Redevelopment Agency
November 18, 2008

AGENCY AGENDA ITEM 5A

Honorable Chairperson and Members
of the Torrance Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

SUBJECT: Consideration of an update to the Five Year Implementation Plan, a requirement of the Community Redevelopment Law Reform Act of 1993, Assembly Bill 1290.

RECOMMENDATION

Recommendation of the Redevelopment Agency Deputy Executive Director that the Agency adopt the attached Resolution approving the Torrance Redevelopment Agency's Revised Five Year Implementation Plan for Skypark, Downtown, and Industrial project areas in the City of Torrance.

Funding: N/A

BACKGROUND AND ANALYSIS

On October 6, 1993, Governor Pete Wilson signed Assembly Bill 1290 (Isenberg) entitled the Community Redevelopment Law Reform Act of 1993. One of the provisions of the bill (Health and Safety Code Section 33490) is the requirement that each Agency adopt a Five Year Implementation Plan. Each Agency must adopt, after a public hearing, an Implementation Plan on or before December 31, 1994. This Implementation Plan must be revised and readopted every five years. In addition, at least once during the five-year period, a public hearing on the Implementation Plan is required to be held to monitor the progress and amend the plan if necessary. At this time, Agency staff is presenting the updated Five Year Implementation Plan attached as Exhibit 1 to the Agency Resolution, Attachment A for your approval.

The Implementation Plan describes specific goals and objectives of the Agency, projects, and programs proposed for the next five years, proposed expenditures, and how these goals, objectives, projects, and programs will assist in the alleviation of blight. The Implementation Plan must also describe how the Agency will implement both the requirement to increase, improve, and preserve low and moderate income housing and the inclusionary housing requirement. This section of the Plan must contain an annual housing program and specified plans for expenditures of monies from the Housing Fund. If the Implementation Plan contains a project that will result in

removal of low or moderate income housing, the Implementation Plan must identify locations suitable for the required replacement dwelling units.

Redevelopment Agency staff has prepared the update to the Five Year Implementation Plan based on information, projects and programs that have been adopted by the Agency and are currently underway. The contents of this Plan address the specific requirements of AB1290. As allowed by Section 33490(c) of the Health and Safety Code, this Implementation Plan addresses all three Redevelopment Project Areas in the City of Torrance together. As always, the financial projections are based on the assumption that the State does not appropriate additional funds from the Redevelopment Agency.

In addition, other factors such as County's redistribution of tax increments may influence the final amounts available for the above programs. Since the majority of our redevelopment funding is dedicated to debt service the funding available for programs is very limited with virtually all funds dedicated to the continuation of on-going programs in the Implementation Plan. During the next five years, estimated housing set-aside funds are limited to continuing current and proposed programs and new projects. If additional funding becomes available the Agency will be able to propose new projects for redeveloping the project areas.

Respectfully submitted,

Jeffery W. Gibson
Deputy Executive Director

By _____
Ted Semaan, Division Manager
Redevelopment & General Plan Division

CONCUR:

_____
Jeffery W. Gibson
Deputy Executive Director

_____
LeRoy J. Jackson
Executive Director

TS:jm

ATTACHMENTS:
A. Agency Resolution

RESOLUTION NO. RA 2008-01

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, CALIFORNIA, APPROVING THE REVISED FIVE YEAR IMPLEMENTATION PLAN AS REQUIRED BY THE COMMUNITY REDEVELOPMENT LAW REFORM ACT OF 1993, SECTION 33490 OF THE CALIFORNIA HEALTH AND SAFETY CODE.

WHEREAS, the Five Year Implementation Plan for the Skypark, Downtown and Industrial Redevelopment Project Areas was adopted by the Redevelopment Agency of the City of Torrance on December 6, 1994, by Resolution RA94-4; and

WHEREAS, the Redevelopment Agency of the City of Torrance conducted a public hearing on November 18, 2008, to consider an update of the Five Year Implementation Plan as required by the Community Redevelopment Law Reform Act of 1993; and

WHEREAS, the Redevelopment Agency held a duly notice public hearing on November 18, 2008, on the adoption of the proposed revision, in the City Council Chambers, 3031 Torrance Boulevard, Torrance, California; and

WHEREAS, due and legal publication of notice was posted in four different locations in each of the three project areas (Skypark, Downtown and Industrial); and

