Complete 2009/2010
Cypress Avenue Storm Drain – Azusa Canyon to 100' East of RR Crossing	Completed
Widen Bridge/Rehab Los Angeles Street @ Big Dalton Wash	Not Complete 2009/2010
Reconstruct Live Oak Avenue/Arrow Hwy and Arrow Hwy/Rivergrade Road to Peck Road	70% Complete
Storm Drain Live Oak Ave./Arrow Hwy/ Avenida Barbosa to Saw Pit Wash	70% Complete
Sewer Line Improvements Arrow Hwy to Avenida Barbosa	70% Complete
Modify Median, Signal Upgrade – Irwindale Avenue/Foothill Blvd.	Not Complete 2009/2010
Reconstruct Los Angeles Street/ Little John Street to West City Limits	(2008/2009) Construction 02/09 to 02/10
Sewer Improvements – Park Avenue to West City Limits	Not Complete
Traffic Signal and Street Improvements – Irwindale Avenue First Street/Foothill Blvd.	Not Complete
Reconstruct Foothill Blvd – Irwindale Avenue to West City Limits	Not Complete
New Access Road – Hanson Pit @ Live Oak Avenue	Not Complete
Construct New Interchange - I-605 @ Live Oak Avenue	Not Complete

Source: The City of Irwindale ICRA and Public Works Department

III. PROPOSED PROGRAM FOR THE NEXT 5 YEAR (FY 2010-2014) PERIOD

The specific goals and objectives designed to address the blighting conditions within the Project Areas are summarized as follows:

A. Redevelopment Project Area Goals

- The elimination and prevention of blight and deterioration and the conservation, rehabilitation, and redevelopment of the Project Areas in accordance with the General Plan, applicable codes and ordinances, and Redevelopment Law.
- The promotion of new and continued encouragement of private sector investment within the Project Areas to prevent the loss and to facilitate the recapture of, commercial sales activity and replacement of revenues that will be lost when mining operations diminish with the depletion of quarry sites.
- The achievement of an environment reflecting a high level of concern for architectural, landscape, urban design and land use principles appropriate for the attainment of the objectives of the Redevelopment Plans.
- The creation of conditions that will result in the reduction of crime and an increase in public safety.
- The retention and expansion of as many existing businesses as possible by means of redevelopment and rehabilitation activities, and by encouraging and assisting the cooperation and participation of owners, businesses, and public agencies in the revitalization of the Project Areas.
- The fostering of a business environment that leads to increased sales, business licenses, and other fees, taxes, and revenues for the City.
- The creation and development of local job opportunities and the preservation of the area's existing employment base.
- The redesign, rehabilitation, and redevelopment of areas which are stagnant or underutilized.
- The elimination or amelioration of certain environmental deficiencies, including substandard vehicular circulation systems; inadequate water, sewer, and storm drainage systems; insufficient off-street parking; and other similar deficiencies that adversely affect the Project Areas.
- The expansion of the community's supply of affordable housing, including opportunities for low- and moderate-income households.
- The reduction of the City's annual costs for the provision of local services to, and within, the Project Areas.

- The continued assistance of necessary cleanup and remediation of quarry properties.
- The acquisition of properties that are determined to be of benefit to the ICRA and the Project Areas.

B. Program Objectives

This is a time of unprecedented turmoil but also of opportunity in the economy – it therefore requires that the ICRA plan and take advantage of it. In light of the current economic conditions the ICRA will continue to be very active in the pursuit of quality and productive developments of its holdings and project area properties.

Past ICRA leadership has had the foresight to invest, develop, and land bank sizeable and attractive development sites. Although the present and near-term economic outlook is challenging, redevelopment opportunities continue to exist. The City Industrial Project Area is a desirable business location, has a strong daytime workforce, good economic base, and the potential for creating new large developable sites from expended mining pits. The guiding force behind implementation of the proposed work program therefore is based on the following principles.

- Implement the development of ICRA-owned sites that are currently in a developable condition and take necessary actions to prepare sites that are not ready for disposition.
- Prepare the more complex sites for development to take advantage of the longer term economic recovery. This effort includes identifying and bringing to bear the required assistance to attract quality development.

In addition to the goals and objectives identified in the Redevelopment Plans, specific programmatic goals and objectives designed to eliminate blight in the next five years are listed below:

- Assist in the renovation, new development, and retention of stable businesses in the City Industrial Development Project Area
- Pursue redevelopment alternatives for targeted residential and commercial sites
- Eliminate and prevent the spread of blight
- Encourage private sector investment in the redevelopment areas
- Promote the economic well-being of the Project Areas by encouraging diversification of the commercial and industrial base
- Promote the development of diverse local job opportunities
- Provide opportunities for commercial and industrial firms to locate their operations in an attractive, safe, and economically sound environment
- Identify Development Potential of Community
- Establish consistency with the General Plan and Design Guidelines
- Create an environment that will facilitate and support redevelopment and economic vitality
- Further identity of desirable shopping, eating, and community service opportunities
- Create an attractive and safe community through elimination of blight

- Establish community connectivity that uses both pedestrian networking and well designed roads
- Create a recognizable “Downtown”

C. Proposed ICRA Programs and Projects

As part of its ongoing development programs, the ICRA anticipates assisting or participating in various developments over the next five years. The reclamation of former mining sites, remediation of contaminated, underutilized, and otherwise blighted sites will remain an on-going activity. The process for reclamation of mined lands entails complex land planning, environmental approvals, government consultation, and permit process. *Unlike most other redevelopment projects throughout the state, the lead time required to plan, acquire, and reclaim former mined lands is much longer for ICRA projects.* In addition, the investment in the project area infrastructure is a critical component of the overall redevelopment program.

The following section presents a summary of the proposed non-housing redevelopment projects for the ensuing Implementation Planning period (FY 2009-2014).

1. 17-Acre Site - Materials Recovery Facility – (MRF)

This 17.2-acre site, located on the NWC of Arrow Highway and Live Oak Avenue, was purchased by the ICRA in 1990. Previously considered for various retail developments including an Auto After-Market project, it is now being considered for a potential Materials Recovery Facility/Transfer Station (MRF/TS). In 2005, the ICRA initiated a MRF/TS Statement of Interest (SOI) process that resulted in the negotiation of a Memorandum of Understanding (MOU) with Athens Services for a MRF/TS project. The MOU was executed by the ICRA in June of 2008. Since that time, ICRA has been preparing an Environmental Impact Report (EIR), analyzing the project's economics, and preparing the various agreements that will implement the project. During the coming five year period, the ICRA will work towards completing the EIR, negotiations on a Disposition and Development Agreement, and other agreements required to implement and regulate the project.

Seventeen Acres – APN 8535-001-911



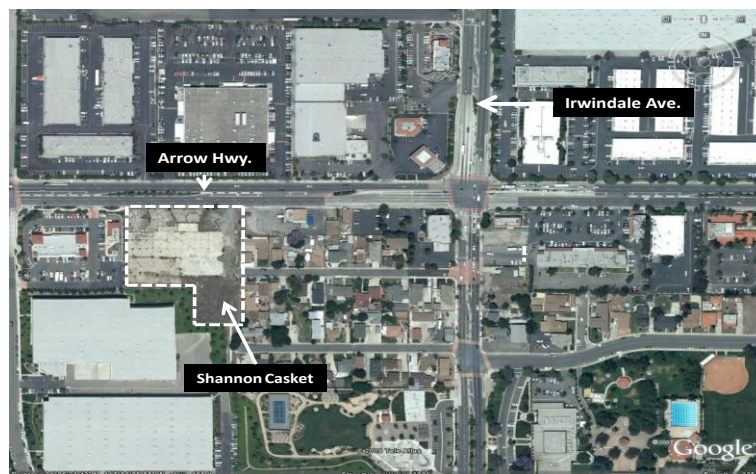
2. Cal-Mat Shop Site

This property, located on the NWC of Azusa Canyon Rd. and Cypress Avenue, is approximately 23 acres in size, and was purchased by the ICRA in 2003. The ICRA demolished and cleared all improvements and conducted a Phase I and Phase II site assessment and remediation on the site in preparation for development. The property was originally purchased for an affordable housing development; however, public safety concerns over its proximity to rail road tracks and a rail car chemical spill caused the ICRA to change course and pursue a commercial/industrial development. The ICRA will replace the required affordable housing funds used to acquire the site as required by law. During 2008 and 2009 the ICRA negotiated and approved a Disposition and Development Agreement with the team of Huy Fong Food, Inc. and 7th Street Development for the construction of a new 626,186 s.f headquarters and food processing facility for Huy Fong Foods, Inc. Huy Fong Foods, Inc. manufactures jalapeño chili pepper sauces and related products. The developer is in the process of preparing construction plans, and the project is expected to begin construction in 2010. Over the next five years the ICRA will monitor the construction of the facility which is expected to be completed and operating by 2012.

3. Shannon Casket Site

This property was purchased by the ICRA in 2005. It is 2.5 acres in size and located at 15744 Arrow Highway. The site was known to have soil contamination and in 2006 the site was remediated. The ICRA is currently negotiating with a developer for a 120 room hotel development. It is concurrently preparing to demolish and clear the remaining site improvements and prepare the site for development.

Shannon Casket – 15744 Arrow Highway – APN 8417-035-902



4. North Kincaid Pit

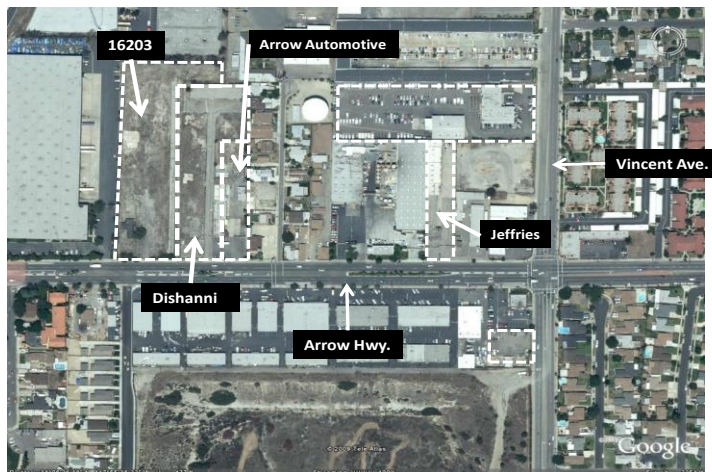
This property was purchased in 2005. It is an expended quarry that is located north of and adjacent to the Foothill Freeway and south of Foothill Boulevard. The property lies between the

jurisdictions of the City of Irwindale and the City of Azusa. In 2003, the ICRA met with staff from the City of Azusa to jointly negotiate a retail development. The negotiations were not successful, however, a number of developers expressed strong interest in developing the property and the ICRA decided to purchase the site from Vulcan Materials in 2005. That same year, a Request for Proposal/Request for Qualifications (RFQ/RFP) effort was initiated, but all the proposals were rejected as a result of the large cost that would be required to manage the site's physical constraints (i.e. access, and drainage). During the next five years, the ICRA intends to develop this site. It will commence a study of the site to identify the most feasible development option to pursue based on the physical constraints, financial capacity, and projected economic indicators for the most appropriate real estate development.

