

**THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA**

**Hollywood Redevelopment Project**

**5-YEAR IMPLEMENTATION PLAN  
(2009-2013)**

**REQUIRED BY HEALTH AND SAFETY CODE SECTION 33490**

**ADOPTED: May 15, 2008**

**Resolution No. 7162**

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## **I. REDEVELOPMENT PROJECT AREA INFORMATION**

### **A. PROJECT AREA CONTEXT AND BACKGROUND**

The 1,107-acre Hollywood Redevelopment Project Area (“Project Area”) is located approximately six miles northwest of the Los Angeles Civic Center at the foot of the Hollywood Hills. The Project Area is generally bounded by Franklin Avenue on the north, Serrano Avenue on the east, Santa Monica Boulevard and Fountain Avenue on the south, and La Brea Avenue on the west.

The Redevelopment Plan for the Project Area sets forth an array of goals that include encouraging economic development; promoting and retaining the entertainment industry; revitalizing the historic core; preserving and expanding housing for all income groups; meeting the social needs of area residents; providing urban design guidelines; and preserving historically significant structures. Long-term revitalization activities are guided by the Redevelopment Plan. This Implementation Plan focuses on specific goals and programs for the next five years.

The Community Redevelopment Agency of the City of Los Angeles (“CRA/LA”) plans to focus on the following goals during this five-year Implementation Plan period:

- Single Resident Occupancy (“SRO”) Housing: CRA/LA will design and implement a program to preserve the number of very low and low-income Single Room Occupancy units in the Project Area. The extent of this program will be contingent on owners’ willingness to sell or rehabilitate their SRO properties.
- Supportive Housing: CRA/LA will continue to identify sites and provide financial support to homeless service organizations for the development of permanent affordable housing, social services, and maintenance of developments that will meet and serve the special needs of homeless individuals and families.
- Affordable Housing Opportunities: CRA/LA will continue to assist the development of rental and homeownership housing that is affordable to very low, low and moderate income families and seniors. CRA/LA will support efforts to expand the supply of workforce housing.
- Neighborhood Conservation: CRA/LA will identify at-risk residential neighborhoods and design and implement a program aimed at maintaining affordability and applying design standards, which are consistent with neighborhood character.
- Retail Attraction/Retention: CRA/LA will provide technical and, where feasible, financial assistance to improve the economic viability of existing or new businesses along major corridors. Possible assistance includes using the four-point National Main Street Program approach to stabilizing small businesses, improving signage, and/or commercial façade improvements that support a safe pedestrian environment adjacent to the MTA stations as well as linkages between neighborhoods of the large community.
- Historic Preservation: In conjunction with the Historic Resources Survey update, CRA/LA will develop programs to assist property owners in restoring, rehabilitating, and upgrading significant buildings and structures. Demonstration projects will be supported that showcase innovative solutions to providing security, façade lighting, and re-creation of historic design features. Re-use feasibility studies for commercial and entertainment buildings that will allow adaptive re-use.

- Open Space: CRA/LA will identify sites, negotiate with, and provide financial assistance to City Agencies and Developers to create specific open spaces adjacent to proposed projects giving emphasis to parks, green spaces, plazas, and pocket parks. CRA/LA will work with Los Angeles Unified School District and the Department of Recreation and Parks to identify and implement joint public use opportunities of school playgrounds and athletic facilities.
- Transit Oriented Development (“TOD”): CRA/LA will support and encourage development proximate to Metro Rail stations.
- Mobility: CRA/LA will support and assist programs and projects that improve mobility in Hollywood, including establishment of a parking management district; expanded public parking facilities; a parking availability information system; district valet, taxi zone, circulator; select street and intersection improvements; pedestrian, streetscape, and alley improvements; and alternative transportation modes such as bike share and car share programs. Support establishment of a Transportation Management Organization and an aggressive Transportation Demand Management Program to reduce single occupancy vehicle use.
- Community Outreach and Empowerment: CRA/LA will expand community outreach efforts with the objective of maximizing the number and type of stakeholders involved in decisions affecting CRA/LA activities and actively participate in community events.
- Pedestrian-Friendly Environment: CRA/LA will undertake programs and projects, which improve the pedestrian-friendly character of major Hollywood thoroughfares. Working with stakeholder organizations. CRA/LA will initiate projects directed toward improvement of public right-of-way in the Hollywood commercial district.
- Core Industries: CRA/LA will support the retention and expansions of core industries in Hollywood with emphasis on the entertainment, tourist and entertainment-related education industries.
- Plans: CRA/LA will complete and implement the following Plans:  
The Hollywood Boulevard District/Franklin Corridor Urban Design Plan, the Sunset Boulevard/Civic Center Urban Design Plan, the Hollywood Mobility Strategy Plan, and the Hollywood Historic Survey Update and Neighborhood Conservation Plan, the Santa Monica Boulevard Neighborhood Strategy Plan and the Western Transit Corridor Plan.

The Redevelopment Plan was adopted by the City Council of the City of Los Angeles on May 7, 1986. The Redevelopment Plan has been amended three times:

- On December 20, 1994 extend Redevelopment Plan effectiveness to 40 years
- On May 20, 2003 extend time limit to commence eminent domain
- On October 31, 2003 eliminate time limit to incur debt pursuant to SB211 and extend plan effectiveness and receipt of tax increment revenue by one year pursuant to SB1096.

The following table contains significant dates associated with the Redevelopment Plan.

<b>Effectiveness of Redevelopment Plan</b>	Expires May 7, 2027
<b>Time Limit to Commence Eminent Domain</b>	May 20, 2015
<b>Time Limit to Incur Debt</b>	May 7, 2027
<b>Time Limit to Repay Debt</b>	May 7, 2037

**B. IDENTIFICATION OF CONDITIONS AT THE TIME OF ADOPTION OF THE REDEVELOPMENT PLAN**

At the time of adoption, the Project Area contained the following blighting conditions:

- Economic stagnation was characterized by a shortage of available industrial space for entertainment related uses and a decline in residential investment, shifting commercial uses, and a shortage of first-class office space.
- Increasing density, including a low-income population that was growing at rates faster than the citywide average; in addition, conditions of high rates of unemployment, overcrowding, and substandard housing were present.
- Over-burdened circulation systems, inadequate public improvements, and insufficient open space existed in the area. According to the Hollywood Circulation Study, the following streets were identified as requiring improvements: Sunset and Santa Monica Boulevards; La Brea, Franklin, and Highland Avenues; and Vine Street. A 1981 Parking and Traffic Study identified a shortage of approximately 4,523 parking spaces.
- Old, obsolete, and substandard structures were blight in the area, including approximately 50 residential units classified as substantially deteriorated and approximately 2,450 units classified as overcrowded. The CRA/LA in 1984 estimated 380,000 square feet of commercial office space was in need of moderate to heavy rehabilitation, while 1.5 million square feet of retail space was in need of moderate or heavy rehabilitation.
- Irregular parcels that did not meet established planning and zoning standards or economic requirements for development were found throughout the area.
- Fragmented land ownership existed.
- Public classroom space and day care facilities were in short supply.
- Homelessness, especially among youth, was climbing.
- Levels of crime were among the highest in the city.

**C. GOALS AND OBJECTIVES FOR THE REDEVELOPMENT PROJECT AREA**

The Redevelopment Plan establishes a variety of goals for the Project Area; these goals frame the near-term objectives for the Implementation Plan period. The Redevelopment Plan goals are listed below.