WHEREAS, the Torrance Redevelopment Agency (the "Agency") is designated as the official Redevelopment Agency to carry out in the City of Torrance the functions and requirements of the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et sez.) ("CRL") and to adopt a revised Five Year Implementation Plan, a requirement of the Community Redevelopment Law Reform Act of 1993, Assembly Bill 1290; and

WHEREAS, recent amendments to California Community Redevelopment law require Redevelopment Agencies to adopt a Five Year Implementation Plan containing certain specified information and explanations concerning the Redevelopment Agency's redevelopment and affordable housing activities for the next five years; and

WHEREAS, an Implementation Plan shall be revised and readopted every five years; and

WHEREAS, at least once during the five year period a public hearing on the Implementation Plan is required to be held to monitor the progress and amend the plan if necessary; and

WHEREAS, Agency staff has prepared a revised Five Year Implementation Plan and submitted the same to the Agency for consideration.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby approved and adopts the revised Five Year Implementation Plan as required by Section 33490 of the Health and Safety Code in the form attached hereto and incorporated herein as Exhibit No. 1.

INTRODUCED, APPROVED AND ADOPTED THIS 18TH DAY OF NOVEMBER, 2008.

_____
Chairperson of the Agency

_____
Executive Director of the Agency

ATTEST:

_____
Sue Herbers
Secretary of the Redevelopment Agency

APPROVED AS TO FORM:

John L. Fellows III, Agency Counsel

By _____

EXHIBIT 1

CITY OF TORRANCE

REDEVELOPMENT AGENCY

FIVE YEAR IMPLEMENTATION PLAN

2008-2012

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I. INTRODUCTION

On October 6, 1993, Governor Wilson signed Assembly Bill 1290 (Isenberg). AB 1290, entitled the Community Redevelopment Law Reform Act of 1993, became effective on January 1, 1994. This new legislation requires redevelopment agencies to prepare an implementation plan that contains certain specified information and explanations concerning the agency's redevelopment and affordable housing activities for the next five years. Each agency that has adopted a redevelopment plan prior to December 31, 1993, must adopt, after a public hearing, an implementation plan on or before December 31, 1994 (Section 33490 (a); Sec 30). Thereafter, this implementation plan shall be revised and adopted every five years (Section 33490 (b); Sec 30). In addition, at least once during the five-year period, a public hearing on the implementation plan is required, to be held, to monitor the progress and amend the plan if necessary.

The implementation plan must describe specific goals and objectives of the agency, projects and programs proposed for the next five years of the plan, and a description of how these goals, objectives, projects and programs will assist in the alleviation of blight. The implementation plan also requires agencies with existing project areas to describe how the Agency will implement both the requirement to increase, improve and preserve low and moderate income housing and the inclusionary housing requirement. This section of the plan must contain an annual housing program and specific plans for expenditures of moneys from the Housing Fund. If the implementation plan contains a project that will result in destruction of low or moderate income housing, the implementation plan must identify locations suitable for the required replacement dwelling units.

The Torrance Redevelopment Agency staff has prepared the following five year implementation plan in conformance with AB 1290. The content of the Plan is derived from several sources including adopted redevelopment plan, tax increment bond issues, funding estimates, and adopted programs. The Plan collates the information available in these documents in one plan for the first time. As allowed by Section 33490(c) of the Health and Safety Code, this implementation plan addresses all four current redevelopment project areas in the City of Torrance together in a single report.

II. CITY OF TORRANCE REDEVELOPMENT AGENCY

The Torrance Redevelopment Agency was created in 1964 to assist the City in eliminating blight from designated areas within the City, and to promote new commercial, industrial, and residential developments. Currently, there are three Redevelopment Project areas within the City of Torrance.

Meadow Park, located on Hawthorne Boulevard north of Pacific Coast Highway is the Agency's first redevelopment effort. Established in 1967, the Meadow Park Redevelopment Plan had a 40 year life span. Subject to frequent flooding because of its location, the project area was further hampered by lack of infrastructure and an antiquated subdivision. Under the direction of the Torrance Redevelopment Agency, the area was cleared, filled, and graded to drain properly, and a coherent street pattern was created. Resubdivision of the area provided lots of usable size and updated utilities. In addition, the Redevelopment Agency voluntarily set aside money from the revenue generated by the Meadow Park Project to assist in the production of low and moderate income housing. These funds

were used to acquire property for housing sites. Three projects benefited from this contribution by the Agency: The United Cerebral Palsy Foundation handicapped housing project on Ocean Avenue and two senior citizen housing projects on 226th Street and on Cravens Avenue. Tax increment is no longer generated from the mature Meadow Park Project and there is no bonded indebtedness on the project. As of March 7, 2007, the Meadow Park Redevelopment Plan expired.