5. Arrow Highway Site Assembly

This site includes key properties commonly known as Arrow Automotive (16233 Arrow Highway), Dishanni (16223 Arrow Highway), Jeffries Automotive (16331 Arrow Highway), and the Rock House (16203 Arrow Highway). Other recently acquired properties include 5223 Morada Street, 16239 Arrow Highway, 16331 Arrow Highway, and 5257 Vincent Avenue. All the properties were acquired between 1997 and 2009. The properties are located on the north side of Arrow Highway between Vincent Avenue on the east and mid block on the west, and within close proximity to the Civic Center complex. The ICRA had originally assembled these properties with the intent of developing affordable housing. As the ICRA is on target to meet its housing obligations, however, it is contemplating alternate possibilities such as a mixed-use development with an affordable housing component or a mix of other commercial developments. Most of the properties were acquired with low-moderate housing funds and as such the low-mod housing fund will be reimbursed accordingly if no affordable housing is developed on the site.

16203 Arrow Highway – APN 8619-010-907
 Dishanni – 16223 Arrow Highway – APN 8619-012-905
 Arrow Automotive – 16233 Arrow Highway – APN 8619-012-909
 Jeffries – 16331 Arrow Highway – APN 8619-012-908



6. Arrow Highway & Live Oak Property (also known as Gore Point)/Vulcan Triangle

Located at the west intersection of Arrow Highway and Live Oak Avenue this ICRA owned 2.85 acre site is directly across from the Irwindale Speedway. The ICRA will continue to pursue development of this odd-shaped parcel that is difficult to access. The ICRA has considered the development of this site in conjunction with the adjacent Vulcan Triangle (aka the Vulcan Live Oak Pit). Since the Vulcan Triangle is now owned by the City, the ICRA will be studying its redevelopment options during the next five years. This includes conducting feasibility studies and planning analysis, and seeking the resources to redevelop the site. Funding for this effort has been included in the ICRA's operating budget.

7. Irwindale Pit No.1 (Formerly known as the Manning Pit)

This property was acquired in the late 1995 with the idea of creating a City Town Center that included affordable housing and light industrial/ commercial development. It was originally acquired by the ICRA with Low and Moderate Income Housing funds. Significant problems related to improper fill material and compaction issues have delayed the project resulting in removal of the site from the ICRA's affordable housing program and the return of acquisition funds to the ICRA's Low and Moderate Income Housing Fund in 2005. After various studies on the character and extent of the improper fill and compaction, a notice to proceed on the remediation of the pit was granted by the City on August of 2009. As reclamation nears completion (expected by 2018) final land use possibilities will be determined. The ICRA will monitor the progress of reclamation over the next five years.

Irwindale Pit No. 1 (formerly known as Manning Pit) – APN 8417-034-910



8. East Live Oak and Rivergrade Road

This site is a privately owned and has a sales tax covenant that the ICRA agreed to reduce in order to encourage its development. In 2008, the ICRA started negotiations for the development of a

project that included a combination fast food restaurant, gas and diesel fuel station, car wash, and convenience store. In late 2008, the owner obtained City approval for the site plan and design and the conditional use permit. The owner secured a grading permit in 2009 and will be petitioning for an extension, during which he will be seeking project financing. The ICRA will be working with the owner to provide assistance in securing financing.

9. Denny's Restaurant

This ICRA owned site is located at 6550 North Irwindale Avenue and has been identified as an optimal retail site due to its freeway visibility and proximity. The site is being planned for inclusion with the development of the North Kincaid Pit.

10. 242 Live Oak Avenue

This property was acquired by the ICRA in 2005. This industrial area is developed with a mixture of uses. The ICRA had intended to assemble or work with property owners surrounding the property to redevelop the area and eliminate the current substandard conditions and blighting influences that exist in the area - there are multiple ownerships, inadequate public improvements, dilapidated structures, etc. that are prevalent in the area. During the coming five years, the ICRA will be preparing a strategy for the redevelopment of this site, and possibly the surrounding properties.

242 Live Oak Avenue – APN 8532-004-900 (010)



11. 2424 Mountain Avenue

This property was acquired in 1987 with the intention of developing it for affordable housing. It is a flag lot that is located near the north east corner of Mountain Avenue and Shrode Avenue, between a commercial property and residential property. The odd shaped lot will require the assembly of adjacent sites, however, lack of funds have made it difficult to pursue the redevelopment of this site. This lot is one of several ICRA properties that the ICRA is planning to redevelop as its redevelopment and funding strategy evolves over the next five years.

12. 2511 Buena Vista

This .54 acre piece of property is a remnant piece that was part of a larger acquisition that occurred in 1991. The property that it was a part of is located on the northwest corner of Buena Vista Street and Tifal, and has been redeveloped into a modern commercial/light industrial facility. Between 2006 and 2008, the ICRA was in negotiations for the disposition and development of the property, however, the downturn in the economy caused the developer to halt negotiations as project financing was minimal or too costly, and long-term economic conditions caused concern for the developer. During the upcoming five -year period, the ICRA will market the property for development.

Buena Vista Street – 2511 Buena Vista Street – APN 8533-001-916



13. NWC Azusa Canyon Rd. & Los Angeles St.

This property is located on the northwest corner of Azusa Canyon Rd. and Los Angeles Street. It was acquired in 1988 and is planned for a public improvement that involves the widening of the bridge at the intersection of Azusa Canyon Rd. and Los Angeles Street. The widening of the bridge will allow for the safer movement of the commercial/industrial traffic that occurs at that end of the City. Work is planned for completion during the five year period of this Plan.

Olive Pit – APN 8415-001-906
Northwest corner Azusa Canyon Road and Los Angeles Street – APN 8415-001-907



14. 5130 Irwindale Avenue

This property was acquired in 1990 with the intent of assembling additional property for commercial uses that can complement the Irwindale Plaza Shopping Center. The ICRA will be reviewing the redevelopment strategy for this site in light of the current economic downturn.

D. Capital Improvement Program

The following table presents the proposed capital improvements program for the City Industrial Redevelopment Project Area (FY 2009-2014). The costs are estimates and subject to change based upon final design and engineering plans, contraction bids, and revenue availability.

Table 8 - Planned Capital Improvement Plan Activities (FY 2009-2014)

PROJECT DESCRIPTION	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Annual ADA Ramp Project				\$30,000		\$30,000
Arrow Hwy- Third Lane Study/Construction					\$75,000	\$500,000
EOC/ City Yard Design	\$80,000					
Freeway 605 @ Live Oak/Arrow Hwy Imp Study	\$500,000					
Fwy 605 Ramp Improvement @ Live Oak and Arrow Hwy					\$5,000,000	\$5,000,000
Irwindale @ Cypress - Left Turn Study						
Irwindale Ave @ Cypress St Left Turn Phasing			\$75,000			
Kincaid Pit Drainage Improvement	\$1,500,000	\$750,000				
Kincaid Pit Reclamation			\$500,000	\$1,500,000		
Left Turn Phasing Live Oak @ Peck Rd.	\$50,000					
Los Angeles Street Bridge Widening	\$600,000					
Manning Pit Reclamation	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Olive Pit Reclamation				\$1,000,000	\$1,000,000	\$1,000,000
Pavement Management study		\$10,000	\$10,000			
Sidewalk Gap Repair				\$10,000		\$10,000
Vincent Street Resurfacing	\$50,000					
Sanitary Sewer Master Plan		\$20,000				
Sanitary Sewer Master Plan - Construction			\$50,000	\$50,000	\$50,000	\$50,000
Storm Drain Master Study		\$50,000				
Storm Drain Master Plan Construction			\$100,000	\$100,000	\$100,000	\$100,000
New Traffic Signal-Azusa Cyn @ L A St Study		\$30,000		\$275,000		
Mission Facility Rehab		\$25,000				
Irwindale @ Arrow - Ex Rt Turn Lane Study		\$10,000				
Longden Ave Reconstruction/Resurfacing		\$250,000				
Azusa Cyn Rd @ Arrow Hwy I/S Widening					\$125,000	\$750,000
Transportation Master Plan - Construction			\$100,000	\$100,000	\$50,000	\$50,000
Kincaid Pit Drainage Improvement			\$1,200,000			
New Traffic Signal-Camino De La Cantera @ Irwindale Ave					\$150,000	
Irwindale Avenue @ Arrow Hwy I/S Widening				\$150,000	\$1,000,000	
Longden Ave Reconstruction/Rehabilitation			\$500,000			
Total	\$3,080,000	\$1,245,000	\$2,635,000	\$3,315,000	\$7,650,000	\$7,590,000

E. Proposed Program and Redevelopment Goals

The following Table summarizes the ICRA's primary redevelopment goals as they correspond to each proposed project. The summarized goals and the projects correspond to those listed in this Plan document.

Table 9 - Proposed Program and Redevelopment Goals

Primary Redevelopment Program Goals	17-Acre Site -(MRF)	Cal-Mat Shop Site	Shannon Casket Site	North Kincaid Pit	Arrow Highway Assembly	Arrow hwy/Live Oak	Irwindale Pit No.1	East Live Oak	Denny's Rest.	242 Live Oak Ave.	2424 Mountain Ave.	2511 Buena Vista	Azusa Canyon/ LA St.	5130 Irwindale Ave	Capital Improvement Program
Elimination and prevention of blight.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
New and/or continued private sector investment.	X	X	X	X	X	X	X	X	X	X	X	X		X	
Help attain good urban design and land use standards via a DDA/Design for Development.	X	X	X		X	X	X		X	X	X	X	X		
Conditions that increase public safety.	X	X	X					X		X				X	
Business retention and/or expansion					X			X		X				X	
Creation and/or preservation of local job opportunities.	X	X	X	X	X	X	X	X	X	X	X	X		X	
Redevelopment of underutilized and/or stagnant areas and property values.	X	X	X	X	X	X	X	X	X	X	X	X			
Amelioration of environmental and/or infrastructure deficiencies.			X	X			X						X		X
Enhanced fiscal revenues to support public services.	X	X	X	X		X	X	X	X	X		X		X	

F. Blight Relationship - Non-Residential Projects

All the proposed projects and expenditures described above are directly related to the elimination of blight within the Project Areas as defined by CRL. Capital Improvements will create the basic infrastructure conditions in the Project Areas required for private redevelopment. Private development will be the means by which the redevelopment goals and objectives are attained. The following list summarizes the relationship and nexus between the proposed redevelopment projects and elimination of blight.