1. Encourage the involvement and participation of residents, businesspersons, property owners, and community organization in the redevelopment of the community.
2. Preserve and increase employment and business and investment opportunities through redevelopment programs and, to the greatest extent feasible, promote these opportunities for minorities and women.
3. Promote a balanced community, addressing the needs of the residential, commercial, industrial, arts, and entertainment sectors.
4. Support and encourage the development of social services with special consideration given to participating in projects involving community-based organizations that serve runaways, the homeless, senior citizens, and provide child care services and other social services.
5. Improve the quality of the environment, promote a positive image for Hollywood, and provide a safe environment through mechanisms such as:
  - a. adopting land use standards;
  - b. promoting architectural and urban design standards including: standards for height, building setbacks, continuity of street façade, building materials, and compatibility of new construction with existing structures and concealment of mechanical appurtenances;
  - c. promoting landscape criteria and planting programs to ensure additional green space;
  - d. encouraging maintenance of the built environment;
  - e. promoting sign and billboard standards;
  - f. coordinating the provision of high quality public improvements;
  - g. promoting rehabilitation and restoration guidelines; and
  - h. integrating public safety concerns into planning efforts.
6. Support and promote Hollywood as the center of the entertainment industry and a tourist destination through the retention, development, and expansion of all sectors of the entertainment industry.
7. Promote the development of Hollywood Boulevard within the Hollywood commercial core as a unique place that:
  - a. reflects Hollywood's position as the entertainment center;
  - b. provides facilities for tourists;
  - c. contains active retail and entertainment uses at the street level;
  - d. provides for residential uses;
  - e. is pedestrian oriented;
  - f. is a focus for the arts, particularly the performing arts; and
  - g. recognizes and reinforces its history and architecture.
8. Promote and encourage the retention and expansion of all segments of the arts community and support facilities necessary to foster the arts. Support arts organizations through land use and development policies such as the creation of a theater district.

9. Provide housing choices and increase the supply and improve the quality of housing for all income and age groups, especially for persons with low and moderate incomes; and provide home ownership opportunities and other housing choices that meet the needs of the resident population.
10. Promote the development of sound residential neighborhoods through mechanisms such as land use, density and design standards, public improvements, property rehabilitation, sensitive in-fill housing, traffic and circulation programming, development of open spaces, and other support services necessary to enable residents to live and work in Hollywood.
11. Recognize, promote, and support the retention, restoration, and appropriate reuse of existing buildings, groupings of buildings, and other physical features, especially those having significant historic and/or architectural value and ensure that new development is sensitive to these features through land use and development criteria.
12. Support and encourage a circulation system that will improve the quality of life in Hollywood, including pedestrian, automobile, parking, and mass transit systems with an emphasis on serving existing facilities and meeting future needs.
13. Promote and encourage the development of health, education, child and youth care, and senior citizen facilities and programs to enable the development of a community with a variety of lifestyles.
14. Promote and encourage development of recreational and cultural facilities and open spaces necessary to support attractive residential neighborhoods and commercial centers.
15. Promote the development of the varied ethnic communities in Hollywood.
16. To the maximum extent feasible, seek to build replacement housing within the Project Area prior to the destruction or removal of dwelling units that house low and moderate-income persons. The CRA/LA shall make a good faith effort to relocate displacees within the Project Area unless they choose to relocate elsewhere. Project Area displacees shall be provided a priority for occupancy in housing that the CRA/LA has facilitated.

## **II. PROJECT AREA ACCOMPLISHMENTS**

During the previous Implementation Plan period, the CRA/LA continued its work in revitalizing and preserving the historic core; providing urban design guidelines; encouraging core industry-serving projects; increasing public open spaces; and adding recreational and cultural facilities. The CRA/LA will also continue to focus on increasing housing density, the supply of affordable housing near transit, and mixed-use transit oriented development.

The CRA/LA is continuing the Core Industries Initiative, which consists of programs and activities aimed at attracting and retaining the Project Area's four core industries: entertainment, tourism, health services, and education.

The CRA/LA continues to provide staff to the Hollywood Arts Design Advisory Panel that oversees expenditures from the Hollywood Cultural Trust Fund. This Fund is comprised of developer contributions and provides funding for artists, cultural facilities, and organizations within the Project Area. In addition, the CRA/LA funded technical assistance for Hollywood's Art Program and artwork for the Lexington Pocket Park II.

The CRA/LA continues to implement the recommendations of the Hollywood Social Needs Plan adopted in 1991. Technical and funding assistance is provided for eligible projects that provide services for youths, homeless individual(s) seniors, the working poor, or disabled who make Hollywood their home. During the previous Implementation Plan period, the CRA/LA provided financial assistance for the construction of the Farmer's Kitchen Project in the amount of \$400,000 that will provide community nutrition classes and job training. CRA/LA also provided financial assistance for the rehabilitation of the Los Angeles Gay and Lesbian Center in the amount of \$2,100,000. In addition, the CRA/LA provided financial assistance in the amount of \$968,000 to Travelers Aid Society of Los Angeles for the continuation of providing social services to homeless, runaway youth, adults, and families. Financial assistance in the amount of \$155,000 was also provided by CRA/LA to hire an architectural firm for the design and preparation of construction documents on the rehabilitation of the Social Service Center at Blessed Sacrament. This center provides social services to homeless adults, families and children. Since the homeless population has increase in the Hollywood area, the CRA/LA working with the Hollywood Chamber of Commerce, businesses, and stakeholders have also provided financial assistance to People Assisting the Homeless for their Hollywood Emergency Response Outreach Program (HERO) in the amount of \$250,000. The HERO program complements existing daytime street outreach social services by expanding their outreach hours to include evenings and weekends, Monday through Friday from 4:00PM to 12 midnight.

The CRA/LA continues to fund streetscape improvements, graffiti abatement efforts, housing assistance to low and moderate income residents, and community safety via the security foot patrol on Hollywood Boulevard and on Sunset Boulevard.

Specific projects completed during the previous Implementation Plan period are described below.

#### Affordable Housing Projects

##### **Hollywood Metro Apartments**

This project is located directly above the Hollywood/Western Metro Red Line Station was completed in FY2004 and consists of 60 affordable rental apartments. Most (45 units) are affordable to and occupied by very low-income households, with the remaining (15 units) affordable to low income households. This project also has a day care center, which accommodates up to 70 children, a Charter School and 2 Flex cars available for the community. CRA/LA negotiated and executed a Disposition and Development Agreement with McCormack Baron Salazar in the amount of \$3,726,000 to develop the project. Total development cost \$14,122,000.

##### **Views at 270**

This project, at the northeast corner of Sunset and Western, is a mixed-use commercial and residential development consisting of a 13,000 square foot Walgreens drug store at ground level, 56 units of affordable family housing (28 low income units, 27 very low income units and 1 Manager's unit), and 96 parking spaces. Construction was completed in FY2005. CRA/LA executed a Loan Agreement with the Hollywood Community Housing Corporation (HCHC) in the amount of \$7,700,000. Total development cost \$25,100,000.

##### **Palomar Apartments**

The project, located at 5473 Santa Monica Boulevard, is a conversion of 48 studio units into 24 efficiency units for very low income and formerly homeless persons disabled by



HIV/AIDS. The Palomar hotel building was severely damaged by fire in August 2001 and later acquired by the Hollywood Community Housing Corporation, with funding assistance from the CRA/LA. Restoration and adaptive reuse was completed in FY2006 and the building is currently occupied by very low-income tenants. CRA/LA assistance for predevelopment and acquisition activities was in the amount of \$1,900,000. Total development cost \$5,100,000.

#### **Triangle Square (formerly known as Encore Hall)**

This project at the northeast corner of Selma Avenue and Ivar Street consists of 104 housing units for low-income (96-1 bedrooms and 8-2 bedrooms), HIV/AIDS and special needs gay and lesbian elders. Common areas include a kitchen, gym and nutrition center. This project also includes a multipurpose community room. Project was completed and celebrated its grand opening in FY2007. CRA/LA executed a Disposition and Development Agreement with McCormack Baron Salazar to provide assistance in the amount of \$7,000,000. Total development cost \$20,798,000.

#### Other Projects

##### **Cinerama Public Parking**

Construction of this 1,725-space CRA/LA-owned parking structure on the north side of De Longpre Avenue between Ivar Avenue and Vine Street was completed in March 2002. CRA/LA hired a parking operator and will continue to monitor the operations of the parking structure as a CRA/LA asset in accordance with bond requirements to serve the Sunset and Vine District. The CRA/LA developed the parking structure at a total cost of \$32,200,000.

