

2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY

Central Redevelopment Project
Fletcher Parkway Redevelopment Project
Alvarado Creek Redevelopment Project

November 2009

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I. INTRODUCTION

This document contains five-year Implementation Plans for the period 2010-2014 for three Redevelopment Projects administered by the La Mesa Community Redevelopment Agency: Central, Fletcher Parkway, and Alvarado Creek. These Plans are being prepared and adopted in accordance with California Health & Safety Code Section 33490 and related sections. These sections outline the purpose and requirements of the Implementation Plan as follows:

- Agencies were required to adopt their first five-year Plan(s) for existing Project Areas by December 1994.
- Each Plan must state the Agency's goals and objectives for the Project Area; identify specific programs and expenditures over the next five years; and describe how these goals and objectives, programs, and expenditures will alleviate blight.
- The Plans must identify approaches to increase, improve, and preserve the supply of low- and moderate-income housing. The Plans must further incorporate a plan to meet mandated housing production, affordability, and targeting income requirements.
- Each Plan can be adopted only after conducting a noticed public hearing.

A. La Mesa Community Redevelopment Agency

The La Mesa Community Redevelopment Agency (the "Agency") was formed by the City of La Mesa in 1964 in order to accomplish redevelopment, economic development, and housing activities. The Agency has formed, and manages, three distinct, but interrelated, Redevelopment Project Areas within the City of La Mesa, as follows:

- The *Central Redevelopment Project* was adopted in 1973. It contains about 55 acres, including most of the downtown area commercial, professional, and civic buildings. The term limit for Agency activities for the Central Redevelopment Project expires in 2013. The Agency can collect tax increment for an additional 10 years to pay off existing debt (as per State Law), or until 2023.

- The *Fletcher Parkway Redevelopment Project* was adopted in 1984. It contains about 103 acres of land area, located primarily on the south side of Fletcher Parkway between Amaya and Jackson Drives. The Alvarado Creek and its flood plain run the length of this area. Current uses in this Project Area include multi-family residential, professional office, and commercial retail uses.
- The *Alvarado Creek Redevelopment Project* was adopted in 1987 to redevelop a 200-acre area extending west from the Fletcher Parkway Project. This Project Area extends from Jackson Drive on the east to 70th Street on the west, straddling the Alvarado Creek Project Area. It is fully urbanized with a retail center, light industrial and service uses, a professional office building, and a recreational vehicle park.

Figure 1 illustrates the boundaries of the three Redevelopment Projects. A detailed profile of each Project Area is presented in Tables 1, 2, and 3, respectively.

B. Redevelopment and Housing Implementation Plans

In 1994, the La Mesa Community Redevelopment Agency approved the first Implementation Plans for the three Redevelopment Projects, in accordance with California Health and Safety Code Section 33490. The Implementation Plans covered the period from 1994-1999; set forth the specific redevelopment activities/programs; described how each activity/program would alleviate blight; and explained how goals, objectives, projects and expenditures would implement low- and moderate-income housing set-aside and housing production requirements. Since the adoption of the first Implementation Plans, the Agency has subsequently adopted the following Implementation Plans:

	Planning Period
Original Implementation Plans	1994-1999
Second Implementation Plans	2000-2004
Third Implementation Plans	2005-2009

The fourth Implementation Plans (this document) illustrate how the Redevelopment Agency's activities carry out the intent of State law to eliminate blight and to increase and improve the supply of affordable housing over the next five years (2010-2014).

FIGURE 1

REDEVELOPMENT PROJECT AREAS
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY