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

Nexus between Non-Housing Projects and Elimination of Blight

The following section discusses the relationship between the proposed redevelopment projects and how they serve to eliminate physical and economic blight pursuant to Community Redevelopment Law.

1. 17-Acre Site (Materials Recovery Facility)

This 17.2-acre site is ICRA owned and planned for development of a Materials Recovery Facility/Transfer Station (MRF/TS). The site will require pre-development planning, site preparation, and procurement of entitlements before development can be completed.

Redevelopment of this site will serve to eliminate existing physical and economic blight in various ways. For example, the site is presently underutilized constitutes a physical and economic burden on the City such as contributing to stagnant property values and general blight impacts of vacant properties.

Moreover, due to the economics of acquisition, site preparation, environmental compliance, and overall development costs, this site could not reasonably be expected to be improved by private enterprise acting alone or without public assistance. In addition, under redevelopment via a

Disposition and Development Agreement (DDA) instrument, the ICRA will be assured that the site will be properly redeveloped in accordance with good design, the General Plan, and Redevelopment Project Area Plan Design for Development requirements.

The assemblage of these properties will serve to eliminate existing physical and economic blight in various ways. Development of these properties will serve to address issues of underutilization and stagnant property values.

2. Cal-Mat Shop Site

The ICRA entered into a Disposition and Development Agreement (DDA) with Huy Fong Food, Inc/7th Street Development for development of a food manufacturing facility expected to begin construction in 2010. The Cal-Mat property was previously vacant and underutilized constituting a physical and economic burden on the City. The redevelopment of this site will serve to eliminate existing physical and economic blight in various ways. Development of this site will also address stagnant property values and issues of vacant properties.

Economic viability was hampered as a result of acquisition, site preparation, environmental remediation, entitlements planning costs, and overall development costs. Moreover, due to these factors, this site could not reasonably be expected to be improved by private enterprise acting alone or without ICRA public assistance. In addition, under the DDA, the ICRA will address existing substandard design and be assured that the site will be properly redeveloped in accordance with the General Plan and the Redevelopment Project Area Plan.

3. Shannon Casket Site

This 2.5 acre site was acquired and soil contamination was remediated. Presently, the ICRA is negotiating for development of a 120 room hotel development. It is also planning to demolish and clear site improvements and prepare the site for development.

The redevelopment of the Shannon Casket site will serve to eliminate existing physical and economic blight in various ways. The site is underutilized constituting a physical and economic burden on the City. Development of this site will also address stagnant property values and issues of vacant properties.

Real estate development feasibility was affected by the cost to acquire, prepare the site for development, remediate soil contamination, entitlements planning costs, and overall development costs. Due to these factors therefore, this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, under the DDA, the ICRA will address existing substandard design and be assured that the site will be properly redeveloped in accordance with the General Plan and Redevelopment Project Area Plan Design for Development requirements.

4. North Kincaid Pit

The Kincaid Pit property, an expended quarry, is located north of and adjacent to the Foothill Freeway and south of Foothill Boulevard. The ICRA is in negotiations to purchase the site from Vulcan materials in the near future.

The North Kincaid Pit suffers from extensive economic and physical blight as defined by Redevelopment Law and development is absolutely infeasible in its present condition. The physical

process of reclaiming mined property includes grading, backfilling, re-soiling, re-vegetation, soil compaction; and other reclamation requirements for soil erosion control, water quality and watershed control, waste disposal, and flood control. The process involves multiple government agencies and a long planning, approval, and reclamation process over years.

Since the ICRA now owns the site, it is pursuing the reclamation and redevelopment process. These efforts will serve to eliminate existing physical and economic blight in various ways. Redevelopment will also serve to address this underutilized and vacant site and help alleviate this physical and economic burden (stagnant property value) upon the City.

Given current condition of the site (mined pit), redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with the General Plan and Redevelopment Project Area Plan Design for Development requirements.

5. Arrow Highway Site Assembly

The ICRA has assembled these properties with the intent of creating a commercial or possibly a mixed-use commercial-residential development that includes single family affordable housing opportunities.

The acquisition and site assembly of these properties under multiple ownerships will serve to eliminate existing physical and economic blight in various ways. These properties are presently underutilized constituting a physical and economic burden on the City. Development of this site will also address issues of stagnant property values. An additional economic blight factor to be addressed would be adequacy of necessary commercial retail facilities to meet the needs of the residents and massive daytime workforce.

Given current development standards and market conditions these individual lots could not be feasibly developed. Redevelopment of the assemblage of these individual properties is further hampered by the cost to acquire, prepare the site for development, entitlements planning costs, and overall construction costs. Due to these factors therefore, this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under a DDA will assure proper redevelopment in accordance with the General Plan and Redevelopment Project Area Plan Design for Development requirements.

6. Arrow Hwy/Live Oak Property

The 2.85-acre Arrow Highway/Live Oak Site is owned by the ICRA. It is an odd-shaped parcel with limited and difficult access. The ICRA has determined that development of the site will better achieved with the addition of the Vulcan Triangle (formerly the Vulcan Live Oak Pit), especially now that the City owns it.

The Arrow Highway and Live Oak Property/Vulcan Triangle Site both suffer from economic and physical blight as defined by Redevelopment Law. Redevelopment of this parcel is infeasible in its present condition. As indicated, the site suffers from irregular configuration, limited and circuitous access, inadequate public improvements and utilities. In addition, development of the site is hampered by incompatible uses (former un-reclaimed pit) creating further economic feasibility

burdens. The ICRA is therefore working to reclaim the adjacent incompatible site, plan for proper access, secure entitlements, and conduct other pre-development planning and site preparation activities.

Given current conditions, redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with, the General Plan and Redevelopment Project Area Plan Design for Development requirements.

7. Irwindale Pit No.1 (Formerly known as the Manning Pit)

This property was acquired in the late 1980 and has been undergoing reclamation and remediation of contaminated soils. The physical process of reclaiming mined property includes grading, backfilling, resoiling, revegetation, soil compaction, and other reclamation requirements. These efforts will address soil erosion control, water quality and watershed control, waste disposal, and flood control conditions. The process involves multiple government agencies and a long planning, approval, and reclamation process over many years. As reclamation nears completion final land use possibilities will be determined.

At present the Site suffers from economic and physical blight as defined by Redevelopment Law. Redevelopment of this parcel is infeasible in its present condition as an expended former mining pit and with possible soils contamination.

Given the site's current condition redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with, the General Plan and Redevelopment Project Area Plan Design for Development requirements.

8. East Live Oak and Rivergrade Road

This privately owned site contains a recorded sales tax reduction covenant in order to help encourage its redevelopment. The need for ICRA assistance on this site is illustrated by this covenant. The ICRA plans to work with the current property owner to complete the redevelopment of this underutilized site.

The lack of necessary commercial facilities that are normally found in neighborhoods, constitute economic blight pursuant to CRL Section 33031. The ICRA therefore plans to encourage the property owner to develop the property with a mix of uses including restaurant, gas station, and convenience store.

Given current commercial/retail development standards and market conditions, this parcel could not be feasibly developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under an OPA will assure proper redevelopment in accordance with the General Plan and Redevelopment Project Area Plan Design for Development requirements.

9. Denny's Restaurant

The ICRA owns a property adjacent to the North Kincaid Pit upon which a Denny's Restaurant is situated under leasehold. Based on past retail market demand studies, this site had shown potential for development of a major neighborhood or community-serving retail project. However given the existing site conditions and limited access redevelopment of this site would be a long-term effort, possibly extending beyond the present life of the redevelopment plan. The ICRA will therefore continue to review market demand and other physical and economic factors to determine the development feasibility and best course of action over the ensuing five years.

The lack of necessary commercial facilities that are normally found in neighborhoods, constitute economic blight pursuant to CRL Section 33031. The ICRA therefore will consider plans to ultimately redevelop this site to the city's retail needs, if feasible. Given current commercial/retail development standards and market conditions, this parcel could not be feasibly developed by private enterprise acting alone or without ICRA public assistance. In addition, ultimate disposition of the site under a DDA will assure proper redevelopment in accordance with the General Plan and Redevelopment Project Area Plan Design for Development requirements.

10. 242 Live Oak Avenue

This property was acquired by the ICRA in 2005 with the intention of working with property owners surrounding the property to redevelop the area. The area currently suffers from substandard building conditions and blighting influences. During the ensuing five years, the ICRA will prepare a strategy for the redevelopment this property. Such planning efforts may consider and include the surrounding properties.

At present the Site suffers from economic and physical blight as defined by Redevelopment Law. Redevelopment of this parcel is infeasible in its present condition as a former mining pit and with soils contamination.

Given current conditions, redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with, the General Plan and Redevelopment Project Area Plan Design for Development requirements.

11. 2424 Mountain Avenue

This flag lot property was acquired in 1987 with the intention of developing it for affordable housing located between a commercial property and residential property. The odd shaped lot will require the assembly of adjacent sites, however, lack of funds have made it difficult to pursue the redevelopment of this site. The ICRA is planning to redevelop this site as its redevelopment and funding strategy evolves over the next five years. The final uses will be determined over this period of time.

At present the Site suffers from economic and physical blight as defined by Redevelopment Law. Blight is defined as 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. Blight is also defined as the existence of subdivided lots of irregular form and shape and inadequate size for

proper usefulness and development that are in multiple ownership. The subject Mountain Avenue property suffers from such examples of blight.

Given current condition redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, eventual disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with, the General Plan and Redevelopment Project Area Plan Design for Development requirements.

12. 2511 Buena Vista

This .54 acre property is located on the northeast corner of Buena Vista Street and Tifal Avenue. It is a remnant piece of property which was part of a larger acquisition that occurred in 1991. The larger piece was redeveloped into a modern commercial/light industrial development. Between 2006 and 2008, the ICRA was in negotiations for the disposition and development of the remnant parcel. However downturn in the economy and real estate market forced development negotiations to end. The ICRA plans to remarket the property for development during the next five years.

At present, the Site suffers from economic and physical blight as defined by Redevelopment Law. One form of blight is the existence of subdivided lots of irregular form and shape and/or inadequate size for proper usefulness and development. The subject property suffers from such blight factors.

Given current condition redevelopment of this site could not reasonably be expected to be developed by private enterprise acting alone or without ICRA public assistance. In addition, eventual disposition of the site under a DDA will assure issues of proper land use, planning, and environmental concerns are addressed in accordance with, the General Plan and Redevelopment Project Area Plan Design for Development requirements.