Skypark, established in 1976, was the second redevelopment project in the City of Torrance. The project area spans 30 acres of prime land along Hawthorne Boulevard. Prior to redevelopment, the project was subdivided into 140 small lots that lacked adequate infrastructure to support businesses and commercial activities. With the Redevelopment Agency's assistance, Skypark has now become one of the most valuable commercial sites in Torrance. Presently, the amount of tax increment received by the Agency from the mature Skypark Project is restricted to the amount required to meet outstanding obligations including debt service and the 20% housing set-aside funds for use in development of low and moderate income housing. Any increment in excess of this amount is forwarded to the original taxing agencies.

The **Downtown Redevelopment Project** area, established in 1979, is the Agency's third project and encompasses 88.5 acres containing the original commercial core of the City, which was designed in 1912. This area is experiencing a renaissance with the development of the Historic Downtown Torrance Redevelopment Project. In addition, the Agency allocated $200,000 from the Downtown Bond revenues in 1986 to establish the Commercial Rehabilitation Program to help property owners and businesses make needed improvements to the exterior of their buildings. Due to its success, the Agency budgets an additional $40,000 each fiscal year for this program. Numerous buildings have been renovated in Downtown and the Program will continue to encourage property owners and businesses to upgrade deteriorating structures. Since the adoption of the redevelopment project area, the total property valuation for the Downtown Redevelopment Project has increased from just over $7 million dollars in 1980 to $ 197 million dollars in 2008. Affordable housing is available in the Downtown Project area and new and replacement housing has been included as a part of the Plan. Affordable housing units have been provided with Project resources both within the Project Area and throughout the City. Of the 172 Historic Downtown condominiums, 33 units are designated as affordable units starting at $165,000. In addition, the Agency has rehabilitated an aged and deteriorated building containing 26 units in the Downtown Project Area at the corner of Sartori and El Prado Avenues. All units are designated as affordable. The Agency will continue to investigate all opportunities to increase and expand affordable housing units in the Project Areas and citywide.

Industrial Redevelopment Project area. The Agency has been instrumental in bringing the American Honda national headquarters and many other industries into the Industrial Redevelopment Project Area, and creating more jobs and additional revenues for the City. American Honda acquired 76 acres of the former U.S. Steel facility and, with the addition of the Agency acquired 25 acres, they were able to build their national headquarters on a deteriorated site that was fast becoming an economic drain on the community. The Torrance Redevelopment Agency has also been instrumental in the development of two additional properties, which previously housed large heavy industrial facilities within the Industrial Redevelopment Project Area. Torrance Center I, located at the eastern boundary of Torrance, is a successful commercial office project designed to become a "gateway" at one of the City's major entrance corridors. Torrance Center II is a 36-acre, master planned development, located

on the former ARMCO property. This project was planned to be developed in phases, with a mix of retail, commercial, office and hotel uses. Eastgate Plaza shopping center, Mitsuwa Marketplace, Sakura Finetek, and Sunrider International are few of the major tenants and businesses located within Torrance Center II. Sunrider uses its three story, 188,000 square foot complex to administer its worldwide business devoted to the creation and distribution of herbal foods, natural cosmetic, skin and hair care products. The Miyako Hotel, a seven-story, 215-room, full-service hotel, is currently under construction at Western Avenue and 213th Street. The results of the redevelopment effort are impressive. The total property valuation for the Industrial Redevelopment Project has increased from $112 million dollars in 1982 to $ 747 million dollars in 2008. Virtually no opportunities exist for housing in this area; and, therefore, the Agency has directed the vast majority of housing funds generated by the Industrial Project Area to the adjacent Downtown Project Area. Pending the adoption of the updated General Plan, which is anticipated to occur in the Summer/Fall of 2009, the City will be recommending re-designating the Business Park properties along the east side of Border Avenue, between Carson Street and Plaza del Amo to Residential-Office and the Business Park properties along east side of Western Avenue between Plaza del Amo and Sepulveda Boulevard to Medium Density Residential. These areas will provide opportunities for new housing units and mixed-use projects.