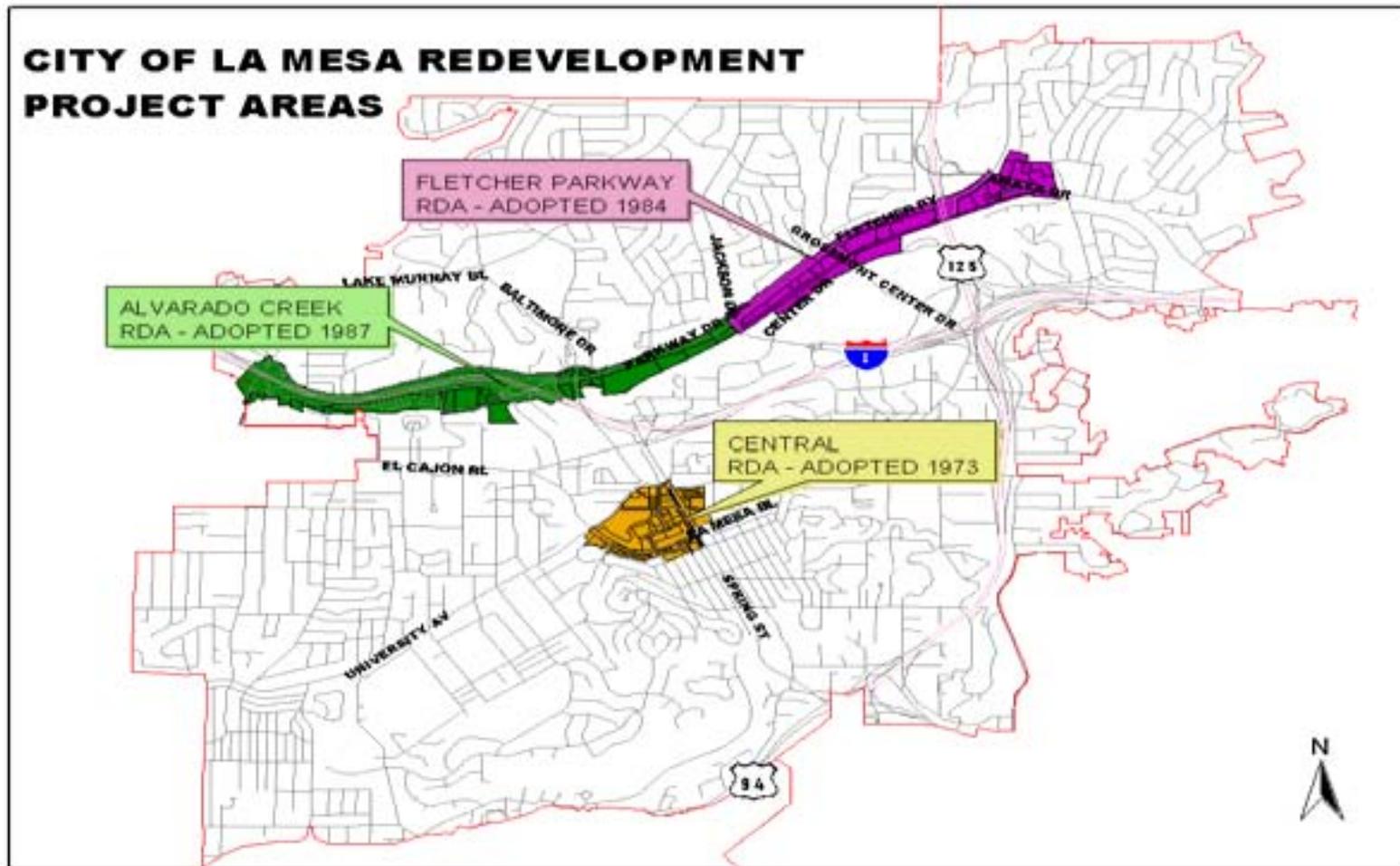


TABLE 1

**PROJECT AREA PROFILE: CENTRAL
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

CENTRAL	
Land Area	55 acres
Boundary	Bounded generally by University Avenue on the west, Baltimore Drive to the north, Palm Avenue and Spring Street to the east, and Lemon Avenue to the south
Land Use (At Adoption)	Streets/railroad ROWs Civic center/public use School/administrative facilities Private uses: commercial, residential, and government
Land Use (Current)	Downtown business commercial uses, medium-density residential, and governmental
Date Adopted	November 1973; Amended 1976, 1979, twice in 1986, and 1994
Term Limit for Agency Activities	November 27, 2013 (40 years)
Tax Increment Limit	\$80.0 million Time limit: November 27, 2023
Bonded Indebtedness Limit	Specific dollar limits not required in pre-1976 plans Time limit: January 1, 2004
Current Tax Increment Flow	\$948,000 (FY 2008-2009) (annually)

Source: La Mesa Community Redevelopment Agency

TABLE 2

**PROJECT AREA PROFILE: FLETCHER PARKWAY
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

FLETCHER PARKWAY	
Land Area	103 acres
Boundary	South side of Fletcher Parkway between Amaya and Jackson Drives
Land Use (At Adoption)	Light industrial and commercial buildings. About 70% vacant land. Much of the Project Area was located in a flood plain and lacked public improvements.
Land Use (Current)	Medium-density residential, professional office buildings, commercial retail uses, and public transit facilities
Date Adopted	June 26, 1984, Amended 1994
Term Limit for Agency Activities	June 26, 2024 (40 years)
Tax Increment Limit	\$36.0 million Time limit: June 26, 2034
Bonded Indebtedness Limit	\$12.0 million Time limit: 20 years after plan adoption (2004)
Current Tax Increment Flow	\$1,750,000 (FY 2008-2009) (annually)