13. NWC Azusa Canyon Rd. & Los Angeles St.

This property was acquired in 1988 and is planned for a public improvement that involves widening of a bridge. The area in which this property lies contains conditions characterized by the existence of inadequate public improvements which meet the CRL definition of blight. Lack of adequate infrastructure conditions such as the subject bridge prevent or substantially hinder the economically viable use or capacity of existing buildings and properties further meeting the requirements of blight. The provision of such infrastructure and capital improvements is necessary to effectuate the purposes of the redevelopment plan. The ICRA's contribution to the cost of the public improvements will assist in the elimination of various blighting conditions in the project area.

14. 5130 Irwindale Avenue

This property was acquired in 1990 and currently serves the Irwindale Plaza shopping center by providing additional access and parking space for the neighborhood shopping center. The ICRA will continue to provide periodic maintenance and preserve its current use.

Pursuant to CRL, a blighted area is also one that contains the conditions characterized by the existence of inadequate parking facilities. Physical blight is also characterized by factors that

prevent or substantially hinder the economically viable use or capacity of the property, such as market conditions, lack of parking, or other similar factors.

The subject Irwindale Avenue property suffers from such blight factors noted above. The ICRA's activities over the next five year Plan period will serve to eliminate such blight factors.

G. Blight Relationship Capital Improvement Projects

The following section discusses the relationship between the proposed redevelopment projects and how they serve to eliminate physical and economic blight pursuant to CRL.

The project area contains the conditions characterized by the existence of inadequate public improvements, parking facilities, or utilities which meet the CRL definition of blight. These infrastructure conditions prevent or substantially hinder the economically viable use or capacity of existing buildings and properties further meeting the requirements of blight. The provision of such infrastructure and capital improvements is necessary to effectuate the purposes of the redevelopment plan. The ICRA's contribution to the cost of the public improvements will assist in the elimination of various blighting conditions in the project area.

The existing land use conditions in City Industrial Development (CID) Redevelopment Project Area consists principally of industrial/commercial uses, former mining pits, active quarry sites, and open space. The CID project area encompasses 99% of the entire City of Irwindale. As the quarries are mined to their optimum economic potential, a principle goal of the ICRA is to rehabilitate and reclaim the expended quarries for industrial, commercial, recreational and residential uses. This massive transformation requires extensive public improvements, new transportation projects, utility enhancements, and other such capital improvement projects to achieve redevelopment goals.

H. Revenues and Expenditures

1. Gross Tax Increment Revenue Projections (FY 2009-2014)

Tax increment revenues estimated to accrue to the Project Areas are shown for the next five years. The projected revenues do not include interest on deposits, proceeds from property sales, or lease payments. These are estimates and can vary depending on actual growth in the assessed valuation of the Project Area.

Table 10 - Gross Tax Increment Revenue Projections (FY 2009-2014)

Fiscal Year	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Non-Housing	\$15,482,400	\$15,482,400	\$15,748,800	\$16,967,200	\$17,263,200
Housing Set-Aside	\$3,870,600	\$3,870,600	\$3,937,200	\$4,241,800	\$4,315,800
Total Gross Tax Increment	\$19,353,000	\$19,353,000	\$19,686,000	\$21,209,000	\$21,579,000

Source: City of Irwindale Department of Finance

Table 11 shows an estimate of the net amounts available for project implementation over the next five years. Various obligations, such as bond debt service, administrative expenses, and payments to other agencies must be deducted to arrive at net available revenue that can be used for projects.

2. Net Revenue-From Tax Increments (FY 2009-2014)

Table 11 - Net Revenue-From Tax Increments (FY 2009-2014)

	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Tax Increment	\$19,353,000	\$19,353,000	\$19,686,000	\$21,209,000	\$21,579,000
Housing Set Aside	(\$3,870,600)	(\$3,870,600)	(\$3,937,200)	(\$4,241,800)	(\$4,315,800)
SB 2557 County Administration	(\$290,000)	(\$290,000)	(\$295,000)	(\$318,000)	(\$324,000)
Pass-thru Agreements	(\$3,340,000)	(\$3,340,000)	(\$3,398,000)	(\$3,661,000)	(\$3,725,000)
SB 211 (33607.7) Payments	(\$496,000)	(\$496,000)	(\$551,000)	(\$803,000)	(\$864,000)
Net Tax Revenues	\$11,356,400	\$11,356,400	\$11,504,800	\$12,185,200	\$12,350,200
Existing Senior Debt	(\$6,205,663)	(\$6,197,923)	(\$6,201,810)	(\$6,207,535)	(\$6,198,680)
Future Debt	-	-	-	(\$1,450,000)	(\$1,450,000)
Reserve Earnings	\$50,000	\$100,000	\$200,000	\$250,000	\$250,000
ICRA Share COP (Rent)	(\$204,500)	(\$204,500)	(\$204,500)	(\$204,500)	(\$204,500)
Repay Annual City Operating Loan	(\$1,979,450)	(\$1,979,450)	(\$1,979,450)	(\$1,979,450)	(\$1,979,450)
Operating Contract	(\$1,109,000)	(\$1,109,000)	(\$1,109,000)	(\$1,109,000)	(\$1,109,000)
Reserve for Property Tax Appeals	(\$1,000,000)	(\$475,000)	(\$475,000)	(\$475,000)	(\$475,000)
Rental Income	\$333,000	\$333,000	-	-	-
SERAF Loan from Housing Fund	\$5,982,673	\$1,231,727			
SERAF	(\$5,982,673)	(\$1,231,727)	-	-	-
Repay SERAF Loan	-	(\$1,196,535)	(\$1,442,880)	(\$1,442,880)	(\$1,442,880)
Transfer to Capital Projects	(\$6,000,000)	-	-	-	-
Annual Cash flow	(\$4,759,213)	\$626,993	\$292,160	(\$433,165)	(\$259,310)
Cumulative Fund Balance	133,116	760,109	1,052,269	619,104	359,794

Source: City of Irwindale Department of Finance

3. Five -Year Net Income and Expenditure Projections (FY 2009-2014)

Table 10 below estimates the net income available to the ICRA for discretionary projects.

Table 12 - Five -Year Net Income and Expenditure Projections (FY 2009-2014)

USES	2010	2011	2012	2013	2014
Transfer from Bond Tax Increment Proceeds	\$6,000,000	-	-	-	-
Transfer from Bond Tax Increment Proceeds	-	-	\$12,000,000	-	-
City Operating Loan	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Operating Costs	(\$1,123,400)	(\$1,179,570)	(\$1,238,549)	(\$1,300,476)	(\$1,365,500)
Fund 2 City Loan Repayment	(\$1,260,550)	(\$1,260,550)	(\$1,260,550)	(\$1,260,550)	(\$1,260,550)
Huy Fong Installment Payments to ICRA	\$677,070	\$677,070	-	\$674,268	\$674,268
Repay 78.725% CalMat Shop Purchase to Housing Fund	(\$8,030,825)	-	-	-	-
PROJECTS					
Cal-Mat Shop Site-Huy Fong Foods	(\$355,000)	-	-	-	-
17-Acre Site Materials Recovery Facility-(MRF)	(\$115,000)	(\$15,000)	-	-	-
Shannon Casket	-	(\$230,000)	(\$200,000)	-	-
Kincaid Pit	(\$143,000)	(\$2,593,000)	(\$21,033,000)	(\$33,000)	(\$33,000)
Arrow Auto /Dishann	(\$270,000)	(\$2,555,000)	(\$5,000)	(\$3,050,000)	(\$50,000)
242 Live Oak	(\$80,000)	(\$75,000)	(\$10,000)	(\$10,000)	-
2424 Mountain	-	(\$1,052,000)	(\$1,052,000)	(\$1,052,000)	(\$45,000)
Buena Vista	(\$17,000)	(\$17,000)	(\$32,000)	-	-
Denny's	(\$5,000)	(\$7,000)	(\$2,000)	(\$2,000)	-
SEC Azusa Cyn /Los Angeles St	(\$10,000)	(\$10,000)	(\$2,000)	(\$2,000)	-
5130 Irwindale	(\$3,000)	(\$503,000)	-	(\$500,000)	(\$25,000)
Manning Pit	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)
CAPITAL IMPROVEMENTS	(\$3,080,000)	(\$1,245,000)	(\$2,635,000)	(\$3,315,000)	(\$7,650,000)
Total	(\$4,830,705)	(\$7,080,050)	(\$12,485,099)	(\$6,865,758)	(\$6,769,782)
Cumulative	\$21,966,295	\$14,886,245	\$2,401,147	(\$4,464,611)	(\$11,234,393)

As these net income figures are highly dependent upon the annual budgeting process, it is impossible to accurately predict amounts that will be available for a given project. Furthermore, it is difficult to project the amounts that will be expended on any given project because the forms of assistance required for listed projects are not known at this time. As a result, the only prediction that can be made is to assert that the available income identified above will be used to implement the programs listed as well as to pay the ICRA's annual obligations.

I. Summary

The ICRA has prepared this Implementation Plan for the years 2010-2014, pursuant to the requirements of the California Community Redevelopment Law. Section C of this report identifies major projects planned for implementation over the course of the next five year planning period. This *Implementation Plan* contains the goals and objectives of the ICRA for the City Industrial Project, the specific programs including potential projects proposed to be implemented. The Plan also includes estimated expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives, programs, and estimated expenditures will eliminate blight.

The nature of this proposed redevelopment activity is, however, adaptable over time as a function of changing economic, market, and other conditions in the Project Area. Because this Implementation Plan addresses an extended period of time, it does not reflect specific commitments by the ICRA. Rather, this Implementation Plan is an expression of the goals and objectives and set of proposed projects that will serve to implement these goals and objectives.

The adoption of this Implementation Plan does not constitute an approval of any specific program, project or expenditure and does not change the need to obtain any required approval of a specific program, project or expenditure from the ICRA.

The ICRA has met many of the objectives and programs identified in the prior 2005-2009 Implementation Plan, resulting in the reduction of blight within the Project Area. Future programs and projects will continue to follow the goals of the redevelopment program and pursue the elimination of blight in the Project Area.

IV. AFFORDABLE HOUSING COMPLIANCE REQUIREMENTS

A. Introduction

The Community Redevelopment Law (CRL) provides that, in addition to the removal of blight, a fundamental purpose of redevelopment is to expand the supply of low and moderate income housing (Section 33071). To accomplish this purpose, the CRL contains numerous provisions to guide redevelopment agency activities with regard to low and moderate-income housing. This section of the Implementation Plan addresses how the ICRA's plans for the Project Area will achieve many of the housing responsibilities contained in the CRL.