##### **Valet and Circulator**

This consists of a nighttime circulator bus to serve numerous entertainment clubs on Hollywood Boulevard, Gower Street, Sunset Boulevard, and La Brea Avenue. In FY2006, trolley service (the "Holly Trolley") was established. In FY2007, trolley service expanded to provide transportation between various parking venues, with stops at the Hollywood/Vine and Hollywood/Highland Metro stations. Trolley services were discontinued in Mid 2007 due to limited rider ship.

##### **Sunset and Vine (formerly known as Hollywood Marketplace)**

The project consists of development of a block bounded by Sunset Boulevard, Vine Street, Selma Avenue, and Morningside Court. The multi-level, mixed-use development includes approximately 100,000 square feet of retail and restaurant space, a 700-space parking structure, and 300 market-rate residential units. In FY2005, the project was completed and fully occupied. The estimated construction cost was \$120,000,000 and the CRA/LA's contribution was site-specific tax increment revenues in the amount of \$3,300,000

##### **Hillview Apartments**

This project, located at 6531-6533 Hollywood Boulevard, consists of restoration of the historic Hillview Apartment building into approximately 8,500 square feet of ground floor retail space and 54 market-rate housing units. The building suffered structural damage as a result of the 1994 Northridge Earthquake and arson fire damage in 2002, and had been vacant for several years. Restoration is now complete 2005 and the CRA/LA's contribution to this project is the commitment of site-specific tax increment revenues for 30 years to pay off a portion of the debt service on the loan for the project.

**III. ACTIVITY REPORT ON THE NEXT 5-YEAR PERIOD**

Over the next five years, the CRA/LA plans to implement the following projects and programs. The list below describes them and the blighting-related conditions that will be eliminated, the Redevelopment Plan goals that will be achieved, and estimated costs.<sup>1</sup>

<b>A. Affordable Housing</b>	<b>Estimated Expenditure</b>
<p><b>1. Villas at Gower</b></p> <p>This project at the northeast corner of Gower Street involves the development of 70 very low-income housing units (12 studios, 24-1 bedrooms, and 34-2 bedrooms) with supportive services for homeless families, transitional youths, and special needs individuals. The CRA/LA is in the negotiation and planning phase, with a goal of producing schematic design drawings in FY2008.</p> <p>Blighting conditions addressed by this project include provision of affordable housing and supportive services for homeless families and individuals.</p> <p>Redevelopment Plan goals that would be achieved include, (4), (9), and (13).</p> <p>Jobs generated: Approximately 20 permanent jobs and 100 construction jobs.</p> <p><i>Timeframe ..... FY2005 – FY2011</i></p>	<p>\$7,000,000</p>

<sup>1</sup> Costs are subject to change, and completion of these projects may require future action by the CRA/LA.

<p><b>2. Hollywood and Vine</b></p> <p>This project, located at the southeast corner of Hollywood Boulevard and Vine Street, is a major public-private, catalytic, transit-oriented mixed-use development adjacent to the Hollywood/Vine Metro portal. The project includes redevelopment of a former Metro surface parking lot and features 150 condominiums and 375 rental housing units, 74 of which will be affordable to low income households. Construction is anticipated to be completed in FY2009-2010.</p> <p>Blighting conditions addressed by this project include provision of affordable housing.</p> <p>Redevelopment Plan goals that would be achieved include (3), (7), and (9).</p> <p>Jobs generated: Approximately 600 permanent jobs and 1,500 construction jobs.</p> <p><i>Timeframe ..... FY2001 – FY2010</i></p>	<p>Included with Mixed Use \$6,500,000</p>
<p><b>3. Bungalow Courts</b></p> <p>This project involves the preservation and rehabilitation of 4 historic bungalow courts (32 units) in the Hollywood Project and (10 units) in the East Hollywood Project Area.</p> <p>Blighting conditions addressed by this project include provision of affordable housing and rehabilitation of old, obsolete, and substandard structures.</p> <p>Redevelopment Plan goals that would be achieved include (3), (9), (11), and (16).</p> <p>Jobs generated: Approximately 2 permanent jobs and 120 construction jobs.</p> <p><i>Timeframe .....FY2009--2010</i></p>	<p>\$7,500,000</p>
<p><b>4. 1800 Argyle</b></p> <p>This project involves development of 87 market rate housing units.</p> <p>Blighting conditions addressed by this project include demolition of a vacant obsolete office building and development of market rate residential units.</p> <p>Redevelopment Plan goals that would be achieved include (3), and (9).</p> <p>Jobs generated: To be determined.</p> <p><i>Timeframe .....FY2008-2014</i></p>	<p>CRA/LA received development contribution of \$1,750,000 for deposit into Housing Trust Fund.</p> <p>\$500,000 development contribution to Public Open Space</p>

<p><b>5. Single Occupancy Residence Program</b></p> <p>This project involves preservation and creation of 220 single occupancy residential units for very low income residents.</p> <p>Blighting conditions addressed by this project include development of affordable housing units.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (9).</p> <p>Jobs generated: To be determined.</p> <p><i>Timeframe .....FY2010-2013</i></p>	<p>\$14,000,000</p>
<p><b>6. Homeownership Initiative</b></p> <p>This project involves the conversion of existing rental properties to limited equity cooperatives or condominiums in order to retain affordable housing and promote ownership. This program was not implemented due to Non-responsive from developers. Funds were used to subsidize other affordable housing developments project wide.</p> <p>Redevelopment Plan goals that would be achieved include (3), (9), and (11).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe ..... Ongoing</i></p>	<p>\$3,487,000</p>
<p><b>7. Response to Housing Opportunities</b></p> <p>This project involves the provision of funds for new housing objectives.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (9).</p> <p>Jobs generated: N/A</p> <p><i>Timeframe ..... Ongoing</i></p>	<p>\$11,351,000</p>

<b>B. Commercial and Industrial</b>	<b>Estimated Expenditure</b>
<p><b>1. Academy of Motion Picture Arts and Sciences (AMPAS) Museum</b></p> <p>This project, located on the two blocks bounded by Vine Street, Fountain Avenue, Cahuenga Boulevard, and De Longpre Avenue, is a 150,000 to 200,000 square foot museum of motion pictures in the heart of Hollywood that will be a regional, national, and worldwide tourist destination. The museum will feature 60,000 to 80,000 square feet of exhibit space; public programs; retrospectives and lectures; hands-on exhibits; and a theater/amphitheater. The museum will be a permeable campus with public open spaces, and will offer discounted ticketing for neighborhood residents. The EIR is in process.</p> <p>Blighting conditions addressed include a shortage of space for entertainment related uses and insufficient open spaces.</p> <p>Redevelopment Plan goals that would be achieved include (3), (6), and (14).</p> <p>Jobs generated: Approximately 160 permanent jobs and 2,000 to 2,500 construction jobs.</p> <p><i>Timeframe</i> ..... <i>FY2005 – FY2012</i></p>	<p>Under Negotiation</p>
<p><b>2. Historic Building Prototype</b></p> <p>This project involves the restoration or re-creation of historic building elements that were not part of developers' rehabilitation plans. Elements include façade lighting, entry canopy, and historically sensitive storefront security systems. Properties to be restored are located at 6162, 6650, and 7046 Hollywood Boulevard. Plans have been completed and agreements are being executed. Construction will commence in FY2009 and CRA/LA to monitor conformance to the plans and CRA/LA policies.</p> <p>Blighting conditions addressed by this project include rehabilitation of old, obsolete, and substandard structures</p> <p>Redevelopment Plan goals that would be achieved include (3), (5), (7), and (11).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe</i> ..... <i>FY2007 – FY2009</i></p>	<p>\$733,000 (all MTA Funds under Hollywood Construction Impact Program)</p>