Source: La Mesa Community Redevelopment Agency

TABLE 3

**PROJECT AREA PROFILE: ALVARADO CREEK
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

ALVARADO CREEK	
Land Area	200 acres
Boundary	South side of Fletcher Parkway and Interstate 8 between Jackson Drive and 70th Street, immediately adjacent to the Fletcher Parkway Project Area.
Land Use (At Adoption)	Fully developed with: light industrial and service uses; professional office; visitor-oriented commercial; and trailer park.
Land Use (Current)	Essentially the same with an increase in retail and restaurant uses
Date Adopted	June 23, 1987, Amended 1994
Term Limit for Agency Activities	June 23, 2027 (40 years)
Tax Increment Limit	\$36.0 million Time limit: June 23, 2037
Bonded Indebtedness Limit	\$12.0 million Time limit: 20 years after plan adoption (2007)
Current Tax Increment Flow	\$544,000 (FY 2008-2009) (annually)

Source: La Mesa Community Redevelopment Agency

II. PROJECT GOALS AND OBJECTIVES

As required by State law, the Agency prepared assessments of blighting conditions for each Project Area at the time of plan adoption. For each Project Area, the Agency documented existing conditions of blight, including both physical deterioration and economic dislocation. In addition, the Agency identified its principal goals and objectives for the redevelopment of each Project Area. These goals and objectives were also translated to specific actions necessary for the alleviation of blighting conditions.

The assessment of existing blighting conditions, and the Agency's goals and objectives for redevelopment, were presented for each Project Area in any or all of the following documents: the Redevelopment Plan, the Report to City Council, and the Environmental Impact Report (EIR), as applicable. These documents can be found in the office of the City Clerk of the City of La Mesa.

Highlights of this information are presented for the three Redevelopment Projects in Tables 4, 5, and 6, respectively.

TABLE 4

**PROJECT GOALS AND OBJECTIVES AND REASONS FOR PLAN ADOPTION
CENTRAL
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

SUMMARY OF PROJECT AREA AT TIME OF PLAN ADOPTION

At the time of plan adoption in 1973, the Central Project was characterized by a combination of physical and economic deterioration. Many private buildings, as well as public facilities, were in need of rehabilitation or upgrade, and a surplus elementary school remained in disuse. The downtown area had seen a loss of investment and outmigration of businesses. The irregular lot configuration and fragmented ownership pattern that characterized the area further hindered new development.

Responding to these conditions, the Agency determined that it was necessary to improve the image of the downtown area as a place to live and do business. The principal actions identified were to provide the public improvements needed to support new private development and to assist in the orderly growth and development of downtown.

REASONS FOR PLAN ADOPTION

Blighting Conditions

- Surplus elementary school property
- Older buildings in need of rehabilitation
- Irregular lot configuration
- Fragmented land ownership pattern
- Loss of investment activity
- Outmigration of businesses
- Economic deterioration
- Poor landscaping distribution through the residential and commercial areas
- Old utility facilities in need of upgrade

Goals and Objectives

- Eliminate blighting conditions
- Improve the image of downtown La Mesa as a business, visitor, and community center for commercial, recreation, and residential uses
- Provide necessary public improvements to encourage the desired private developments
- Provide for orderly growth and revitalization

TABLE 5

**PROJECT GOALS AND OBJECTIVES AND REASONS FOR PLAN ADOPTION
 FLETCHER PARKWAY
 2010-2014 IMPLEMENTATION PLANS
 LA MESA COMMUNITY REDEVELOPMENT PROJECT**

PROJECT GOALS AND OBJECTIVES	
<p>A dominant blighting characteristic in the Fletcher Parkway Project at the time of plan adoption was the unchanneled Alvarado Creek. Much of the Project Area lay within the 100-year flood plain and was subject to severe flooding. In addition, lot configuration and topography made development of much of the Project Area infeasible. The entire area was characterized by a lack of public improvements and facilities. All of these factors combined to impair property values and discourage investment in the area.</p> <p>In response, the Agency's principal goals for the Fletcher Parkway Project focused on elimination of flood hazards and preparation of sites suitable for development. The Agency also targeted the correction of public infrastructure deficiencies, installation of new public improvements, and development of new housing and employment opportunities.</p>	
REASONS FOR PLAN ADOPTION	
<p><u>Blighting Conditions</u></p> <ul style="list-style-type: none"> • Lots which are subject to severe flooding; substantial portions of the Project Area lie within the 100-year floodplain of the Alvarado Creek • Inadequate public improvements, circulation, public facilities, open spaces, and utilities • Lots of irregular form and shape and inadequate size for proper usefulness • Lots laid out in disregard of the topography or physical conditions • Prevalence of depreciated values • Impaired investments • Social and economic maladjustment 	<p><u>Goals and Objectives</u></p> <ul style="list-style-type: none"> • Eliminate serious flood hazard conditions • Eliminate inadequate transportation, traffic circulation, sewer and other environmental, economic, and social deficiencies • Eliminate lots with substandard size, irregular shape, and inadequate street access and public improvements • Install new or replace existing public improvements, facilities, and utilities • Assemble land parcels into sites suitable for development • Implement development conditions which mitigate environmental impacts • Encourage commercial and residential development to provide more and diversified local employment for underemployed, unemployed, and low/moderate-income persons • Create low/moderate-income housing

TABLE 6

**PROJECT GOALS AND OBJECTIVES AND REASONS FOR PLAN ADOPTION
 ALVARDO CREEK
 2010-2014 IMPLEMENTATION PLANS
 LA MESA COMMUNITY REDEVELOPMENT PROJECT**

PROJECT GOALS AND OBJECTIVES

Unlike the Fletcher Parkway Project, the Alvarado Creek Project was nearly fully developed at the time of plan adoption. However, the two areas shared many of the same blighting conditions. Both were characterized by flood plain hazards due to the presence of the unchanneled creek; both lacked many necessary public improvements; and both were affected by irregular lot configuration and topography.