Assembly Bill 315 ("AB 315 Plan") created a requirement that all redevelopment agencies adopt a ten-year housing plan that is to be amended every five years. The AB 315 Plan is designed to identify quantifiable housing requirements and to establish specific actions to meet those requirements within the mandated ten-year period. Section 33413(b)(4), as amended by AB 1290, requires that the AB 315 Plan be completed as part of the Implementation Plan process. The housing provisions previously contained in sections 33413 have been rewritten and are now included within Section 33490.

This section of the ICRA's Implementation Plan constitutes the mandated AB 315 Plan describing the compliance obligations of the Code with respect to the ICRA'S affordable housing requirements and detailing the specific projects and goals that the ICRA plans to undertake in the coming years to satisfy these requirements. The first 10 year time period was extended by the legislators to a 12-year period from January 1, 2002 through December 31, 2014. This Implementation Plan uses FY 2001/2002 through FY 2013/14 as the basis for Housing Fund requirements, as these years coincide most closely with state law requirements. This Implementation Plan focuses on programs, projects and expenditures anticipated during the last five years of the Housing Plan. This is the ICRA's opportunity to review and revise existing programs and projects to reflect the obligations in the Redevelopment Law.

The major mandated obligations that guide the actions of the ICRA pursuant to affordable housing requirements of Redevelopment Law are as follows:

- (1) Twenty percent (20%) of all tax funds allotted to the ICRA must be set-aside to improve and increase the supply of low- and moderate-income housing (**Housing Fund**);
- (2) The ICRA will produce units to:
 - a. provide a portion of all housing constructed and/or substantially rehabilitated in a redevelopment project area (over a 10-year period) that will be affordable to low- and moderate-income persons and families for a fixed period of time (**Production or Inclusionary Housing**); and
 - b. replace all low- and moderate-income housing that is destroyed or removed as a result of redevelopment activity within a four year period (**Replacement Housing**);
- (3) The ICRA must spend the Housing Fund over a 10-year period in proportion to the regional housing needs of the community and generally comply with the goals and policies set forth in the Housing Element of the City's General Plan (**Income and Age Proportionality**); and

- (4) The ICRA must plan to meet these affordable housing obligations, at least every five years to ensure the 10-year and other obligations are met.

This chapter of the ICRA's Implementation Plan will review the current status of each of the mandated obligations; provide the ICRA's Production Plan for 2009/2010 through 2013/2014; and then summarize how the obligations will be met during the five year period.

B. Current Status of ICRA's Obligations

This section provides an overview of the current status of ICRA's progress in complying with the major affordable housing obligations of CRL: the amount of tax increment set-aside for housing; the ICRA's production obligation; the ICRA's replacement housing obligation; and current status of proportional expenditures through FY 2008/09.

1. Low and Moderate Income Housing Fund (Set-Aside of Tax Increment)

Each Project Area is subject to the Section 33334.2 requirement to allocate 20% of the gross tax increment (Set-Aside) to affordable housing activities. The Set-Aside is required to be deposited into a Housing Fund created to hold monies until expended. Table 13 below provides the revenues deposited into the Housing Fund from 2001/2002 through 2009/2010 and the anticipated revenues from 2010/2011 through 2013/2014.

The ICRA has been able to deposit the full 20% of tax increment into the Housing Fund since 2001/2002.

Table 13 - Low Mod Housing Fund Deposits; Expenses; Net Proceeds (FY 2001-2014)

Actual Expenditures (FY 2001-2008)						
Fiscal Year	Tax Increment Deposits	Other Deposits	(Less) Administrative Expenses	(Less) Debt Service Payments	(Less) SERAF Loan	Net Housing Fund Proceeds
2001/02	2,250,314	1,507,657	(\$104,701)	\$0	\$0	3,653,270
2002/03	2,253,582	734,556	(\$371,749)	\$0	\$0	2,616,389
2003/04	2,893,747	179,768	(\$710,472)	(\$526,601)	\$0	1,836,442
2004/05	3,118,830	465,939	(\$414,388)	(\$1,196,028)	\$0	1,974,353
2005/06	3,119,464	684,404	(\$519,530)	(\$982,287)	\$0	2,302,051
2006/07	3,343,257	674,260	(\$369,065)	(\$2,216,004)	\$0	1,432,448
2007/08	2,992,740	470,203	(\$401,678)	(\$2,039,117)	\$0	1,022,148
2008/09	3,572,117	178,859	(\$549,574)	(\$2,037,155)	\$0	1,164,247
Actual Totals	\$23,544,051	\$4,895,646	(\$3,441,157)	(\$8,997,192)	\$0	\$16,001,348
Projected Expenditures (FY 2009-2014)						
Fiscal Year	Tax Increment Net Deposits*	Other Deposits	(Less) Administrative Expenses	(Less) Debt Service Payments	Net SERAF Loan/ Payments	Net Housing Fund Proceeds
2009/10	3,670,600	\$8,030,825	(\$652,350)	(\$2,053,764)	(\$5,982,673)	3,012,638
2010/11	3,775,600	\$0	(\$682,068)	(\$2,053,626)	(\$35,192)	1,004,714
2011/12	3,842,200	\$0	(\$714,271)	(\$2,054,376)	\$1,442,880	2,516,433
2012/13	4,146,800	\$0	(\$752,034)	(\$2,051,856)	\$1,442,880	2,785,790
2013/14	4,220,800	\$0	(\$787,436)	(\$2,050,961)	\$1,442,880	2,825,283
Estimated Totals	\$19,656,000	\$8,030,825	(\$3,588,159)	(\$10,264,583)	(\$1,689,225)	\$12,144,858
Total Net Proceeds	\$43,200,051	\$12,926,471	(\$7,029,316)	(\$19,261,775)	(\$1,689,225)	\$28,146,206

Source: ICRA Department of Finance

*Note: Net of various obligations, such as bond debt service, reserves for property tax appeals, administrative expenses, and payments to other agencies that must be deducted to arrive at net available revenue that can be used for projects.

As shown above, actual net revenue deposited between FY 2001/02 and FY 2008/09 was approximately \$16 million. An additional \$12.1 million is estimated as net proceeds between FY

2009/10 and FY 2013/14. Therefore, a total of \$28.1 million of net proceeds are estimated to be deposited into the Housing Fund between FY2001/02 and FY 2013/14.

2. Unit Production and Replacement Requirements

In order to discuss the issue of affordable housing, the definition of what constitutes affordability must be discussed. Sections 50079.5 and 50105 of the Government Code provide that affordability limits are those that are established by the U.S. Department of Housing and Urban Development ("HUD"). The income limits set by HUD are revised annually and are based on median family income for a particular county and a corresponding family size. As such, the following income categories are those established by Federal and State guidelines:

- Very Low-Income Households is deemed to be 50 percent or less of Area Median Family Income;
- Low-Income Households is deemed to be between 51 and 80 percent of Area Median Family Income; and
- Moderate-Income Households is set at levels between 81 and 120 percent of Area Median Family Income.

Specific income limits, based on the above definitions, are established and published annually by the California Housing and Community Development Department (HCD). For example, in the County of Los Angeles, the Area Median Family Income for 2009 (for a family of four) is \$62,100 per year. Therefore, the income levels described above are a percentage of that amount and are shown as follows:

Table 14 - 2009 Income Limits

	Very Low Income	Low Income	Moderate Income
Family Size	(50% AMI)	(80% AMI)	(120% AMI)
1	\$27,750	\$44,400	\$52,150
2	\$31,700	\$50,750	\$59,600
3	\$35,700	\$57,100	\$67,050
4	\$39,650	\$63,450	\$74,500

Source: Housing and Community Development, April 2, 2009

Affordable units must also remain affordable and available to persons of low- and moderate-income for "the longest feasible time, but for not less than the period of the land use controls established in the redevelopment plan." The CRL [Section 33334.3(f)(1)(A&B)] further requires that the units must be available for at least fifty-five (55) years for rental units and forty-five (45) years for owner occupied units. Since the term of affordability requirements changed in 2001, units developed prior to that time may have shorter terms yet still meet the ICRA's obligation.

Under Section 33413(c)(2)(A) of the Code, the ICRA may permit sales of owner occupied units prior to the expiration of land use controls for a price in excess of that allowed, provided that while the owner retains only a portion of the excess, the remainder of the proceeds are deposited back into the Low- and Moderate-Income Housing Fund. The amount of excess that the occupant is allowed to retain is dependent upon the length of occupancy. Within three years of the sale of the price

restricted units, the ICRA is required to make available an equal number of units at the same income level as those sold.

Only units with both specific income limits and long-term affordability may be considered as addressing the ICRA's replacement housing and production requirements. The following discusses the specific requirements for both replacement and production as applied to the ICRA.

a. Production of Housing Based on Activities in the Project Area

The "inclusionary rule" described in Code Section 33413(b) requires that a fixed percentage of the total number of housing units developed or substantially rehabilitated within a project area that was adopted after January 1976, be affordable to people of low- and moderate-income. Only two of the ICRA's project areas are subject to this requirement since they were adopted in 1976: the **Parque Del Norte Project Area**, and the **City Industrial Development Project Area**. The **Nora Fraijo Project Area** was adopted in 1974; therefore, it is not subject to the inclusionary rule.

The fixed percentage is dependent on whether the units are developed by the ICRA or by another public or private entity within the Project Area.

- i. At least 30% of all new and substantially rehabilitated dwelling units developed by an agency shall be available at affordable housing cost to persons and families of low and moderate income and shall be occupied by these persons and families (Section 33413(b)(1)). At least half of the affordable units, or 15% of total units, must be available at affordable costs and occupied by very low income households.
- ii. At least 15% of all new and substantially residential dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the ICRA shall be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2). When units are developed in a project area by an entity other than the ICRA, fifteen percent (15%) must be affordable to low- and moderate-income families, with at least forty percent, or (6%) of the total, of those units available at affordable costs and occupied by very low-income households.

The obligations under this Section are considered on a cumulative basis, and do not need to be met on a project-by-project basis. In addition, to satisfy the requirements of this Section, the ICRA is allowed to replace two affordable housing units outside the Project Areas for every one required inside. This is referred to as the 2-to-1 rule.

C. Historical Affordable Housing Activities

The ICRA has assisted in the development of several affordable housing projects within the redevelopment project areas. In addition, the ICRA has assisted in the substantial rehabilitation of single family homes. These activities have produced long term affordable housing. These activities also generate production (inclusionary) requirements. The section below summarizes the ICRA's housing activities through FY 2008/09.

1. New Affordable Housing Development

In 1995/96 the ICRA assisted with the construction of 39 low- and moderate-income housing units, known as the Manning II Project. This project consisted of single-family dwelling units that were sold to eligible low- and moderate-income families; 10 very low income housing units, 18 low income housing units, and 11 moderate-income housing units. All 39 units carry deed restrictions for 20 years, with restrictions expiring in 2016.