<p><b>3. Vine Street Tower</b></p> <p>This project is a public-private partnership to create a brand-new, Class-A commercial office building at Vine Street at Selma Avenue. The project features redevelopment of a CRA/LA owned surface parking lot into a new commercial office building, over 100,000 square feet of office space targeted at the entertainment industry, and LEED certified silver construction. Exclusive negotiations are ongoing through the end of FY2008. In FY2009, the draft EIR will be circulated and terms of the DDA will be finalized.</p> <p>Blighting conditions addressed by this project include economic stagnation due to a shortage of first-class office space and space for entertainment uses.</p> <p>Redevelopment Plan goals that would be achieved include (2), (3), (6), and (8).</p> <p>Jobs generated: Approximately 300 permanent jobs and 800 construction jobs.</p> <p><i>Timeframe ..... FY2006-FY2011</i></p>	<p>Under Negotiation</p>
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<b>C. Community Facilities and Programs</b>	<b>Estimated Expenditure</b>
<p><b>1. Metrobike</b></p> <p>This project involves the development of a bicycle “drop in” center at the Hollywood/Western Metro station at 5454 Hollywood Boulevard that will allow bike riders using transit to drop off their bikes during the day. The facility will also serve as a staging site for bike tours in Griffith Park and surrounding urban areas. Construction plans have been completed and approved, and CRA/LA will be working with the City of Los Angeles Department of General Services on Bids, award the construction contract, and monitoring.</p> <p>Blighting conditions addressed by this project include overburdened circulation systems and inadequate community facilities.</p> <p>Redevelopment Plan goals that would be achieved include (12) and (14).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe ..... FY2007 – FY2010</i></p>	<p>\$500,000</p>
<p><b>2. Orchard Gables</b></p> <p>This project involves the rehabilitation and adaptive re-use of the Orchard Gables Cottage, constructed in 1912, for potential use as a music conservatory by the Harmony Group, which provides music education for low income children, and administrative offices for LACER, which provides arts education in public schools. Orchard Gables is located at 1277 Wilcox Avenue (southwest corner of Wilcox and Fountain Avenue). Property will be conveyed and redeveloped by the Hollywood Community Housing Corporation.</p> <p>Blighting conditions addressed by this project include rehabilitation of old, obsolete, and substandard structures.</p> <p>Redevelopment Plan goals that would be achieved include (3), (4), (11), (13), and (14).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe ..... FY2007 – FY2012</i></p>	<p>\$2,500,000</p>

<b>D. Mixed Use</b>	<b>Estimated Expenditure</b>
<p><b>1. Highland Center</b></p> <p>This project, located on the two-block area bounded by Highland, McCadden, Las Palmas, and Selma, consists of development of up to 1.1 million square feet of development consisting of: 309 residential units; 350 hotel rooms; 350,000 square feet of office space; and 50,000 square feet of retail floor area. Negotiations and preparation of the EIR are underway.</p> <p>Blighting conditions addressed by this project include economic stagnation due to a shortage of first-class office space and shifting commercial uses.</p> <p>Redevelopment Plan goals that would be achieved include (2), (3), (9), and (11).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe .....FY2008-2011</i></p>	<p>To Be Determined</p>
<p><b>2. Hollywood and Vine</b></p> <p>This project, located at the southeast corner of Hollywood Boulevard and Vine Street, is a major public-private, catalytic, transit-oriented mixed-use development adjacent to the Hollywood/Vine Metro portal. The project includes redevelopment of a former Metro surface parking lot and features a 4-star 300-room W Hotel; 60,000 square feet of retail and restaurant space; and 150 condominiums and 375 rental housing units, 74 of which will be available to low income households. Construction is anticipated to be completed in FY2009-2010.</p> <p>Blighting conditions addressed by this project include economic stagnation due to shifting commercial uses and provision of affordable housing.</p> <p>Redevelopment Plan goals that would be achieved include (2), (3), (7), and (9).</p> <p>Jobs generated: Approximately 600 permanent jobs and 1,500 construction jobs.</p> <p><i>Timeframe ..... FY2001 – FY2010</i></p>	<p>\$6,500,000</p>



<p><b>3. Sunset Gordon</b></p> <p>This project, located on Sunset Boulevard at Gordon Street, is a high-rise mixed-use development of a surface parking lot and the former Spaghetti Factory restaurant into a project that features: 240 condominiums and up to 60 units workforce; 40,000 square feet of commercial creative office space; 13,000 square feet of neighborhood-serving retail; one-half acre public park; historic rehabilitation; and LEED gold construction. The project is in the entitlement process.</p> <p>Blighting conditions addressed by this project include economic stagnation due to a shortage of first-class office space and shifting commercial uses, along with old, obsolete, and substandard structures.</p> <p>Redevelopment Plan goals that would be achieved include (2), (3), (9), and (11).</p> <p>Jobs generated: Approximately 100 permanent jobs and 700 construction jobs.</p> <p><i>Timeframe</i> ..... <i>FY2007 – FY2010</i></p>	<p>\$3,359,800 FY08</p> <p>\$6,200,000 FY09</p>
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<b>E. Public Improvements</b>	<b>Estimated Expenditure</b>
<p><b>1. Historic Resource Survey Update</b></p> <p>In conjunction with surveys for Westlake and Wilshire Center/Koreatown, prepare a comprehensive update of historic resource surveys conducted in 1985 and 2003, and integrate Section 106 Historic Assessment Findings conducted in 1994 after the Northridge earthquake. Digitize historic survey forms and create database allowing for mapping and retrieval of information. This project has been approved by the City Council and is underway.</p> <p>Blighting conditions addressed by this project include rehabilitation of old, obsolete, and substandard structures.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (11).</p> <p>Jobs generated: N/A</p> <p><i>Timeframe</i> ..... <i>FY2008 – FY2009</i></p>	<p>\$147,000 Study</p> <p>Dollar amount on Implementation Plan – To Be Determine</p>

<p><b>2. Hollywood Boulevard / Franklin Corridor Plan</b></p> <p>This Plan area is generically bounded by Selma to Franklin and La Brea to Gower. Work for the Plan includes updating design guidelines and development standards for the Hollywood Boulevard District, and preparing architectural guidelines for the Franklin Corridor neighborhood north of Hollywood Boulevard.</p> <p>Blighting conditions addressed by this project include inadequate public improvements.</p> <p>Redevelopment Plan goals that would be achieved include (1), (5), (7), and (10).</p> <p>Jobs generated: N/A</p> <p><i>Timeframe</i> ..... <i>FT2008-FY2014</i></p>	<p>\$106,000 Study</p> <p>Dollar Amount on Implementation Plan - To Be Determined</p>
<p><b>3. Hollywood Central Park</b></p> <p>This project, located on the US101 Hollywood Freeway between Bronson Avenue and Santa Monica Boulevard, consists of the creation and development of new public open green space. The project could create 44 acres of new active and passive park space; a greenway linking parts of Hollywood; and significant park space in an area underserved with green space. The project is undergoing feasibility analysis.</p> <p>Blighting conditions addressed by this project include inadequate public improvements and insufficient open space.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (14).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe</i> ..... <i>FY2008 –FY2010</i></p>	<p>\$120,000 for Feasibility Study</p>