Given these commonalities, the Agency's goals and objectives for the Alvarado Creek Project are essentially the same as for the Fletcher Parkway Project.

REASONS FOR PLAN ADOPTION

Blighting Conditions

- Lots which are subject to severe flooding; substantial portions of the Project Area lie within the 100-year floodplain of the Alvarado Creek
- Inadequate public improvements, circulation, public facilities, open spaces, and utilities
- Lots of irregular form and shape and inadequate size for proper usefulness
- Lots laid out in disregard of the topography or physical conditions
- Prevalence of depreciated values
- Impaired investments
- Social and economic maladjustment

Goals and Objectives

- Eliminate serious flood hazard conditions
- Eliminate inadequate transportation, traffic circulation, sewer and other environmental, economic, and social deficiencies
- Eliminate lots with substandard size, irregular shape, and inadequate street access and public improvements
- Install new or replace existing public improvements, facilities, and utilities
- Assemble land parcels into sites suitable for development
- Implement development conditions which mitigate environmental impacts
- Encourage commercial and residential development to provide more and diversified local employment for underemployed, unemployed, and low/moderate-income persons
- Create low/moderate-income housing

III. COMPLETED PROJECTS AND CONTRIBUTION TO BLIGHT ALLEVIATION

A. Central

The Agency has completed numerous projects in the Central Redevelopment Project since the Redevelopment Plan was adopted in 1973. These have included both assistance to private development activities and installation and improvement of public infrastructure and facilities. Agency activities in the Central Project are briefly reviewed below and described in greater detail in Table 7.

In the Central Project, the Agency has implemented projects relating to the Civic Center. Implementation of the Civic Center Master Plan is well underway with the passage of a \$25 million Public Safety Bond measure that was approved in March 2004.

The construction of the new Fire Station 11 and fire administrative office were completed in 2006. A new police station is currently under construction. The new station is located on the corner of Baltimore Drive and University Avenue. In 2008, the Civic Center facilities were also enhanced by the construction of a new library and post office building. Additionally, design of a transit stop and street improvements on Allison Avenue were completed and funded through a Certificate of Participation (COP), grants, and other funds.

B. Fletcher Parkway

The Agency has also been successful in implementing a number of projects in the Fletcher Parkway Project. These projects have made a substantial contribution to alleviating blighting conditions. These activities have focused to a great extent on installation and enhancement of public improvements required to facilitate new private investment.

The Agency's recent activities in the Fletcher Parkway Project are detailed in Table 8. Construction of a transit-oriented development (TOD) at the Grossmont Transit Station began in 2006. Fairfield Residential has completed the first phase of development of the Pravada Apartments, 527 residential units, including 80 affordable units.

C. Alvarado Creek

The Alvarado Creek Project is the Agency's newest Redevelopment Project, adopted in 1987. The Agency has undertaken extensive public improvements as well as planning and design studies for development in the area including development of the 23,000-square-foot (SF) National University campus on surplus property north of the existing Allied Plaza office complex that was completed in 2001. The Agency was actively involved in the planning and coordination between Metropolitan Transit System (MTS) and National University for development of the site.

The Agency's activities to date in the Alvarado Creek Project and their contribution to alleviation of blight are detailed in Table 9. In 2004, the Agency planned and coordinated feasibility assessments related to redevelopment options at MTS's 70th Street trolley station. Additionally, planning between the Agency and MTS was undertaken for development of the Mission Valley East light rail transit line.