III. PROJECT AREA GOALS AND OBJECTIVES

The new legislation states that the Implementation Plan must contain the Agency's specific goals and objectives for the project area. Following are the consolidated goals and objectives set forth in the adopted Redevelopment Plan for each redevelopment project area:

MEADOW PARK

The goals and objectives of the Meadow Park Redevelopment project have been realized. This project area is completely redeveloped and is no longer considered an active redevelopment project area.

SKYPARK

The goals and objectives of the Skypark Redevelopment project also have been fully realized. This area is completely redeveloped in accordance with the Redevelopment Plan for the Skypark Redevelopment Project Area.

DOWNTOWN

The Agency proposes a comprehensive, coordinated and sequential process aimed at eliminating and preventing the conditions of physical, economic and social blight and at reestablishing the social, economic and physical stability of the Downtown area. The process, in general, consists of:

- Rehabilitation of residential, business and industrial structures and improvements by present owners, their successors, and the Agency. Owners and tenants within the Project will be extended preferential opportunity to remain or relocate within the Project Area. Businesses will be assisted in obtaining rehabilitation financing on reasonable terms.

- Identifying buildings of historic significance and, to the extent practical, working with the owners and tenants so that such buildings may be protected, rehabilitated or restored.
- Identifying and causing to be improved, substandard structures and removing such structures or uses which cannot be improved or made compatible with projected uses.
- Establishing rehabilitation and new development opportunities which will be compatible with adjacent commercial, residential or industrial properties and which adhere to design and development controls established in accord with City objectives and in compliance with all aspects of the Torrance General Plan.
- Providing opportunities for a variety of housing types, with major consideration given to the provision of low and moderate income housing, by increasing overall densities within the Project area, while maintaining the area's existing mixed land use character.
- Providing adequate utilities, improving vehicular and pedestrian access and circulation, and installing other public improvements necessary to make the Downtown a viable living and shopping area.
- Management of properties acquired by the Agency for purposes of removing substandard or incompatible uses or establishing new development opportunities.
- Providing relocation assistance to persons, families and business owners and tenants who occupy properties acquired by the Agency.

INDUSTRIAL

The Agency proposes a comprehensive, coordinated and sequential process aimed at eliminating and preventing the spread of blight and deterioration in the Project Area by:

- The elimination of environmental deficiencies in the Project Area, including, among others, incompatible and uneconomic land uses, irregularly shaped lots, obsolete and aged building types, and deteriorated and inadequate public improvements.
- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign and development of areas which are stagnant or improperly utilized.
- The strengthening of the economic base of the Project Area and the community by the installation of needed improvements to stimulate new commercial expansion, employment and economic growth.
- The provision of adequate land for parking and open space.
- The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements, which provide unity and integrity to the entire project.
- The provision of opportunities for participation by owners and tenants in the revitalization of their properties.
- The expansion of the community's supply of housing and particularly, low and moderate income housing.

IV. PROJECTS AND PROGRAMS PROPOSED FOR THE NEXT FIVE YEARS

The following is a general description of current projects and programs proposed to be continued by the Agency to eliminate blighting conditions within the Redevelopment Project areas. Since the goals and objectives of the Meadow Park and Skypark Redevelopment Project areas have been fully realized, only those projects and programs pertinent to the Downtown and Industrial Redevelopment project areas are listed below with the projected expenditures for the next five years. These expenditures are in addition to debt service payment obligations of the Agency. The majority of the Agency's tax increment funding, approximately $33 million will go to debt service for outstanding bond issues for the Skypark, Downtown and Industrial Redevelopment Project areas over the next five years.

A. SENIOR HOUSING PROJECT

The goal of this program is to provide approximately 75 affordable senior housing facilities within the City. The elderly are a large and rapidly growing segment of the population in Torrance. According to the 2000 census, 14% of all residents are seniors over the age of 65 yrs and 39% of the City's elderly have mobility limitations. The increasing percentage of elderly becomes a concern because of the high rate of homeownership among senior citizens. Seniors often find that housing costs outpace their fixed incomes and because of physical limitations, at times defer maintenance on their properties. The Agency is currently looking for possible senior housing sites that would meet the goals of providing for affordable housing and resolve mobility limitations. During many outreach efforts including public workshops and meetings, many citizens mentioned a definite need for more senior housing locations.