In 1995/96 the ICRA also developed 15 senior citizen apartment units. These units are rented to eligible low-income senior citizens.

In August 2004, the ICRA entered into a Disposition and Development Agreement (DDA) with The Olson Company for the construction and development of 132 single family homes to be developed over four phases. The Olson Company completed Phase I of the development in December 2005 which consisted of 15 new single family housing units (3 very low, 3 low, 3 moderate and 6 market rate units). These units were developed on in-fill lots located near the civic center area. All of the very low, low, and moderate income units carry a 45 year deed restriction which expires in 2050.

On October 4, 2005, the DDA was amended to include the construction of Phase IA which contained 12 additional single family housing units. The sites developed in Phase IA were located in the civic center area near existing residential neighborhoods. Along with the development of Phase IA, The Olson Company began construction on Phase II. Phase II is located on the west side of the City boundary and neighbors the City of Duarte. The new housing units developed as Phase IA and Phase II yielded an additional 41 single family homes (10 very low, 17 low, 6 moderate, and 8 market rate units). Phase IA and Phase II were completed in December/January 2007. The 33 income restricted units contain a 45 year deed restriction, expiring in 2052.

The ICRA has assisted in the development of or directly developed 121 new construction units, with 23 units affordable to very low income households; 64 units affordable to low income households; 20 units affordable to moderate income households; and 14 market rate units.

2. Rehabilitation Program

Through the ICRA's Low and Moderate Income Home Improvement Program, the ICRA has assisted with the rehabilitation of sixty-two (62) owner occupied units since 2001/02. To date the ICRA has spent approximately \$6 million on this program. Of those 62 units, a total of 48 were substantially rehabilitated with long-term (45 year) affordability covenants. Of these 48 units, 5 served very low income; 15 served low income; and 28 served moderate income households. These 48 units, having long-term covenants, provide housing units to address the ICRA's inclusionary or replacement housing requirements.

Table 15 - Summary of Units Rehabilitated by Income Level and Year

Year	Income Levels			Totals
	Very Low	Low	Moderate	
2004/05	2	8	13	23
2005/06	2	2	7	11
2006/07	0	6	6	12
2007/08	1	1	0	2
2008/09	0	0	0	0
Totals	5	17	26	48

Source: ICRA Housing Department

3. Affordable Housing Acquisition Program

During this past decade, the ICRA has focused significant effort on acquisition of blighted properties upon which to develop new low- and moderate-income housing. The ICRA's activities are dedicated to promoting the development of suitable housing while preserving and protecting the existing residential neighborhoods. The following summarizes these major acquisition activities:

a. Irwindale Pit No. 2 (Formerly known as the Olive Pit)

This site is an inactive quarry that was purchased in 2004 for the purpose of developing affordable housing and supportive uses including recreational uses. The site was purchased with Low Mod Income Housing funds and it is located at the southwest corner of Azusa Canyon Road and Olive Street. In August 2009 the ICRA adopted resolution No. 2009-53-2411 which extended the time to develop the site for an additional five years. In order to assess the development and financial feasibility of housing development on this site, extensive engineering and site reclamation analysis must be conducted. The ICRA has used approximately \$4.6 million Low Mod Income Housing Funds for acquisition through FY2008/09.

b. Arrow Highway Site Assembly

This site includes key properties commonly known as Arrow Automotive and were acquired between 1997 and 2009. The ICRA had originally assembled these properties with the intent of developing affordable housing. As the ICRA is on target to meet its housing obligations, however, it is contemplating alternate possibilities such as mixed-use development with an affordable housing component or a mix of other commercial developments. Most of the properties were acquired with low-moderate housing funds and as such the low-mod housing fund will be reimbursed accordingly if no affordable housing is developed on the site.

4. Summary of Housing Assistance and Production/Inclusionary Obligations

Since 1995/96 the ICRA has assisted with the development or substantial rehabilitation of over 150 units. Table 15 below identifies the income restricted units by income category.

Table 16 - Summary of New Construction and Substantial Rehabilitation Since 1995/96

Projects	Year Completed	Project Area*	Very Low Income	Low Income	Moderate Income	Market Rate	Total Units
<i>New Construction</i>							
Manning II	1995/96	N/A	10	18	11		39
Senior Housing	1995/96	N/A		15			15
The Olson Company							
- Phase I	2005	IND	3	3	3	6	15
- Phase IA & II	2007	IND	10	17	6	8	41
<i>Substantial Rehabilitation</i>	2001/02-2008/09	14 IND; 2 PDN	5	17	26		48
Totals			28	70	46	14	158

Source: ICRA Housing Department

*Parque Del Norte = PDN; City Industrial Development = IND; Nora Fajio = NF

Those projects in the Parque Del Norte and the City Industrial Development Project Areas have been placed in the table below to assess the production obligation for ICRA. No other housing has been built or substantially rehabilitated in these two project areas. Based on the information above, the ICRA has generated the following production obligation.

Table 17 - Production/Inclusionary Obligation

Projects Developed in Project Areas (PDN or IND)	Total Units	Very Low Income	Low/Mod Income	Total Obligation
<i>Privately Developed*</i>				
Manning II	39	2	4	6
The Olson Company				
- Phase I	15	1	1	2
- Phase IA & II	41	2	4	6
Substantial Rehab FY2001/02-2008/09	16	1	1	2
<i>ICRA Developed**</i>				
Senior Housing	15	2	2	4
Totals	126	8	12	20

Source: ICRA Housing Department

*Privately Developed – 15% affordability requirement with 6% very low and 9% low/mod

**ICRA Developed – 30% affordability requirement with 15% very low and 15% low/mod

The ICRA has a production obligation of 8 very low income; 12 low income; and 20 moderate income affordable housing units. Since 1995/96, the ICRA has also produced a total of 158 long-term income restricted units: 28 very low income, 70 low income, and 46 moderate income affordable units with long-term (45 or 55 year) affordability restrictions. However, units with long-term covenants that are outside any project area are counted 2 to every 1 unit required. Based on the information provided by staff, many of the rehabilitated units are located outside a project area. This factor therefore reduces the number of units countable to a total of 128.5 units: 26 very low; 64.5 low; and 38 moderate income units. Table 18 summarizes this below.

Table 18 - Net Housing Production (Inside/Outside Project Area)

Projects	Project Area*	Very Low Income	Low Income	Moderate Income	Total Units
<i>New Construction</i>					
Manning II	Yes	10	18	11	39
Senior Housing	Yes		15		15
The Olson Company					
- Phase I	Yes	3	3	3	9
- Phase IA & II	Yes	10	17	6	33
<i>Substantial Rehab</i>	Mix	3	11.5	18	32.5
Totals		26	64.5	38	128.5

Source: ICRA Housing Department

This leaves a surplus of units (18 very low; 52.5 low; and 18 moderate income units) that can be applied to either replacement housing obligations (within a four year period of the need for replacement) or new production obligations generated.

D. Replacement Housing Requirements

Section 33413(a) of the California Health and Safety Code requires that whenever low- or moderate-income household dwelling units are destroyed or removed from the housing market as part of a redevelopment project which is subject to a written agreement with a redevelopment agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low- or moderate-income, an equal number of replacement dwelling units which have an equal number of bedrooms as those units destroyed or removed at affordable housing costs within the territorial jurisdiction of the agency.

When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent (100%) of the replacement dwelling units shall be available at affordable housing cost to persons in the same or lower income category (very low, low, or moderate), as the persons displaced from those destroyed or removed units. An agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

- a. The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedrooms are deemed for this purpose to have one bedroom.
- b. The replacement units are affordable to the same income level of households as the destroyed or removed units.

During the period from Fiscal Year (FY) 2005/06 to FY 2008/2009, seven (7) residential dwelling units have been removed by the Irwindale Housing Authority (IHA) with the use of ICRA funds and must be replaced. No units were removed prior to this time frame and no units are anticipated to be removed through FY 2013/14. The units removed include the following:

- In December 2008, the IHA in conjunction with the ICRA acquired a single family dwelling unit with two bedrooms situated on a lot of 9,153 square feet. The household from whom it was acquired qualifies as low-income.
- In 2009 these agencies also acquired a property containing six (6) dwelling units: two (2) single family dwelling units; one (1) duplex type (2 units), one (1) self-standing structure; one (1) trailer on wheels; and one (1) bungalow-type structure on concrete blocks. In summary, a combined bedroom count of ten (10) bedrooms in six (6) total residential units was displaced. The property was occupied by 4 low-income families and 2 very-low income families.

Table 19 provides a summary of the replacement housing needs for the ICRA.

Table 19 - Occupant Income Levels and Bedroom Count for All Removed Dwellings

Income Levels	Studio/One Bedroom		Two Bedrooms		Three Bedrooms		Total	
	Units	Bdrms	Units	Bdrms	Units	Bdrms	Units	Bdrms
Very Low	2	2	0	0	0	0	2	2
Low	1	1	3	6	1	3	5	10
Moderate	0	0	0	0	0	0	0	0
Totals	3	3	3	6	1	3	7	12

Source: ICRA Housing Department

These ICRA proposes to develop an in-fill housing project that will consist of 12 residential units. These units will be made available to very-low and low-income households as required by Section 33413, meeting the unit and/or bedroom count required for each income category. The project status includes the issuance of a Request for Qualifications (RFQ) developer solicitation that was issued on August 19, 2009 with a due date of September 17, 2009. Three responses were received and at the request of the ICRA Board, staff re-advertised the 2009 Affordable Housing project on December 2, 2009 and the submission due date was January 11, 2010. A total of six (6) prospective developers submitted responses and interviews have been conducted. Staff estimates that an Exclusive right to Negotiate (ENA) agreement will be entered into in April 2010. It is planned that the proposed project will consist of single family residential units containing 3 to 4 bedrooms and sold to very low, low and moderate income households. Irwindale City staff anticipates the project to be completed in 2012.

E. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the ICRA expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must first be met between the initial planning period FY 2001 to 2014 and then again at 10-year intervals throughout the remaining life of the Project Area. These tests do not have to be met on an annual basis nor are they applied to unit production within any specific development.

The following table presents the SCAG Regional Housing Needs Assessment (RHNA) for the City of Irwindale for the subject planning period. These numbers provide the basis for the ICRA's expenditure of Housing Funds. It should be noted that inclusionary obligations are calculated and identified to the nearest tenth while units which count toward fulfillment of these obligations are counted in whole numbers. While this results in some rounding issues, it most effectively enumerates the ICRA's obligation without unduly distorting the requirements.