TABLE 7

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
CENTRAL AREA
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
Completed Development Program:			
La Mesa Village Development of Opportunity Sites	Ongoing	Developed a work program for a redevelopment project on one or more key sites for catalytic development opportunities	<ul style="list-style-type: none"> • Older buildings in need of rehabilitation
Allison Avenue Street Improvements (University to Spring)	Ongoing	Street paving and storm drain improvements	<ul style="list-style-type: none"> • Poor landscape distribution • Lack of traffic safety • Inadequate public improvements
Phase IV Sewer Upgrade	Ongoing		<ul style="list-style-type: none"> • Inadequate public improvements
New Police Station	Under construction	Built new facility in order to replace old building	<ul style="list-style-type: none"> • Older public building in need of repair • Inadequate public improvements
New Library	2008	In collaboration with the City, developed a new 32,000-SF library as part of the Civic Center Master Plan	<ul style="list-style-type: none"> • Older public building in need of repair
New Post Office	2008	In collaboration with the City, developed a new 6,000-SF postal facility to replace existing dilapidated post office; development of the new facility is part of the Civic Center Master Plan	<ul style="list-style-type: none"> • Older public building in need of repair
Allison Ave. Transit Stop Improvements	2003	Covered benches/lighting/trash receptacles	<ul style="list-style-type: none"> • Outmigration of businesses • Non-improved transit stop
Nebo Drive Sewer Improvement	2001	Upgraded sewer pipe installation w/residential condominium project	<ul style="list-style-type: none"> • Older public facilities • Redevelopment of older deteriorated building
Paseo Condominiums	2001	Development of 18 condominiums, 3 with ground floor commercial; including 2 affordable units using redevelopment housing funds	<ul style="list-style-type: none"> • Deteriorated building in need of redevelopment • Inadequate housing supply
La Mesa Blvd. street trees/lighting	2001	Planted street trees/planter period, lighting/trash receptacles	<ul style="list-style-type: none"> • Poor landscape distribution
La Mesa Village Economic Development Planning	1999	Economic development planning for the La Mesa Village area, including study of potential Business Improvement District (BID)	<ul style="list-style-type: none"> • Outmigration of businesses • Older buildings in need of rehabilitation • Poor landscaping distribution • Inadequate public improvements

TABLE 7 (CONT'D.)

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
CENTRAL AREA
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
<i>Completed Development Program:</i>			
La Mesa Village Market Assessment	1998	Preparation of market assessment to identify development opportunities for the La Mesa Village area in general, and the Civic Center super-block in particular	<ul style="list-style-type: none"> • Outmigration of businesses • Older buildings in need of rehabilitation
Masonic Lodge	1992	Financial participation in building rehabilitation	<ul style="list-style-type: none"> • Older buildings in need of rehabilitation
La Mesa Village Plaza (Phase II-A) (CCI La Mesa Partners)	1991	Mixed-use project containing 62,500 SF office space, 29,000 SF retail space, 14,000 SF plaza area, 95 condominiums and 490 parking spaces; Agency land write down	<ul style="list-style-type: none"> • Irregular lot configuration • Fragmented land ownership pattern • Older buildings in need of rehabilitation • Outmigration of businesses • Loss of investment activity • Economic deterioration
La Mesa Village Plaza Street Improvements	1991	La Mesa Boulevard, Acacia Avenue, Orange Avenue, Date Avenue	<ul style="list-style-type: none"> • Older public facilities in need of rehabilitation • Outmigration of businesses
La Mesa Springs Shopping Center (GEMCO)	Vons Remodeled 1988, built 1977	140,000 SF of leaseable space; Agency land write down	<ul style="list-style-type: none"> • Surplus elementary school property • Outmigration of businesses • Economic deterioration
La Mesa Springs Senior Apartments (Forest City Dillion)	1981	128 low/mod apartments, Section 8 rents; Agency land write down	<ul style="list-style-type: none"> • Surplus school property • Irregular lot configuration
8131 La Mesa Boulevard (Rocoforte Property)	1981	Financial participation in public improvements for commercial building rehabilitation	<ul style="list-style-type: none"> • Older public facilities in need of rehabilitation • Older buildings in need of rehabilitation
Deloux School of Cosmetology	1981	Agency sold land for development, consolidated property to provide parking for the development	<ul style="list-style-type: none"> • Fragmented land ownership pattern • Irregular lot configuration • Loss of investment activity

TABLE 8

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
FLETCHER PARKWAY
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
Completed Development Program:			
Grossmont Transit Center - Pravada Apartments	Partially open/ Under construction	Completion of 527 residential apartments including 80 units available to very low- and moderate income households	<ul style="list-style-type: none"> • Irregular lot configuration • Flood hazards • Inadequate housing supply • Underutilized property
Amaya Drive to Grossmont Transit Center Improvements	Under construction	Underground storm drain channel improvements	<ul style="list-style-type: none"> • Flood hazards
MTS Mission Valley East Line	2009	Planning and development of a new trolley service - station/bridges/trolley tracks	<ul style="list-style-type: none"> • Inadequate public facilities and circulation
Adaptive Reuse of Theatre and New Construction of Commercial Space	2008	Completion of new commercial and restaurant uses in underperforming movie theatre	<ul style="list-style-type: none"> • Underutilized property • Older buildings in need of rehabilitation
Grossmont Transit Center Floodway Channel Improvements	2008	Floodway channel improvements to stop flooding of the Grossmont Transit Center	<ul style="list-style-type: none"> • Flood hazards
Grossmont Transit Center Sanitary Sewer Improvements	2008	New sanitary sewer improvements	<ul style="list-style-type: none"> • Inadequate public improvements
Grossmont Transit Center	2003	Developer selection and project design for the transit-oriented development at Grossmont Transit Station	<ul style="list-style-type: none"> • Irregular lot configuration • Flood hazards • Inadequate housing supply • Underutilized property
Grossmont Transit Center	2000	Planning feasibility study for a transit-oriented development at the Grossmont Transit Center with pedestrian enhancements	<ul style="list-style-type: none"> • Irregular lot configuration • Flood hazards • Inadequate housing supply

TABLE 8 (CONT'D.)