B. COMMERCIAL PROPERTY REHABILITATION REBATE PROGRAM

The goal of this program continues to be the encouragement of property owners and businesses to upgrade deteriorating structures by renovating or remodeling building exteriors, upgrading parking areas, and adding landscaping. The Agency allocates $40,000 each fiscal year from the Downtown revenues to fund the Commercial Rebate Program to help property owners and businesses make needed improvements to the exterior of their buildings. Accordingly, each of the program's participants receives payment for half the cost of exterior improvements up to $40,000 per property. The proposed expenditures are $200,000 over the next 5 years.

C. CAPITAL IMPROVEMENT PROGRAM

The Agency has assisted in public improvements within the project areas. The Agency will continue to interface and work in conjunction with the City's Capital Improvement Programs Action Plan which identifies a number of infrastructure projects within the project area such as street reconstruction and street landscaping. Expenditures anticipated are approximately $5 million over the next five years.

D. COMMERCIAL/INDUSTRIAL ECONOMIC ENHANCEMENT PROGRAM

In conjunction with the City's Economic Development Team, the Agency will continue to explore opportunities to enhance the commercial and industrial base of the City. Several programs are currently underway to achieve this objective including a marketing campaign, an on-going program of business interviews and a business needs assessment survey which is being conducted city-wide. Proposed expenditures are $150,000 over the next five years, primarily in the form of staff time.

E. COMMUNITY OUTREACH PROGRAM

The Agency will continue to fund community outreach programs such as the Housing Improvement Program (HIP). This is a unique program that not only provides repair services to low income seniors and helps in maintaining the housing stock in the City, but also provides occupational training to youth. The HIP program assists seniors and handicapped persons with low cost repairs and renovations. These services are provided by youths who have qualified for occupational training. The types of jobs undertaken by the HIP staff range from painting, fence repair, plumbing and electrical repair to tree trimming and weatherizing. The Agency also assisted with construction funding for the new Police Community Center located in the Downtown Redevelopment Project area. In addition, the Agency's Downtown Bulletin is utilized, to inform and encourage active participation by citizens, in the redevelopment process. Agency staff also actively participates in many community activities including the Downtown Torrance Association sponsored events. Expenditures proposed are approximately $1.8 million over the next five years.

F. PLAN REVIEW AND MONITORING PROGRAM

Redevelopment Plans are used as a guideline to review and monitor orderly developments within the redevelopment project areas. Within the Downtown Redevelopment Project area, the Special Development Permit (SDP) is used to keep new businesses informed of the goals and special needs in the area. Any new use in the Downtown Project Area may require an SDP before a business license can be obtained. The proposed expenditure is $75,000 over the next five years primarily in the form of staff time.

All of the above-proposed expenditures are based on the assumption that the State does not appropriate additional funds from the Agency. In addition, other factors such as County's redistribution of tax increments may influence the final amounts proposed for the above programs.

V. HOW THE GOALS AND OBJECTIVES, PROJECTS, PROGRAMS AND EXPENDITURES WILL HELP ELIMINATE BLIGHT

The goals and objectives listed above in Section III and the projects and programs listed above in Section IV, help to eliminate blight as follows:

A. REDEVELOPMENT PLAN GOALS

The Torrance Redevelopment Agency was created in 1964 to target specific areas in the City and reverse the downhill trend through joint public/private efforts. Agency activities addressed the blighted conditions resulting in a viable, active and stable area with safe, affordable housing and successful commercial and industrial developments. The Agency's goals and objectives are to continue improvements and support private reinvestment in the project areas.

The redevelopment goals set forth in the Redevelopment Plans collectively address elimination of blight by calling for a series of redevelopment strategies. Redevelopment activities have transformed the once physically and economically blighted areas of Meadow Park and Skypark into modern commercial/industrial centers. The Agency will continue to encourage and monitor development activity to insure compliance with City Codes and the adopted Redevelopment Plans.

B. PROJECTS AND PROGRAMS

Senior Housing Project

The Senior Housing project will bring numerous benefits to the City, including an increase in housing stock, fulfilling a much needed desire to provide affordable senior housing units to the entire community. Many of the locations being investigated are in need of repair and/or are obsolete uses.

Commercial Property Rehabilitation Rebate Program

The Commercial Property Rehabilitation Rebate Program has contributed significantly in unifying the aesthetic and architectural characteristics in the heart of Downtown Torrance. It is also an important tool in eliminating blight by encouraging property owners and businesses to upgrade deteriorating structures by renovating or remodeling building exteriors and landscaping open areas. Positive actions by property owners and merchants to upgrade their buildings can lead to an improved image and physical environment for the entire Downtown area.