<p><b>4. Hollywood Mobility Strategy Plan</b></p> <p>Plan area is the Hollywood urban core, bounded by La Brea, Franklin, and Gower. The Plan will include recommended transportation, circulation, and pedestrian improvements, including a mitigation toolbox, to improve mobility in Hollywood; evaluate the feasibility of establishing a parking management district in order to help balance supply and demand for parking among sub-areas in the urban core; and provide recommendations on implementing a circulator connecting activity areas, parking resources, and key destinations in Hollywood.</p> <p>Blighting conditions addressed by this project include over-burdened circulation systems and inadequate public improvements.</p> <p>Redevelopment Plan goals that would be achieved include (1) and (12).</p> <p>Jobs generated: N/A</p> <p><i>Timeframe</i> .....FY2008-2014</p>	<p>\$300,000 Study Dollar Amount on Implementation Plan - To Be Determined</p>
<p><b>5. Hollywood Pedestrian/Transit Crossroads</b></p> <p>This project, near the Metro Rail Red Line stations at Highland/Vine and Hollywood/Western, will improve the pedestrian environment with new streetscape elements and provide amenities for transit riders. The designs are being finalized and awaiting Caltrans approval to proceed.</p> <p>Blighting conditions addressed include over-burdened circulation systems and inadequate public improvements.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (12).</p> <p>Jobs generated: Approximately 75 construction jobs.</p> <p><i>Timeframe</i> ..... FY2009-FY2012</p>	<p>Phase I - \$1,600,000 Phase II - \$241,000</p>

<p><b>6. Santa Monica Boulevard at Western Pedestrian Public Improvements)</b></p> <p>This project, located at the intersection of Santa Monica Boulevard and Western Avenue, consists of a public improvement project at one of the busiest, most dangerous, and heavily traveled intersections in Los Angeles. The project aims to create a more pedestrian-friendly intersection, employ new technology including smart crosswalks, and create a safer intersection more efficient for bus travel. The project is in the design stage.</p> <p>Blighting conditions addressed include over-burdened circulation systems and inadequate public improvements.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (12).</p> <p>Jobs generated: Approximately 25 construction jobs.</p> <p><i>Timeframe</i> ..... <i>FY2006-2010</i></p>	<p>\$104,000 Design Phase</p>
<p><b>7. Sunset Boulevard / Civic Center Plan</b></p> <p>This Plan area is generically bounded by Sunset Boulevard between La Brea and the 101 Freeway, and Civic Center bounded by DeLongpre, Vine, Fountain, and Wilcox. The Plan will include design guidelines and development standards for Sunset Boulevard and the Civic Center, with particular attention paid to transitions in scale of development adjacent to residential neighborhoods, streetscape improvements, and showcasing the Civic Center area of Hollywood.</p> <p>Blighting conditions addressed include inadequate public improvements.</p> <p>Redevelopment Plan goals that would be achieved include (3) and (5).</p> <p>Jobs generated: N/A</p> <p><i>Timeframe</i> ..... <i>FY2008-FY2014</i></p>	<p>\$431,000 Study Dollar Amount on Implementation Plan - To Be Determined</p>

<b>F. Development Opportunities</b>	<b>Estimated Expenditure</b>
<p><b>1. Yucca and Argyle Block</b></p> <p>This project opportunity is located on the northern half of the block bounded by Hollywood Boulevard, Vine Street, Yucca Street, and Argyle Avenue. The CRA/LA will identify development opportunities on the properties adjacent to Capital Records and the Pantages Theater and find opportunities consistent with the Redevelopment Plan, such as creative office space, commercial office space, retail and restaurant, residential, open spaces, and parking.</p> <p>Blighting conditions addressed include economic stagnation due to a shortage of first-class office space and shifting commercial uses, along with old, obsolete, and substandard structures and insufficient open space.</p> <p>Redevelopment Plan goals that would be achieved include (2), (3), (7), (9), (11), and (14).</p> <p>Jobs generated: To be determined</p> <p><i>Timeframe .....FY2008-2010</i></p>	<p>To Be Determined</p>

#### **IV. AFFORDABLE HOUSING PROGRAM**

##### **A. IMPLEMENTATION PLAN REQUIREMENTS**

This section of the Implementation Plan presents those components of the CRA/LA's intended program for the Project Area that deal with the expenditure of funds and activities relating to the production of housing affordable to persons and families of low and moderate income. Low and moderate income is defined in the California Redevelopment Law ("CRL") and is set annually by the California Housing and Community Development Department ("HCD"). The income levels are published annually by HCD and are defined as follows:

<b>Income Category</b>	<b>% of Median Income Range for Applicable Household Size</b>	<b>Section<sup>2</sup></b>
Moderate	80% to 120%	50093
Low	50% to 80%	50079.5
Very-Low	Less than 50%	50105

The 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 CRA/LA's plans for the Project Area will achieve many of the housing responsibilities contained in the CRL. Section 33490 of the CRL requires that the housing component of the Implementation Plan address the applicable items presented in the list below.

##### **1. Production of Housing Based on Activities in the Project Area**

- a. 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));
- b. At least 15% of all new dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the agency shall be available at affordable housing cost to persons and families of low or moderate income, of which not less than 60% shall be affordable to Very Low Income households and shall be occupied by these persons or families (Section 33413(b)(2));
- c. At least 15% of all substantially rehabilitated units that have received agency assistance shall be available at affordable housing cost to persons and families of low or moderate income, of which not less than 60% shall be affordable to Very Low Income households, and shall be occupied by these persons or families (Section 33413(b)(2)(iii)); (Prior to January 1, 2002, substantially rehabilitated multi-family

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<sup>2</sup>All referenced sections are found in the California Health and Safety Code, unless otherwise indicated.

- rental dwelling units with three or more units regardless of whether there was agency assistance, or agency-assisted substantially rehabilitated single-family dwelling units with one or two units); and
- d. Suitable locations must be identified for replacement housing units constructed or substantially rehabilitated pursuant to Section 33413(a), if the destruction or removal of low and moderate-income housing units will result from a project contained in the Implementation Plan (Section 33490(a)(3)).

2. Set-Aside and Expenditure of Tax Increment for Housing Purposes

- a. The "Set-Aside" of a minimum of 20% of tax increment in projects adopted on or after January 1, 1977 (Section 33334.2); and
- b. The proportional expenditure of housing funds on low and very low income housing (Section 33334.4).

3. Section 33490 also requires:

- a. Estimates of the balances and deposits into the Housing Fund created to hold the set-aside of tax increment;
- b. A housing program identifying anticipated expenditures from the Housing Fund;
- c. An indication of housing activity that has occurred in the Project Area; and
- d. Estimates of housing units that will be produced for each of the various income categories.

All of the information required by Section 33490 is provided in the following sections of this Implementation Plan.<sup>3</sup>

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<sup>3</sup> It should be noted that Section 33333.10 does not apply, as the Project Area has not been amended under the provisions of SB 211, which allows a 10-year extension of effectiveness upon making findings of significant remaining blight in the Project Area.

## B. HISTORICAL AFFORDABLE HOUSING ACTIVITIES

The Redevelopment Plan was adopted on May 7, 1986. Between 1986 and FY2008, projects were completed that produced 1,297 affordable housing units within the Project Area. During the previous Implementation Plan period (FY2004 through FY2008), the CRA/LA completed the following affordable housing activities within the Project Area:

Project Name	Year Built	Project Type	Total Number of Units	Number of Affordable Units	Very Low Income Units	Covenant Period
Hollywood Metro Apts.	FY2004	Rental	60	60	45	55 years
Views @ 270	FY2005	Rental	56	56	27	55 years
Palomar Apartments	FY2006	Rental	24	24	24	55 years
Triangle Square	FY2007	Sr. Rental	104	104	0	55 years
Bronson Court**	FY2008	Rental	31	31 units @ 50% = 15.5	8 units @ 50% = 4	55 years
<b>Totals</b>			<b>275</b>	<b>259.5</b>	<b>100</b>	

\*\*Project was partially developed with funding from the East Hollywood/Beverly Normandie Earthquake Disaster Assistance Project, so unit production in the Hollywood Project Area is multiplied by 50%. Of the 259.5 units created, 155.5 are affordable to and occupied by very low-income households. The remaining 104 are affordable to and occupied by low-income senior households.

## C. HOUSING GOALS AND OBJECTIVES OF IMPLEMENTATION PLAN

The primary goal of the CRA/LA is to comply in a responsible manner with the affordable housing requirements imposed by the CRL. The CRL requires that certain housing goals be achieved over various time periods. The inclusionary housing production requirement of Section 33413 and the proportionality requirement of Section 3333.4 both are required to be met by December 31, 2014, and every ten years, thereafter throughout the life of the Redevelopment Plan. It is the CRA/LA's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures to comply with the applicable requirements. The following section discusses housing activities planned for the Five-Year Implementation Plan period.