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
FLETCHER PARKWAY
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
Completed Development Program:			
Grossmont Transit Center Request for Qualifications (RFQ)	1999	Preparation of RFQ and selection of planning consultant to conduct a development feasibility and planning study for the Grossmont Transit Station transit-oriented development site	<ul style="list-style-type: none"> • Irregular lot configuration • Flood hazards • Inadequate housing supply • Underutilized property
Fletcher Parkway	1993	Reconstruction of roadway, landscaping, and street lighting	<ul style="list-style-type: none"> • Inadequate public improvements
Grossmont Transit Center (CCRT Properties) Retail/Cinema project	1991	New construction and rehabilitation of existing buildings: 31,400-SF Circuit City, 33,800-SF cinema, 47,500 SF other retail	<ul style="list-style-type: none"> • Irregular lot configuration • Flood hazards • Lot layout disregards physical conditions • Prevalence of depreciated values/impaired investments
The Villages of La Mesa N/Side of Amaya Drive	1988	216-unit rental apartment complex	<ul style="list-style-type: none"> • Flood hazards • Irregular lot configuration • Prevalence of depreciated values/impaired investments
The Villages of La Mesa S/Side of Amaya Drive	1988	168-unit rental apartment complex	<ul style="list-style-type: none"> • Flood hazards • Irregular lot configuration • Economic deterioration • Loss of investment activity
Grossmont Transit Center	1988	Storm drains, relocation of underground utilities, street improvements	<ul style="list-style-type: none"> • Flood hazards • Inadequate public improvements
Amaya Drive Northmont Park	1988	Street improvements, storm drains	<ul style="list-style-type: none"> • Flood hazards • Inadequate public improvements
Automobile Club of Southern California California Office Building	1987	50,000 SF office and 20,000 SF parking structure	<ul style="list-style-type: none"> • Flood hazards • Lots laid out in disregard of physical conditions
MTS Amaya Trolley Station	1987	Channelized Alvarado Creek, removed land from 100-year flood plain	<ul style="list-style-type: none"> • Flood hazards

TABLE 9

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
ALVARADO CREEK
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
Completed Development Program:			
MTS Mission Valley East Line	2004 - 2005	Completion of the 70th Street trolley station and associated Mission Valley East light rail transit line	<ul style="list-style-type: none"> • Inadequate public facilities and circulation
MTS Mission Valley East Line	1990 - 2005	Joint planning efforts with MTS for proper coordination between regional transportation facilities - ongoing planning for the Mission Valley East light rail transit line	<ul style="list-style-type: none"> • Inadequate public facilities and circulation
MTS Mission Valley East Line - 70th Street Station	2004	Planned and coordinated feasibility assessments related to redevelopment options at MTS's 70th Street trolley station	<ul style="list-style-type: none"> • Inadequate public improvements and circulation
National University Campus Development	2001	Development of a 23,000-SF National University campus on surplus property north of the existing Allied Plaza office complex	<ul style="list-style-type: none"> • Irregular lot configuration • Economic deterioration • Loss of investment activity
La Mesa Gateway Center (Fletcher Parkway between Baltimore and Jackson)	1997	Channelized Alvarado Creek between Baltimore and Jackson - removed from flood plain and relocated and improved major sewer trunk line; utility relocation	<ul style="list-style-type: none"> • Flood hazards • Inadequate circulation • Inadequate utilities • Irregular lots • Lots laid out in disregard of physical conditions
La Mesa Gateway Center (Fletcher Parkway between Baltimore and Jackson)	1997	229,000-SF retail center anchored by Costco. Land write down and Assessment District financing	<ul style="list-style-type: none"> • Irregular lot configuration • Economic deterioration • Loss of investment activity • Flood hazards
Fletcher Parkway	1993	Reconstruction of roadway, landscaping, and street lighting	<ul style="list-style-type: none"> • Inadequate public improvements
Design for Development Austin Hansen Fehlman/ Group	1989	Market evaluation and preliminary land use design concepts for alternative land use programs	<ul style="list-style-type: none"> • General conditions

IV. UPDATED ASSESSMENT OF CURRENT BLIGHTING CONDITIONS

The Agency has taken important steps toward the alleviation of blighting conditions in its Redevelopment Projects. Nevertheless, blighting conditions are still present in all three Project Areas, and continue to impair private investment and development activity. As a result, a number of important developments and improvements still need to be implemented in order to achieve the Agency's goals and objectives.