Capital Improvement Program

Improvements to the Project Areas, such as new trees, additional and upgraded parking lots and street improvements, contribute significantly in attracting residents and businesses back to the redevelopment project areas. Knowing that the Agency is investing, along with the property owners in the redevelopment areas, encourages property owners to make even greater efforts to upgrade the area. In addition, these capital improvement projects provide the preconditions, which are necessary for private enterprise to be interested and capable of investing their dollars and manpower in the Project Areas.

Commercial/Industrial Economic Enhancement Program
Active participation in the Commercial/Industrial Economic Enhancement Program by the Agency can reverse the trend of job migration from the redevelopment project areas and the City. This program will encourage more firms to locate within the Project Areas and occupy vacated properties that are an economic detriment to the community. This program can create more job opportunities and more dollars flowing into the City, which can provide greater public safety and services and enhance the overall quality of life in the community.

Community Outreach Program
Community involvement and civic pride is vital for successful completion of Redevelopment Project Areas. It helps build a sense of ownership and belonging, which is necessary for new private reinvestment and continued renovation efforts by property owners. Agency financed community outreach programs, such as the HIP program, have led to over 3500 homes being repaired since 1981. Several hundred young people received training, leading them into jobs in the construction trades, with an impressive job placement rate of 95%. Another community program is the Police Community Center in Downtown promoting community-policing efforts which helps reduce crime and increase public involvement.

Plan Review and Monitoring Program
In order to ensure orderly development which is both socially and economically compatible with the goals of the redevelopment project areas, the Agency will continue to utilize plan review and monitoring tools such as the Special Development Permit (SDP). When a new business applies for an SDP, Redevelopment staff looks at the compatibility of that business with the surrounding businesses and at the condition of the property they intend to occupy. In keeping with the goals of the Downtown, a use that generates a demand for more parking than is available, or is considered incompatible with the surrounding uses, would be directed to an area that could better meet its needs. Additionally, the SDP encourages bringing properties up to Building Code and Redevelopment Standards or, where that is not possible, finding alternative solutions to solve such problems as trash disposal and parking. Often an SDP will result in improvements to a property, which in turn will help both the new business and the Downtown as a whole. Approximately $75,000 in expenditures for staff time is anticipated for this program.

VI. AGENCY'S STRATEGY FOR AFFORDABLE HOUSING IMPLEMENTATION

The following are the goals and objectives of the Agency that will implement the affordable housing requirements for the next five years:

A. GOALS AND OBJECTIVES

1. Maintain stability and quality in existing housing stock.
2. Reduce the cost of housing construction within the project areas and the City.

3. Increase the affordable housing stock, with special emphasis on housing for senior citizens and disabled persons.
4. Increase the individual's ability to afford housing in the City by expanding employment opportunities within the City.

B. PROJECTS AND PROGRAMS

The following are projects, programs and expenditures planned by the Agency for the Redevelopment Project Areas in the five year period covered by this plan that will implement the affordable housing requirements:

1. New Construction and Rehabilitation Projects

The Agency has participated, and will continue to participate, with private sector housing developers to develop a mix of senior, affordable and market-rate housing in the redevelopment project areas as well as citywide. Affordable units developed pursuant to agreements between developers and the City and Agency restrict the affordability of specified income levels for the term of the Redevelopment Plan. Currently, 414 units of housing have been constructed in the Redevelopment Project Areas. Additionally, 7 units are under construction by a private developer in the Downtown Redevelopment Project area. The Agency will continue to encourage property owners and businesses to upgrade deteriorating structures by renovating or remodeling building exteriors, upgrading parking areas, and adding landscaping. This will augment the amount of senior housing in the City of Torrance.

2. Housing Rehabilitation Loan Program

Redevelopment housing set-aside moneys will continue to provide the funding for the Rehabilitation Loan Program. This program provides low or no-interest loans to low and moderate income homeowners for the purpose of basic home improvements. Funds can be used for new roofing, replacement of plumbing, painting, heating and in correcting any Building Code violations on the property. The low-interest loan provides qualified homeowners with up to $10,000 at a low interest and repayment period of up to fifteen years. The no-interest loans allow qualified seniors and disabled homeowners to borrow up to $10,000 with no interest and no set period for repayment. The only repayment provision for these loans is that the loan must be repaid in full when the property changes ownership. The funding source for these programs is an on-going revolving loan pool, consisting of repaid amounts from previous loans as well as interest received on deposited funds. Approximately 5 units per fiscal year are projected to benefit from these loans. This program helps not only the individual homeowner, but helps the City as a whole by maintaining the quality of our housing stock. The Agency's plan is to spend approximately $250,000 over the next five years to assist in the rehabilitation of 25 housing units.