### 1. Housing Fund Resources

The following presents the estimated Housing Fund cash flow for the first five years of this Implementation Plan. The estimated deposits are based on a tax increment projection along with other sources of revenues identified by CRA/LA staff. The Set-Aside revenue includes the following:

- Twenty percent (20%) of the estimated gross tax increment for the Project Area;
- Interest earned;



- Sale of land owned by the CRA/LA;
- Residual receipt revenue to the CRA/LA;
- Loan repayments to the CRA/LA;
- Future bond proceeds; and
- Cash reserves from previous fiscal years.

The total projected revenues that will be deposited into the Housing Fund during the Implementation Plan period is as follows:

<b>HOUSING FUNDS</b>	<b>Implementation Plan Period</b>
Beginning Balance	\$5,369,000
Property Tax Increment	\$31,363,000
Interest	\$728,000
Bond Proceeds	\$12,533,780
<b>Total Projected Revenues</b>	<b>\$49,993,780</b>

## 2. The Housing Program and Housing Fund Expenditures

The expenditures can be broken into four categories as described below. The total projected expenditures of Housing Fund revenues during the Implementation Plan period is as follows:

	<b>Implementation Plan Period</b>
Projects	\$28,500,000
Programs	\$14,838,000
Administration	\$130,780
Debt Service	\$6,525,000
<b>Total Expenditures</b>	<b>\$49,993,780</b>

a. Projects

The CRA/LA over the next five years will continue to implement projects that will provide affordable housing opportunities within the Project Area. The following summarizes how the CRA/LA will assist projects during the next five years:

<b>Project Name</b>	<b>Description</b>	<b>Affordability Mix</b>	<b>Estimated Completion</b>	<b>Estimated Housing Fund Expenditures</b>
Bungalow Courts	Preservation and rehabilitation of historic residential bungalow courts in Hollywood.	32 units consist of 1 studio – vacant, 27-1 bedrooms very low @50% and 4-2 bedrooms low @80%	FY2010	\$7,500,000 FY08
Villas at Gower Supportive Housing	Permanent housing and supportive services targeting formerly homeless families, transitional youths, and special needs individuals.	70 units of extremely low income housing  12 studios, 24-1 bedrooms and 34-2 bedrooms	FY2011	\$7,000,000 FY07
Bricker Historic Building Senior Housing	Rehabilitation of 16 affordable units for low and very low senior.	1 unit at 50% very low and 7 units 50% low/moderate income units	FY2010	\$0 Project funded from East Hollywood Project area.
Hollywood/Vine	Mixed Use development consisting of condominiums and rental.	74 units at 20% for low income households	FY2010	\$0 Financial assistance only for acquisition and relocation on commercial properties.
Single Room Occupancy	Program designed to increase and preserve the number of single room occupancy units available to very low income households.	220 very low income units	FY2013	\$14,000,000

b. Programs

The following summarizes the programs the CRA/LA plans to implement:

<b>Program Name</b>	<b>Description</b>	<b>Target Affordability</b>	<b>Estimated Housing Fund Expenditures</b>
Homeownership Initiative	Conversion of existing rental properties to limited equity cooperatives or condominiums	Low income residents who currently rent but would like to own	\$3,487,000
Response to Housing Opportunities	Funds for new housing objectives or incurred costs prior to Board approval of specific projects	50% very low and 50% low income	\$11,351,000

c. Administration

Administration includes costs for professional services and other administrative costs incurred in the course of operating the housing activities of the Project Area. This category is used for general administration costs not associated with any specific project or program, such as annual audits and legal services. Project-specific administrative costs are included within the budget of each project or program. Amounts allocated to this category in the expenditure plan are based on actual amounts provided by CRA/LA staff.

d. Bond Debt Service

The CRA/LA will continue to make principal and interest payments on past and future tax allocation bonds. The annual debt service is secured by Housing Fund revenues generated from tax increment.

3. Summary of Planned Housing Activity

The CRA/LA has a number of affordable housing projects and programs that it plans to implement during the Implementation Plan period.

1. Bungalow Courts consists of preservation and rehabilitation of 32 units of 3 historic residential properties in Hollywood. In FY2008, the CRA/LA provided financial assistance for the rehabilitation of 3 historic bungalows at 1516, 1544 and 1554 North Serrano Avenue. Rehabilitated properties will be available to very low, low, and moderate income households.
2. The Bricker Building is a rehabilitation project that consists of 16 units affordable to low and very low-income seniors.
3. Hollywood and Vine is a major mixed-use transit-oriented development featuring a 4-star W Hotel, retail and restaurants, market-rate housing, and affordable housing. There will be a total of 74 units affordable to low income households.

4. Villas at Gower Supportive Housing is a development of 70 units, permanent housing and supportive services for formerly homeless families, transitional youths, and special needs individuals. The CRA/LA has acquired property and is in negotiations with the developer on the Disposition Development Agreement. Near-term plans include producing schematic design drawings and continuing to work with the Gower Advisory Committee.
5. CRA/LA will design and implement a program to preserve the number of very low income Single Room Occupancy units in the Project Area. The extent of this program will be contingent on owners' willingness to sell or rehabilitate their SRO properties.

The table below is the proposed housing projects for the Project Area, with estimates of numbers of units and proposed expenditures over each of the next five years, by unit type.

<b>PROJECTS BY YEAR</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>New Units #</b>	74	70	0	0	0
Proposed Expenditure	\$0	\$7,000,000	\$0	\$0	\$0
<b>Rehabilitated Units #</b>	8	82	50	50	70
Proposed Expenditure	\$0	\$10,500,000	\$3,000,000	\$3,000,000	\$5,000,000
<b>Price Restricted Units #</b>	0	0	0	0	0
Proposed Expenditure	\$0	\$0	\$0	\$0	\$0
<b>Total Unit #</b>	82	152	50	50	70
Total Proposed Expenditures	\$0	\$17,500,000	\$3,000,000	\$3,000,000	\$5,000,000

In addition to the aforementioned projects, the Agency anticipates expending approximately \$14,838,000 on the following programs in the Project Area:

1. Homeownership Initiative consists of the conversion of existing rental properties to limited equity cooperatives or condominiums, in order to provide ownership opportunities to households of low and moderate income.
2. Responses to Housing Opportunities is a program that provides funds for the CRA/LA to pursue its housing objectives or incurred costs prior to Board approval of specific projects.

The table below provides the starting balance, expected deposits, and expenditure estimates of Housing Funds over each of the next five years.

	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Starting Balance</b>	<b>\$6,512,928</b>	<b>\$7,481,657</b>	<b>(\$2,551,037)</b>	<b>(\$4,574,271)</b>	<b>(6,436,666)</b>
Amount to be Deposited	\$6,114,009	\$8,907,010	\$6,413,011	\$6,578,012	\$6,746,013
Estimate of Expenditures	(\$1,435,780)	(\$1,439,704)	(\$1,726,745)	(\$1,730,907)	(\$1,735,194)
	(\$0)	(\$17,500,000)	(\$3,000,000)	(\$3,000,000)	(\$5,000,000)
	(\$3,709,500)	(\$0)	(\$3,709,500)	(\$3,709,500)	(\$3,709,500)
<b>Ending Balance</b>	<b>\$7,481,657</b>	<b>(\$2,551,037)</b>	<b>(\$4,574,271)</b>	<b>(\$6,436,666)</b>	<b>(\$10,135,347)</b>

#### D. APPLICABLE LOW AND MODERATE INCOME HOUSING REQUIREMENTS

##### 1. Replacement Housing Obligation

The CRA/LA is required to meet replacement housing obligations pursuant to Section 33413(a). This section requires the CRA/LA to replace, on a one-for-one basis, all units occupied by low and moderate-income households that are removed from the inventory as a result of CRA/LA actions. The removed units must be replaced within four years of removal. In addition to matching the number of dwelling units, the CRA/LA must also replace an equal or greater number of bedrooms.