A summary of the major current blighting conditions in each Project Area follows:

A. Central

In the 36 years since the Central Project was adopted, the Agency has successfully implemented several large-scale developments and street improvements. However, a number of blighting conditions continue to inhibit private investment activity in the area, including fragmented land ownership patterns, irregular lot configuration, older buildings in need of rehabilitation, potential hazardous material conditions, economic dislocation and obsolescence, as demonstrated by high turnover and vacancy in retail businesses, and inadequate public improvements, especially traffic and landscaping improvements.

B. Fletcher Parkway

The Agency has pursued redevelopment activities in the Fletcher Parkway Project for 25 years. In that time, it has alleviated a major portion of the blighting conditions that prompted adoption of the Redevelopment Plan in 1984. Several major physical factors continue to blight the Project Area. These factors have economic repercussions, since they impair property values and discourage private investment in the area. Most notably, portions of the Alvarado Creek remain unchannelized and pose a flood hazard to adjoining properties. Existing lot configuration, combined with irregular topography, make it difficult to assemble sites suitable for feasible developments.

C. Alvarado Creek

As the Agency's newest Redevelopment Project, the Alvarado Creek Project is characterized today by many of the blighting conditions that were present at the time of plan adoption in 1987. These conditions, which were detailed in Table 6, relate primarily to the unchannelized Alvarado Creek and its flood plain; irregular lot configuration and topography; fragmented land ownership; and an overall lack of public improvements, especially utilities and circulation.

V. GOALS AND OBJECTIVES, PROPOSED PROGRAMS, AND CONTRIBUTION TO BLIGHT ALLEVIATION

This section identifies the Agency's goals and objectives, specific programs, and possible projects for each Project Area for the next five years. Explanation is also provided as to how these goals, programs, and projects will alleviate blight. Planned Agency expenditures are reviewed in the following section.

A. Central

The Agency's goals and objectives for the Central Project Area are as follows:

- Attract and retain business, visitor, and community uses to the downtown area.
- Encourage commercial and residential development to provide employment, shopping, and housing opportunities for La Mesa residents.
- Create low- and moderate-income housing.
- Upgrade and expand public improvements required for new development.

To achieve these objectives, the Agency proposes to undertake the programs, and possible projects, listed in Table 10 and described below. Agency programs include private development, rehabilitation, and public improvements. For each proposed Agency activity, the table indicates which blighting conditions will be alleviated.

The Agency plans eliminate blight by continuing to facilitate commercial rehabilitation in the Central Project. The Agency has implemented rehabilitation loan and grant programs for residents of existing owner-occupied units and property/business owners on La Mesa Boulevard.

During the planning period of this Implementation Plan, the Agency will continue its efforts to develop and implement a work program for a redevelopment project on one or more key sites for catalytic development opportunities. The Agency will also continue to implement the goals and objectives as contained within the Civic Center Master Plan.

B. Fletcher Parkway

The Agency's principal goals and objectives for the Fletcher Parkway Project over the five-year period are as follows:

- Eliminate flood hazard conditions.
- Eliminate (or assemble) lots of inadequate configuration, size, or topography for feasible development.
- Encourage commercial and residential development to provide employment, shopping, and housing opportunities for La Mesa residents.
- Create low- and moderate-income housing.
- Upgrade and expand necessary public improvements.

The Agency's program of activities to achieve these objectives is outlined in Table 11 and briefly reviewed below.

The major public improvements planned for the Fletcher Parkway Project in the next five years are to upgrade the Alvarado trunk sewer and improve the Grossmont Transit Center site with elevators and a bridge structure. Not only is the storm drain project necessary to alleviate flood hazard conditions, but it will also facilitate the Agency's private development program for the Project Area. In addition, the Agency plans a variety of public improvements to the Grossmont Transit Center including development of pedestrian/disabled access, flood channel improvements, and installation of new sanitary sewer improvements.

In response to an increase in blighting conditions in areas adjacent to Fletcher Parkway, the Agency also intends to evaluate expansion of the Project Area boundaries and time limits.

C. Alvarado Creek

Broadly speaking, the Agency's goals and objectives for the Alvarado Creek Project Area over the next five years are the same as those identified for the Fletcher Parkway Project, which are as follows:

- Eliminate flood hazard conditions.
- Eliminate (or assemble) lots of inadequate configuration, size, or topography for feasible development.
- Encourage commercial and residential development to provide employment, shopping, and housing opportunities for La Mesa residents.
- Create low- and moderate-income housing.
- Upgrade and expand necessary public improvements.

Of course, emphasis will vary based on the specific needs and severity of conditions in each Project Area. This is reflected in the Agency's five-year program for the Alvarado Creek Project, which is outlined in Table 12 and discussed below.