3. Rental Assistance Program

For senior citizens with income at or below 50% of county median income which is considered "very low income", the Redevelopment Agency set-aside funds will continue to be used to reduce their rent in two senior citizen projects, the 35 units, Ocean Terrace, and the 78 units, Coleman Court. More than 22% of the tenants in these buildings receive assistance from the rental assistance program. The Agency has continually planned for senior subsidy's based on tenant income and has increased the monthly assistance from $205 to $250 per month per participant. Since the construction of Coleman Court and Ocean Terrace, we will continue to look at the feasibility of increasing this expenditure. The Agency anticipates approximately $375,000 in expenditures over the next five years for this program.

4. Home Improvement Program (HIP)

This unique program provides occupational training to youth and low cost repair services and renovations to seniors and handicapped persons as well as assisting in the preservation of the existing housing stock in the City. As a result of this program, over 3500 homes have had repairs made since the inception of the program. The Agency's plan is to spend approximately $1.8 million over the next five years to assist in this program.

VII. HOW THE GOALS AND OBJECTIVES, PROJECTS AND PROGRAMS WILL IMPLEMENT AFFORDABLE HOUSING REQUIREMENTS.

1. Increase, improve and expand the supply of low and moderate income housing with an emphasis on senior citizen housing.

   The programs and projects described above will continue to utilize housing set-aside funds to increase, improve and expand the community's supply of low and moderate income housing with an emphasis on senior citizen housing. Any new or rehabilitated housing, created as a result of the above described projects and programs, will be subject to recorded covenants that will restrict the housing to low, moderate or very-low income persons or families, at affordable rents, for the longest feasible time, but not less than the period required by state law and Agency policy. Funding is not expected to allow significant increase to these programs over the plan period.

2. Proportion of Very Low, Low and Moderate Income Housing.

   The Agency currently estimates that there will not be sufficient funding beyond the construction of approximately 75 senior citizen units and maintaining ongoing programs available during the next five year period for producing new housing opportunities. However, if funding should become available the agency will reassess its housing options.

3. Estimate of Housing Production Figures and Use of Low and Moderate Income

The Agency does not anticipate sufficient funding over the next five years to support construction of additional affordable senior citizen housing units. The Agency will, however, continue to support funding rehabilitation of approximately 25 housing units over the next five years through the Housing Rehabilitation Loan Program. The Agency's proposed use, of the Housing Set-Aside Funds, is listed in Attachment I.

4. Replacement Housing

The Agency does not anticipate that any low or moderate income housing units, in the Redevelopment Project Areas, will be destroyed or removed from the low and moderate income housing market, during the five-year period of this Implementation Plan. Any replacement housing obligations will be fulfilled in accordance with the Agency's existing policy, Housing Replacement Plan.

REPLACEMENT HOUSING

Table 1

	Very Low	Low	Moderate	Total
Units removed				
* El Roi Tan/1920	34	22	0	56
* El Prado Apts	16	10	0	26
TOTAL	50	32	0	82
Required replacement units	38	24	21	82
Units Provided				
* Coleman Court	42	36	0	78
* Ocean Terrace	27	8	0	35
Gascon Mar Downtown(Brisas Del Sol)	0	0	33	33
El Prado Apt renovation	6	20	0	26
TOTAL	75	64	33	172
Surplus (Deficit) Replacement Units	38	40	13	90