All replacement units for dwelling units removed on or after January 1, 2002, must be affordable to persons in the same or lower income category (If removed prior to January 1, 2002, 75% of replacement units must be affordable to persons in the same or lower income category). However, replacement housing units do not have to match other characteristics, such as rental vs. ownership and family vs. senior housing, as the units removed from inventory. Also, replacement units can be developed anywhere within the City limits. Section 33490 of the CRL requires that if an implementation plan contains projects that could result in the removal of low and moderate income housing units, the plan must identify locations suitable for the replacement of such housing.

- a. Past Removal of Low-Mod Income Units: Based on the previous implementation plan, the CRA/LA removed 12 dwelling units as a result of the Villas at Gower Project at the northeast corner of Gower Street. As part of this project, 70 affordable very low-income units will be created. Pursuant to Section 33413(a), 12 of the 70 affordable units at the Villas at Gower project replaced the units previously removed from this site.

	Very Low Income		Low Income		Moderate Income		Total	
	Units	Bdrms	Units	Bdrms	Units	Bdrms	Units	Bdrms
Fulfillment	12	4 Singles and 8-2 bedrooms	0	0	0	0	12	4 singles and 8-2 bedrooms
Obligation	12	0	0	0	0	0	12	4 singles and 8-2 bedrooms
Surplus/(Deficit)	0	0	0	0	0	0	0	0

As illustrated in the preceding table, the CRA/LA has fulfilled the 12-units, 2-bedroom replacement housing obligation.

- b. Future Removal of Low-Mod Income Units: This Implementation Plan does not include projects or programs that would result in the removal of housing units from the low and moderate income housing stock. Therefore, there is no requirement to identify locations for replacement housing units.

## 2. Inclusionary Housing Obligation

The CRA/LA is required to comply with the affordable housing unit production requirements imposed by Section 33413(b):

- a. Subparagraph (1) of the Section requires that at least 30% of all housing units developed by the CRA/LA be affordable to persons and families of low and moderate income.<sup>4</sup> Affordability restrictions must be maintained by long-term covenants. Of these low and moderate-income units, 50% must be affordable to persons and families of very low income.
- b. Subparagraph (2) of Section 33413(b) requires that at least 15% of all housing developed in the Project Area by entities other than the CRA/LA be affordable to persons and families of low and moderate income. Affordability restrictions must be maintained by long-term covenants. Of these low and moderate-income units, 40% must be affordable to persons and families of very low income.

To determine the number of units that must be developed in order to comply with this requirement, and to identify how much of this requirement will be satisfied by the activities included in this Implementation Plan, a brief review of past and anticipated housing development activity in the Project Area is presented below. It should be noted that the CRA/LA has not produced any housing units directly and therefore Subparagraph (1) of Section 33413(b) is not applicable.

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<sup>4</sup> The definition of agency-developed units is those units produced entirely by the CRA/LA.

a. Past Development of Housing in Project Area (1986 - 2008)

An estimated 3,351 housing units have been constructed or substantially rehabilitated within the Project Area since the 1986 adoption, all of which are subject to the inclusionary requirements outlined above. Of these units, 585 were developed during the previous Implementation Plan period.

b. Current and Future Housing Construction Activity in Project Area

Approximately 144 units are in the process of being developed within the Project Area, which will be subject to the inclusionary requirement. Also, there are 1269 additional units that are expected to be developed in the Project Area during the Implementation Plan period of 2009-2013. Therefore, during the Implementation Plan period, a total of 1413 units are estimated to be added to the Project Area. At this time, however, no units are expected to be developed in the Project Area during the remaining Plan Life from 2015-2027.

c. Inclusionary Housing Obligation

The Section 33413(b) inclusionary housing requirements triggered by historical and projected development in the Project Area from 1986 through the life of the Project Area are as follows:

	<b>Units Developed</b>	<b>Total Inclusionary Obligation (15%)</b>	<b>Very-Low Income Obligation (40% of 15% Total Obligation)</b>	<b>Low or Moderate Income Obligation (60% of 15% Total Obligation)</b>
Current Obligation (1986 – 2008)	3,351	503	201	302
Implementation Plan (2009 – 2013)	1,413	212	85	127
Remaining Plan Life (2015 – 2027)	0	0	0	0
<b>Totals (1986 – 2013)</b>	<b>4,764</b>	<b>715</b>	<b>286</b>	<b>429</b>

*Source: Building and demolition data supplied by CRA/LA; First American Real Estate Solutions MetroScan; Agency staff.*

Therefore, the inclusionary housing obligation during the Implementation Plan period totals 212 affordable units, with 85 of those units affordable to and occupied by very low-income households. The maximum inclusionary housing obligation for the Project Area is estimated at 715 units, with 286 of those units affordable to and occupied by very low-income households.

d. Inclusionary Housing Fulfillment

Since 1986, a total of 1,297 inclusionary units have been added to the Project Area.

The following affordable projects are anticipated to be constructed during the Implementation Plan period.

<b>Project Name</b>	<b>Very-Low Income Units</b>	<b>Low / Moderate Income Units</b>	<b>Total Affordable Units</b>	<b>Estimated Completion Date</b>
Bricker Building Rehabilitation	2 units @50% credit = 1 unit	14 Units @50% credit = 7 units	8	FY2009
Hollywood & Vine	0	74	74	FY2009
Bungalow Courts Rehabilitation	15	17	32	FY2010
Villas at Gower	70	0	70	FY2011
Single Room Occupancy	220	0	220	FY2013
<b>Totals</b>	<b>306</b>	<b>98</b>	<b>404</b>	

The following table estimates the current and life of plan inclusionary housing status:

	<b>Very-Low Income Units</b>	<b>Low / Moderate Income Units</b>	<b>Total Affordable Units</b>
1986 – 2008 Obligation	(201)	(302)	(503)
2009 – 2014 Obligation	(85)	(127)	(212)
2015 – 2027 Obligation	(0)	(0)	(0)
<i>Total Obligation</i>	<i>(286)</i>	<i>(429)</i>	<i>(715)</i>
1986 – 2008 Production	1,297	0	1,297
2009 – 2014 Production	306	98	404
<b>Inclusionary Surplus/(Deficit)</b>	<b>1,317</b>	<b>(331)</b>	<b>986</b>

In summary, the Agency's affordable housing obligation is 703 units, with 271 affordable to very low-income households. Thus, the Agency is anticipated to meet the low and moderate income housing production requirements imposed by Section 33413(b).



E. USE OF LOW AND MODERATE INCOME HOUSING FUND

1. Set-Aside of Tax Increment

The Project Area is subject to the Section 33334.2 requirement to allocate a minimum of 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. The projections of deposits into the Housing Fund are discussed in the following section of the Implementation Plan.

2. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with income and age proportionality tests. These tests must be met between January 1, 2002, and December 31, 2013, and then again at 10-year intervals throughout the remaining life of the Redevelopment Plan. These tests do not have to be met on an annual basis nor are they applied to unit production.

a. Net Housing Fund Proceeds

To estimate the amount of proceeds that will be available for expenditure from January 1, 2002, to June 30, 2013, the following table illustrates the assumptions and calculations:

<b>Fiscal Year</b>	<b>Tax Increment Deposits</b>	<b>Other Deposits</b>	<b>(Less) Administrative Expenses</b>	<b>(Less) Debt Service Payments</b>	<b>Net Housing Fund Proceeds</b>
2002	\$1,069,000	\$3,899,000	(\$138,000)	(\$528,000)	\$4,302,000
2003	\$3,980,000	\$98,000	(\$406,000)	(\$1,067,000)	\$2,605,000
2004	\$3,658,000	\$3,282,000	(\$377,000)	(\$1,176,000)	\$5,387,000
2005	\$2,950,000	\$82,000	(\$429,000)	(\$1,268,000)	\$1,335,000
2006	\$4,039,000	\$7,021,000	(\$419,000)	(\$1,268,000)	\$9,373,000
2007	\$5,888,000	\$157,000	(\$303,000)	(\$1,280,000)	\$4,462,000
2008	\$5,675,000	\$3,015,000	(\$809,000)	(\$1,022,000)	\$6,859,000
2009	\$5,894,000	\$218,000	(\$130,780)	(\$1,305,000)	\$4,807,000
2010	\$6,125,000	\$2,780,000	(\$134,704)	(\$1,305,000)	\$7,600,000
2011	\$6,285,000	\$126,000	(\$138,745)	(\$1,588,000)	\$4,823,000
2012	\$6,447,000	\$129,000	(\$142,907)	(\$1,588,000)	\$4,988,000
2013	\$6,612,000	\$132,000	(\$147,194)	(\$1,588,000)	\$5,156,000
<b>Total Net Proceeds</b>	<b>\$58,622,000</b>	<b>\$20,939,000</b>	<b>(\$3,575,330)</b>	<b>(\$14,983,000)</b>	<b>\$61,697,000</b>

As shown above, a total of **\$61,697,000** of net proceeds are estimated to be deposited into the Housing Fund from January 1, 2002 through June 30, 2013.

b. Very-low and Low Income Housing Expenditures

The income proportionality test requires that the CRA/LA 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 information contained within the City's General Plan. Based on the City's General Plan, the City's minimum required allocation for very low and low-income expenditures, and maximum moderate-income housing expenditures are:

<b>Category:</b>	<b>Housing Need<sup>5</sup></b>	<b>Threshold</b>
Very-Low Income	17,990	At least 45%
Low Income	10,416	At least 26%
Moderate Income	11,314	At most 29%

It should be noted that the CRA/LA is entitled to expend a disproportionate amount of the funds for very low-income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the CRA/LA can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event can the expenditures targeted to moderate-income households exceed the established threshold amount.

As shown above, a total of **\$61,697,000** of net proceeds are estimated to be deposited into the Housing Fund between 2002 and 2013. These funds must comply with the following distribution formulas:

<b>Minimum</b> Estimated Expenditure on Very-Low Income Units @ 45%	\$27,763,650
<b>Minimum</b> Estimated Expenditure on Low Income Units @ 26%	\$16,041,220
<b>Maximum</b> Estimated Expenditure on Moderate Income Units @ 29%	\$17,892,130

As of the end of fiscal year 2008, the Agency had spent the following net proceeds by category:

<sup>5</sup> Source: Regional Housing Needs, 1998-2005, adopted by Southern California Association of Governments, Regional Council, on November 2, 2000.

<b>January 1, 2002 – FY2008</b>	<b>Actual Expenditures</b>	<b>As a % of Requirements</b>
Very-Low Income	\$14,751,925	53%
Low Income	\$15,198,378	95%
Moderate Income	\$0	0%
<b>Total Expenditures</b>	<b>\$29,950,303</b>	

As described on pages 26 through 28, the CRA/LA plans to expend the following net proceeds by category during the 2009 through 2013 Implementation Plan period:

<b>Implementation Plan Period</b>	<b>Actual Expenditures</b>	<b>As a % of Requirements</b>
Very-Low Income	\$32,675,500	118%
Low Income	\$10,662,500	65%
Moderate Income	\$0	0%
<b>Total Expenditures</b>	<b>\$43,338,000</b>	

Therefore, the following summarizes the remaining net proceeds that must be spent by June 30, 2013, by category.

	<b>Estimated Net Proceed Expenditure Requirements</b>	<b>(Less) 2002 – FY2008 Expenditures</b>	<b>(Less) Implementation Plan Period Expenditures</b>	<b>Balance to Spend by June 30, 2014</b>
Very-Low Income	\$27,763,650	(\$14,751,925)	(\$32,675,500)	0
Low Income	\$16,041,220	(\$15,198,378)	(\$10,662,500)	0
Moderate Income	\$17,892,130	(\$0)	\$0	\$17,892,130
<b>Total Expenditures</b>	<b>\$61,697,000</b>	<b>(\$29,950,303)</b>	<b>(\$43,338,000)</b>	<b>\$17,892,130</b>

The CRA/LA plans to expend the remaining estimated Housing Funds so that by June 30, 2013, it has met its obligation to allocate 45% of the Housing Fund project and program expenditures to very-low income households, 26% of the funds to low income households, and 29% of the funds to moderate income households. Thus, the CRA/LA anticipates meeting the income targeting standards imposed by Section 33334.4.

c. Age Restricted Housing Expenditures

Section 33334.4 also requires that the CRA/LA assist housing that is available to all persons, regardless of age, in at least the same proportion as the households earning below 80% of the median income and under age 65 bears to the City's total households earning below 80% of the median income. The 2000 Census indicates that 80% of the CRA/LA expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents.<sup>6</sup> Therefore, the maximum proportion of the net Housing Fund proceeds that the CRA/LA is allowed to spend on age-restricted projects is 20%.

As shown above, a total of **\$61,697,000** of net proceeds are estimated to be deposited into the Housing Fund between 2002 and 2013. These funds must comply with the following distribution formulas:

<b>Maximum</b> Estimated Expenditure on Age Restricted Projects @ 20%	\$12,339,400
<b>Minimum</b> Estimated Expenditure on Non-Age Restricted Projects @ 80%	\$49,357,600

As of the end of fiscal year 2008, the CRA/LA had spent the following net proceeds by category:

<b>January 1, 2002 – FY2008</b>	<b>Actual Expenditures</b>	<b>As a % of Requirements</b>
Age Restricted Projects	\$11,018,151	89%
Non-Age Restricted Projects	\$18,932,152	38%
<b>Total Expenditures</b>	<b>\$29,950,303</b>	

As described on pages 26 through 28, the CRA/LA plans to expend the following net proceeds by category during the 2009 through 2013 Implementation Plan period:

<b>Implementation Plan Period</b>	<b>Actual Expenditures</b>	<b>As a % of Requirements</b>
Age Restricted Projects	\$0	0%
Non-Age Restricted Projects	\$43,338,000	88%
<b>Total Expenditures</b>	<b>\$43,338,000</b>	

<sup>6</sup> CHAS data provided by the United States Housing and Urban Development Department. A total of 116,975 of the 580,977 total households earning below 80% of the median are designated as senior citizen households.

Therefore, the following summarizes the remaining net proceeds that must be spent by December 31, 2013, by category.

	<b>Estimated Net Proceed Expenditure Requirements</b>	<b>(Less) FY 2002 through FY 2008 Expenditures</b>	<b>(Less) Implementation Plan Period Expenditures</b>	<b>Balance to Spend by December 31, 2013</b>
Age Restricted Projects	\$12,339,400	(\$11,018,151)	(\$0)	N/A
Non-Age Restricted Projects	\$49,357,600	(\$18,932,152)	(\$43,338,000)	N/A
<b>Total Expenditures</b>	<b>\$61,697,000</b>	<b>(\$29,950,303)</b>	<b>(\$43,338,000)</b>	<b>(\$11,591,303)</b>

The CRA/LA plans to expend the remaining estimated Housing Funds so that by December 31, 2013, it has met its obligation to allocate at least 80% of the Housing Fund project and program expenditures to under age 65 households. Thus, the CRA/LA anticipates meeting the age restriction targeting standards imposed by Section 33334.4.

**F. COMPLIANCE BY END OF EFFECTIVENESS OF PLAN**

Because the Redevelopment Plan for the Project Area expires on May 7, 2027, this section is not applicable.

**V. NEXT STEPS**

Pursuant to the requirements of California Redevelopment Law, the CRA/LA 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.

Project Area Map "Exhibit A" follows.

EXHIBIT A - PROJECT AREA MAP

Hollywood

CRA/LA