Table 20 - SCAG Regional Housing Needs

% very low income households-50% or Less LA AMI	% low income households-over 50% and up to 80%	% moderate income households-from 80% up to 120%	% above moderate income households-greater than 120%	% total
23.9%	16.4%	16.4%	43.4%	100%
Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
16	11	11	29	68

Source: SCAG 2007 Regional Housing Needs Allocation Plan

1. Very-Low and Low Income Housing Expenditures

The income proportionality test requires that the ICRA expend Housing Funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the final SCAG RHNA figures shown in the table above. In order to arrive at the final percentages the "above moderate income" groups or 120% plus figures are removed, since Housing Funds cannot be used to assist this income group. Therefore, instead of 68 total units to assist, only 38 units comprise the total number or universe upon which the percentages are calculated. These proportionality expenditure requirements are shown below. The proportionality requirements for the Implementation Plan purposes are concerned with the use of funds in the stated parentages and not the production of the 38 units used for the calculation. These units are related to other Housing Element requirements.

Table 21 - SCAG RHNA Proportionality Percentages

Income Group	Households used in Calculation	Percent Required
Very-Low Income (50% AMI and below)	16	42%
Low Income (50-80% AMI)	11	29%
Moderate Income (80-120% AMI)	11	29%
Totals	38	100%

Source: SCAG approved July 12, 2007

When these percentages above are applied to the ICRA's Housing Fund net proceeds of approximately \$28.1 million, the expenditures for each income category are as shown in the table below.

Table 22 - SCAG RHNA Proportionality Percentages with Dollars

Minimum Estimated Expenditure on Very-Low Income Units @ 42%	\$11,821,406
Minimum Estimated Expenditure on Low Income Units @ 29%	\$8,162,400
Maximum Estimated Expenditure on Moderate Income Units @ 29%	\$8,162,400

Source: SCAG approved July 12, 2007 and calculation

As of the end of fiscal year 2008/09 the ICRA had spent the following net proceeds by category:

Table 23 - ICRA Expenditures by Income Level (FY 2001/02 to 2008/09)

FY 2001/02-2008/09*	Actual Expenditures	% of Total Funds Expended
Very-Low Income	\$5,897,545	33%
Low Income	\$7,064,395	40%
Moderate Income	\$4,841,499	27%
Total Expenditures	\$17,803,439	100%

Source: ICRA Housing Department

*Excludes funds used for land acquisition since the income categories for these projects have not yet been determined

2 Age Restricted Housing Expenditures

Section 33334.4 also requires that the maximum amount of funds the ICRA may spend on housing that assists seniors is the proportion of low income senior households to the total low income households for the City. The State of the Cities Data Systems Comprehensive Housing Affordability Strategy (CHAS) tables based on the 2000 Census, provides the necessary data to calculate this percentage. The CHAS Housing Problems Output for All Households in Irwindale indicates that 69 elderly households have household incomes between 0 and 80% of Median Family Income (MFI) while a total of 165 households have incomes between 0 and 80% of MFI. This provides a percentage of 41.8% as the maximum locally controlled funds that may be expended on senior age-restricted housing.

Table 24 - Age Statistics – Under 65 Years

Targeting Requirements by Age Group		
Low Income Households – City of Irwindale		
Age Group	Number	Percent
65+ Years	69	41.8%
Total Low Income Households	165	100.00%

Source: SOCDS: CHAS Housing Problems Output Table, US Census 2000

<http://socds.huduser.org/scripts/odbic.exe/chas/reports.htm>

The ICRA has not expended any funds from 2001/2002 to the present on housing programs or projects specifically designed for or restricted to senior households. Therefore, the ICRA may expend up to 41% net housing funds, or \$11.5 million on senior households. It should be noted

that 18 senior households have received approximately \$615,335 in assistance from the ICRA through the general rehabilitation programs since 2001/2002. Since the rehabilitation programs are not age restricted, this amount is not used in the age-restricted calculations.

F. Planned Housing Program 2009/10 to 2013/14

The primary goal of the ICRA is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. Therefore, it is the ICRA's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures to comply with the applicable requirements for Housing Fund revenues; production/inclusionary obligations; replacement housing obligations; and income and age proportionality of expenditures. The following section will discuss housing activities planned for the FY 2009-2014 Five- Year Implementation Plan period.

1. Housing Fund Resources

The following table presents the estimated Housing Fund cash flow for the next five years of this Implementation Plan period FY 2009-2014. The combined projected revenues for all three (3) redevelopment project areas that will be deposited into the Housing Fund during the Implementation Plan period are as follows:

Table 25 - The Housing Program and Housing Fund Expenditures

Fiscal Year	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUES					
Gross Tax Increment	\$3,870,600	\$3,870,600	\$3,937,200	\$4,241,800	\$4,315,800
Reserve for Appeals (net with increment)	(\$200,000)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)
SERAF Loan Repayment		\$1,196,535	\$1,442,880	\$1,442,880	\$1,442,880
CalMat Site Repayment	\$8,030,825				
EXPENDITURES					
Administrative Operating Costs	(\$594,350)	(\$624,068)	(\$655,271)	(\$688,034)	(\$722,436)
SB 2557 County Administration	(\$58,000)	(\$58,000)	(\$59,000)	(\$64,000)	(\$65,000)
Debt Service	(\$2,053,764)	(\$2,053,626)	(\$2,054,376)	(\$2,051,856)	(\$2,050,961)
SERAF Loan to Tax Increment Fund	(\$5,982,673)	(\$1,231,727)			
Housing Development and Rehabilitation					
Rehabilitation Loan Program	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)
In Fill Housing Gap Financing Program	(\$543,000)	(\$80,000)	(\$3,600,000)		
Senior Housing Gap Financing Program		(\$95,000)		(\$20,000)	
Acquisition and Relocation	(\$2,268,000)	(\$715,000)	(\$25,000)	(\$25,000)	(\$4,730,000)
Capital Improvements	(\$1,700,000)	(\$1,000,000)			
Annual Cash flow	(\$1,898,362)	(\$1,285,286)	(\$1,508,567)	\$2,340,790	(\$2,304,717)
Cumulative Cash Flow (includes prior year starting balance)	\$5,836,246	\$4,390,260	\$2,692,958	\$4,814,576	\$2,261,778

2. New Housing Development

The ICRA anticipates assisting housing developers and property owners with projects designed to increase, improve, or preserve the supply of affordable housing in the project areas. Such

programs will be used on a case-by-case basis and may be used for new construction, substantial rehabilitation, or for direct affordability assistance to qualified persons and families.

The following presents the proposed programs and potential projects for the ICRA in the next five years. These programs and projects include in-fill new construction; substantial rehabilitation; and acquisition.

- a. In-Fill Housing Project: This project will utilize Low- and Moderate-Income Housing Funds to construct 12 affordable single family homes on 5 ICRA acquired properties. The project will consist of 10 new homes and 2 rehabilitated homes. The project is estimated to be completed in 2012. The majority of the properties are located near the civic center area in existing residential neighborhoods. The fifth property is located near an existing residential neighborhood bordering the City of Duarte. *Affordability covenants will be recorded on all of the very low, low, and moderate income units, as they will receive financial assistance from the ICRA. This project will address the ICRA's replacement housing obligation, generated in 2008, of 7 units with 12 bedrooms*
- b. Senior Housing Program: Las Casitas is a Senior Housing project that is located on Ayon Street across from the Irwindale Senior Center. The ICRA intends to develop a Phase II that will consist of 10 additional affordable senior housing units on an adjacent property. The adjacent property has been held in a life estate and the ICRA is in the process of obtaining title to the property and determining the feasibility of the Phase II development.

3. Rehabilitation Programs

Over the course of the next 5 years, the ICRA will continue to make the following programs available to the residents of the community:

a. Very Low Income Grant

This grant is made available to owner occupied units in the very low-income category. The maximum grant amount is \$25,000 that is forgiven in equal amounts over 10 years. This grant is interest free.

b. Deferred Housing Improvement Loan

These loans are provided to owner occupied units. The maximum loan amount is \$60,000 with a simple interest rate of 2%. The loans are available to very low-, low- and moderate-income households. The interest accrues, and if the home is held for a 10-year covenant period, the principal and interest are forgiven in full over the 10-year period.

c. Substantial Rehabilitation Improvement Loan

This program enables owner occupants to secure loans in amounts up to a maximum of \$135,000 at 3% simple interest that is amortized over 20 years. It is targeted to very low-, low- and moderate-income households. The homeowner is required to enter into a 45 year affordability covenant. The loan obligation, principal and interest, is forgiven over a 20-year period. The Substantial Rehabilitation Improvement Loan Program provides for shared appreciation, where the ICRA shares in the equity increase for those units that are sold to non-qualified purchaser prior to completion of the covenant period.

d. Below Market Rate Loan for Tenant Occupied Units

These loans are for tenant occupied units. They are provided at \$25,000 per unit, not to exceed a total of \$100,000, with an interest rate of 6% per annum, amortized over 15 years. The loan amount must not be more than 25% of the after rehabilitation value. Monthly payments are required and an agreement must be signed by the Owner to rent the units at affordable rental rates for a period of 15 years.

e. Substantial Rehabilitation below Market Rate Loans

This program is intended for tenant occupied units with loans up to \$25,000 per unit, not to exceed a total of \$100,000 at an interest rate of 6% per annum, amortized over 15 years. The loan amount must be more than 25% of the after rehabilitation value. Monthly payments are required and an agreement must be signed by the Owner to rent the units at affordable rental rates for a period of 55 years.

ICRA staff has found that the primary rehabilitation program used by Irwindale residents is the Substantial Rehabilitation Improvement Loan. Therefore, the 5-year funding allocation reflects this usage. However, the other programs are available to residents as needed and funds from the Substantial Rehabilitation Program would be used.

4. Affordable Housing Acquisition Program

The ICRA is dedicated to promoting the development of suitable housing while preserving and protecting the existing residential neighborhoods. In this pursuit, the majority of housing related activity that has transpired during the past decade has focused on assembling properties upon which to develop new low- and moderate-income housing. The following summarizes major acquisition activity.

a. Irwindale Pit No. 2 (Formerly known as the Olive Pit)

This site is an inactive quarry that was purchased in 2004 for the purpose of developing affordable housing and supportive uses including recreational uses. The blighted site was purchased with Low Mod Income Housing funds and is located at the southwest corner of Azusa Canyon Road and Olive Street. In August 2009 the ICRA adopted resolution no. 2009-53-2411 extending the time to develop the site. During this planning period the ICRA will evaluate the feasibility of reclaiming the property including consultation with engineers, landfill operators, and environmental consultants. Activities on the site have focused slope stabilization, and the grading and installation of drainage pipes to manage storm water runoff.