TABLE 2

New Housing Units Constructed Or Rehabilitated

	Very Low	Low	Moderate	Other	Total
A. Current Units Constructed					
1. Agency Assisted Units					
* Coleman Court	42	36	0	0	78
* Ocean Terrace	27	8	0	0	35
* Rehabilitation Loan	9	1	0	0	10
* Brisas Del Sol	0	0	33	0	33
* El Prado Apt. Rehabilitation	6	20	0	0	26
sub-total, Agency Assisted Units	*84*	*65*	*33*	*0*	*182*
Required Affordable Units	27.3	27.3	0	0	54.6
2. Privately Constructed Units					
1538 Marcelina Avenue			7		7
1518 Marcelina Avenue			7		7
1667 gramercy Ave				5	5
1600 Cabrillo Ave (1982)				9	9
1518 Cabrillo Ave (1987)				3	3
(La Charite,1992)				14	14
1845 Plaza Del Amo (Surfside, 1992)				10	10
Brisas Del Prado				71	71
Brisas Del Mar				44	44
Village Walk (2000)	0	0		14	14
Mulligan Townhomes (Cravens)	0	0		6	6
Van Ness Townhomes (2000)	0	0		18	18
1226 Engracia Avenue-Old Torrance Villas				13	13
1321 Post Avenue-Tuscany Village				11	11
sub-total, Privately Constructed Units	*0*	*0*	*14*	*218*	*232*
Required Affordable Units	13.92	10.44	10.44	0	34.8
B. PLANNED UNITS					
Planned/Proposed Projects					
1620 Gramercy				7	7
Senior Housing Project	25	25	25	0	75
Rehabilitation Loans (2008-2012)	8	2		0	10
1607 Cabrillo Avenue - Lucio's		12			12
1640 Cabrillo Avenue/1617 Border Avenue (11units To Be Determined)		11	48		59
sub-total, planned/proposed projects	*33*	*50*	*73*	*7*	*163*
Required Affordable Units	24.45	12.23	12.23	0	48.9
Total Units Provided	*117*	*115*	*120*	*225*	*577*
Total affordable units required	(65.67)	(49.97)	(22.67)	0.00	(138.30)
TOTAL Surplus (Deficit) Units Required	**51.33**	**65.03**	**97.33**	**225**	**438.70**

5. Inclusionary Housing

In 1993, the Agency adopted a Housing Replacement Plan. While the Agency does not anticipate construction of any new projects during the plan period, any construction would provide affordable units as required by law. For new or rehabilitation projects with Agency participation, at least 30 percent of the units must be affordable and half of those must be affordable to persons of very low income. For projects developed without Agency participation, a minimum of 15 percent of the units must be affordable with 40 percent of those affordable to very low income persons. The affordable units are calculated in the aggregate and not on an individual project basis.

The Meadow Park Redevelopment Project was adopted prior to January 1, 1976, the effective date of Section 33413. Therefore, the inclusionary housing provisions of Section 33413(b) do not apply to the Meadow Park Redevelopment Project. Skypark, is built-out as a business park and tax increment to the Agency is restricted to the amount required to meet outstanding obligations including debt service and the housing set-aside. An Inclusionary Housing Plan, however, has been prepared for the Downtown and Industrial Redevelopment Project areas.

VIII. CONCLUSION

The City of Torrance Redevelopment Agency is committed to alleviating blight and making the best possible use of its housing funds in order to improve, increase and preserve the housing stock within the City. Redevelopment is a process subject to a myriad of changing issues and the forces of market dynamics. For these reasons a provision for review and amendment to the Implementation Plan is included in the requirements of AB 1290. The law requires that the plan be subject to periodic public review. This review must be held in a noticed public hearing at least once during the five year period, no earlier than two years and no later than three years after adoption of the plan. In addition to the mandated review, the Agency may review and amend the plans, goals, objectives, programs and expenditures (following a noticed public hearing) at any time conditions warrant such an amendment. The Agency's Implementation Plan is flexible enough to be responsive to external forces and will ensure that future opportunities, which cannot be foreseen at this time, will be incorporated into the redevelopment process.

ATTACHMENT I

Annual Housing Program

Low and Moderate Income Housing Fund	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
Starting Balance	**$8,245,856**	**$5,161,539**	**$4,094,025**	**$3,043,603**	**$4,010,566**
Total Annual Deposits					
a. 20% TI deposits	$1,293,202	$1,319,065	$1,345,446	$1,372,355	$1,399,802
b. Interest + Other Income	$226,600	$233,398	$240,400	$247,612	$255,040
TOTAL (A)	$9,765,658	$6,714,002	$5,679,871	$4,663,570	$5,665,408
Funds to be spent or committed annually	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
To pay debt service on bonds used for affordable housing	$0	$0	$0	$0	$0
For affordable housing projects	$4,000,000	$2,000,000	$2,000,000	$0	$0
Funds to be transferred to housing authority or another public entity	$0	$0		$0	$0
Funds to be accrued for specific projects	$604,119	$619,977	$636,268	$653,004	$670,197
TOTAL (B)	$4,604,119	$2,619,977	$2,636,268	$653,004	$670,197
REMAINING BALANCE (A) - (B)	$5,161,539	$4,094,025	$3,043,603	$4,010,566	$4,995,211