The ICRA has expended approximately \$4.6 million through FY 2008/09 and anticipates expending an additional \$6.2 million for acquisition and related costs for this site through FY2013/14, a total of \$10.8 million. Due to the large amount of Housing Fund dollars expended on this acquisition, the development of this site will significantly affect the proportional expenditures for the ICRA. Therefore, as the ICRA considers the ultimate use of this property, addressing CRL obligations will be a priority.

b. 4618 Nora Avenue ("Duran Property")

This property is located on Nora Avenue, outside of the project area. The property is approximately 20,000 square feet in size and is currently vacant. The ICRA and property owner have entered into a Purchase and Sale Agreement, however the initial environmental site

assessment warrants further remediation to address contaminants identified on the property. The ICRA is working with the Property owner to address the required remediation. Pending the site site remediation, the ICRA will proceed with the acquisition of the property. It is anticipated that this property will accommodate three new affordable housing units, under the ICRA's infill program. A request for developer qualifications (RFQ) was issued in December 2009. It is planned that the units will be affordable; however, the specific income levels have not yet been determined.

c. 15848 Juarez Street ("Campa Property")

The Campa Property is located on Juarez Street and was just recently acquired by the ICRA. The previous property owner participated in the ICRA's Low and Moderate Income Home Improvement Program and was a recipient of a substantial rehabilitation loan that carried a long term affordability covenant that expires in 2049. At this time the ICRA is evaluating options for rehabilitating, or demolition and new construction. In any event, the existing long term affordability covenant will remain on the property and this property will be included as part of the in-fill housing project.

d. 16046 Peppertree Lane

This property was sold as part of the Manning II housing project, which has an existing affordability covenant due to expire in 2016. The property owner is currently in default of the first trust deed and as such is in violation of the ICRA's Option and Transfer Restriction Agreement recorded against the property. The ICRA is currently working with the property owner to maintain the covenant on the property. The ICRA is considering taking the necessary steps to protect its security interest and has budgeted funds in the event that it needs to acquire the property to maintain the affordability covenant.

e. 15808 Hidalgo Street ("Chico Property")

The property is located on Hidalgo Street near the civic center area and is included as part of the recently released RFQ mentioned above. It is planned that the property will yield 2 new affordable housing units. The property is 9,153 square feet and has one existing unit which will be demolished. The property is within an existing residential neighborhood and will be improved with two new units to be included as part of the upcoming in-fill housing project.

These sites will be developed with housing. However, the specifics of the proposed developments have not yet been determined. Due to the significant financial resources expended on these sites, the ICRA will consider the proportionality requirements when finalizing the development and income targeting for these sites. When the ICRA prepares the required mid-term report on this Implementation Plan, more details about these sites will be presented.

Table 26 - Proposed Housing Development FY 2009-2014

	FY2009-2010		FY2010-2011		FY2011-2012		FY2012-2013		FY2013-2014		Totals	
Program	Funds	Units	Funds	Units	Funds	Units	Funds	Units	Funds	Units	Funds	Units
Proposed In-Fill Expenditure	\$43,000		\$175,000		\$3,600,000	21	\$20,000				\$3,838,000	21
Proposed Rehab Expenditure	\$400,000	3	\$400,000	3	\$400,000	4	\$400,000	3	\$400,000	3	\$2,000,000	16
Totals Restricted Units	\$443,000	3	\$575,000	3	\$4,000,000	25	\$420,000	3	\$400,000	3	\$5,838,000	37

Table 27 - Proposed Housing Development by Income Level FY 2009-2014

	Very Low		Low		Mod		Total	
	Funds	Units	Funds	Units	Funds	Units	Funds	Units
Proposed In-Fill Expenditure	\$793,100	5	\$3,026,900	9	0	7	\$3,820,000	21
Proposed Rehab Expenditure	\$240,000	5	\$640,000	5	\$1,120,000	6	\$2,000,000	16
Total Price Restricted Units	\$1,033,100	10	\$3,666,900	14	\$1,120,000	13	\$5,820,000	37

G. Compliance with CRL Housing Requirements

This section provides a summary of the ICRA's major obligations through the end of this first 10-year Plan for each of the following areas: Housing Fund; production/inclusionary; replacement housing; and proportional expenditures.

1. Housing Fund Resources

The ICRA has deposited 20% of the tax increment on an annual basis into the Housing Fund. The ICRA is borrowing approximately \$7 million from the Housing Fund to pay the SERAF in FY2009/10 and FY2010/11. During this plan period, the ICRA will begin repayment of that loan in FY2011/12 with annual payments of approximately \$1,443,000 through 2014/15. In addition, any Low Mod Housing funds used for acquisition of future housing sites where the land use was changed to non-housing uses will be repaid to the Housing Fund. The actual amounts are unknown at this time, since these determinations have not yet been made.

2. Production of Housing

The ICRA has either developed or assisted with the development and substantial rehabilitation of 161 income restricted units as shown in the Table below.

Table 28 - Housing Production 1994-2014

Year Built/Rehabilitated and Deed Restricted	Very Low	Low	Moderate	Total
Deed-Restricted and Built 1994 to 1999*	-2	33	16	47
Deed-Restricted and Built 1999 to 2002	0	0	0	0
Deed-Restricted and Built 2002 to 2004	0	0	0	0
Deed-Restricted and Built 2005-2009	11	14	7	32
To Be Built and Deed-Restricted 2009 to 2014	5	9	7	21
Deed-Restricted and Rehabilitated 1994 to 1999	0	1	0	1
Deed-Restricted and Rehabilitated 1999 to 2004	3	5	11	19
Deed-Restricted and Rehabilitated 2005 to 2009	3	11	11	25
To be Deed-Restricted and Rehabilitated 2009 to 2014**	5	5	6	16
Total Number of Eligible Units (all years 1994-2014)	25	78	58	161

* Based on a calculation of units needed and those produced

**This includes the project intended to address the ICRA's replacement housing obligation (12 units)

The ICRA's obligation is 8 very low income units; 12 low income units; and 20 moderate income units. The above production exceeds the production/inclusionary number required by the end of 2014.

3. Replacement Housing

A single-family development to be built on ICRA owned land is anticipated to complete construction in 2012. These units will meet the ICRA's replacement housing requirements shown in the Table below.

Table 29 - Replacement Housing Requirements

	Very Low		Low		Moderate		Total	
Dates	Units	Bdrms	Units	Bdrms	Units	Bdrms	Units	Bdrms
Removed 2002-2004	0	0	0	0	0	0		0
Removed 2005-2009	-2	-2	-5	-10	0	0		-7
Anticipated Removals 2009-2014		0	0	0	0	0		0
Total Needed					0	0		

4. Proportionality

The Regional Housing Needs Allocation (RHNA) proportionality expenditure requirements for ICRA's Low Mod Housing Funds are; 42% for very low, 29% for low, and 29% for moderate income households (see calculations methodology in Section E Tables 20 -23 of this report). The table below shows the past actual expenditures for programs and projects completed from FY 2001/02 through FY2008/09 and the anticipated expenditures for program and projects from FY2009/10 through FY2013/14. These expenditures include approximately \$2.7 million proposed for capital improvement projects (the proportionality benefit of the CIP expenditures was allocated evenly between very low, low, and moderate income groups). The table below shows the expenditures and percentages over the FY 2001-2014 planning period and the required percentages.

Table 30 - Actual and Planned Proportionality Expenditures FY 2001/02-2013/14

	Actual Expenditures FY 01/02 – FY 08/09	Projected Expenditures FY 2009/10 – FY 2013/14	Total Estimated Expenditures FY01/02-FY13/14	Planned and Actual Percent of Total*	Required Percentage
Very-Low Income	\$5,897,545	\$2,033,100	\$7,930,645	29.5%	42%
Low Income	\$7,064,395	\$4,966,900	\$12,031,295	44.8%	29%
Moderate Income	\$4,841,499	\$2,011,000	\$6,852,499	25.5%	29%
Total Expenditures	\$ 17,803,439	\$9,038,000	\$26,841,439	100%	100%

*Percentages do not add up to 100% due to rounding

The table above shows that the percentage for very low income must be increased to meet the 42% target by FY 2014. Therefore the ICRA will take the following actions to meet such requirements including:

- Create housing on the Olive pit site or use the reimbursement of funds if housing is not developed in this site with the noted expenditure percentages

- Adjust the on-going affordable housing programs, particularly substantial rehabilitation to expend a greater percentage on the very low income level
- Use the reimbursement funds from the Arrow Highway Site Acquisitions for a very low income project(s), if this site is not used for housing.
- Some combination of all of the above options

In addition to the expenditures and allocations for specific programs and projects shown above, the ICRA will have expended approximately \$10.8 million on acquisition of Irwindale Pit No. 2 (previously known as the Olive Pit) by FY 2014. This site was originally planned for housing, but based on new factors it may either be used for commercial/industrial purposes or a mixed-use project (partial housing elements). In the event this site is not used for housing, then ICRA will reimburse the Low Mod Housing Fund appropriately. Due to the large amount of funds (\$10.8 million) potentially to be added to the Low Mod Housing Fund resources, the use of these funds will *significantly affect the final percentages and amounts that must be expended for each income group* during the FY 2001-2014 planning period.

In this event, the ICRA must adjust planned expenditures. For example, if the ICRA expends approximately 75% of the Olive Pit \$10.8 million reimbursement funds for very low; and some combination of low and moderate income households for the remaining 25%, it will meet its obligation. With expenditures of these amounts, the ICRA should meet it's the overall proportionality obligation, all else being equal.

The ICRA intends to address all CRL obligations with regard to the Housing Fund, including the income targeting required by Section 33334.4. The ICRA will be able to address this and the repayment of housing funds expended to acquire the Arrow Highway Site, assuming the site will be used for commercial development rather than affordable housing.

In addition, the ICRA plans to expend approximately \$115,000 for a senior housing development during this Implementation Plan time frame. This is less than one percent of the \$26.8 million of expenditures anticipated (not including Housing Fund reimbursements) on programs and specific projects and is significantly less than the maximum of 41.8% of funds that can be expended on age restricted housing. It is therefore in compliance with regard to age-related expenditures.

H. ICRA COMPLIANCE BY END OF EFFECTIVENESS OF PLAN

The City Industrial Redevelopment Project does not expire until 2017. An additional year may also be added for making contribution to SERAF bring which would the time limit to 2018 if the State of California prevails in litigation as to the validity of the SERAF payments. Thus based on past and planned activities and expenditures, the ICRA is currently in compliance with all requirements.

I. NEXT STEPS

Pursuant to the requirements of California Redevelopment Law, the ICRA will hold a public hearing on the progress of housing and non-housing projects and programs for the Project Area between the second and third year of the next Five Year Implementation Plan Report.