Over the next five years, the Agency is planning an improvement program for private properties along Alvarado Road as the trolley line is extended through this corridor. This area, which presently contains a mix of light industrial, service, and retail uses, is constrained by relatively limited access and the Alvarado Creek flood plain. The Agency plans to participate with individual property owners in the planning, design, and financing of possible new projects or expansions of existing uses.

The Agency has specifically exempted the Camperland RV Park from its plans to redevelop, rehabilitate, or intensify existing uses along Alvarado Road. Camperland RV Park is an existing recreational vehicle park on Alvarado Road. The Alvarado Creek Redevelopment Plan stipulates that neither the City nor the Agency shall attempt to encourage or discourage the Park's continuation.

The Agency plans several major public improvements for the Project Area over the next five years. In particular, the Agency has been involved in and is proposing to continue to plan and coordinate with MTS on the 70th Street trolley station area. The Agency plans to implement the realignment and improvements to Alvarado Road, including the channelization of Alvarado

Creek along the rear property line of Alvarado Road businesses and along the Mission Valley East LRT line. These proposed public improvements will alleviate blighting conditions such as flood hazards, inadequate circulation, and other infrastructure deficiencies. They will also make new private development in the Project Area feasible.

In response to an increase in blighting conditions in areas adjacent to Alvarado Creek, the Agency also intends to evaluate expansion of the Project Area boundaries.

TABLE 10

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
CENTRAL AREA
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Proposed Development Program:</i>			
Housing Rehabilitation Loan Program	Various residential properties	Financial and technical assistance to low-income owner-occupants to correct health and safety issues in their homes and to address other deferred maintenance	<ul style="list-style-type: none"> • Buildings in need of rehabilitation • Improve the supply of low- and moderate-income housing
Down Payment and Closing Cost Assistance	Various residential properties	Supplemental financing to low-income households to qualify for a first-time mortgage	<ul style="list-style-type: none"> • Increase homeownership opportunities
Re-use of Old Police Station	Former police station	Re-use of former police station site	<ul style="list-style-type: none"> • Improve the supply of low- and moderate-income housing
Re-use of Old Post Office	Former post office	Re-use of former post office site	<ul style="list-style-type: none"> • Underutilized property
La Mesa Village Development of Opportunity Sites	Under-utilized commercial properties	Develop and implement a work program for a redevelopment project on one or more key sites for catalytic development opportunities	<ul style="list-style-type: none"> • Older buildings in need of rehabilitation
Downtown Streetscape Improvement Project	N/A	Public improvements in the Downtown Village	<ul style="list-style-type: none"> • Poor landscape distribution • Lack of traffic safety
Allison Avenue Intermodal Transit Node Improvements	N/A	Streetscape improvements and pedestrian enhancements	<ul style="list-style-type: none"> • Inadequate public improvements and circulation
Downtown Directional Signs	N/A	New signage for the Downtown Village and Civic Center areas	<ul style="list-style-type: none"> • Poor landscape distribution • Lack of traffic safety
Implementation of Civic Center Master Plan	N/A	Implement the goals and objectives as contained within the Civic Center Master Plan	<ul style="list-style-type: none"> • Inadequate public improvements

TABLE 11

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
FLETCHER PARKWAY
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Proposed Development Program:</i>			
Housing Rehabilitation Loan Program	Various residential properties	Financial and technical assistance to low-income owner-occupants to correct health and safety issues in their homes and to address other deferred maintenance	<ul style="list-style-type: none"> • Buildings in need of rehabilitation • Improve the supply of low- and moderate-income housing
Down Payment and Closing Cost Assistance	Various residential properties	Supplementary financing to low-income households to qualify for a first-time mortgage	<ul style="list-style-type: none"> • Increase homeownership opportunities
Redevelopment of CCRT Site	Various properties	Two older buildings were rehabilitated in 1990 and are in need of replacement	<ul style="list-style-type: none"> • Older buildings in need of rehabilitation
Grossmont Transit Center - Elevator and Bridge Structure Improvements	Trolley Platform	Develop two (2) elevators and a bridge to better accommodate pedestrians and encourage transit use	<ul style="list-style-type: none"> • Inadequate public improvements and circulation
Alvarado Trunk Sewer Upgrade	Sanitary Sewer	Replaced the sanitary sewer from south of Bari Court to the Amaya Trolley Station	<ul style="list-style-type: none"> • Inadequate public improvements
Grossmont Transit Center - Pedestrian Circulation	Trolley station/ cinema/joint parking lot	Develop pedestrian improvements	<ul style="list-style-type: none"> • Inadequate public improvements and circulation

TABLE 12

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL
 ALVARADO CREEK
 2010-2014 IMPLEMENTATION PLANS
 LA MESA COMMUNITY REDEVELOPMENT PROJECT**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Proposed Development Program:</i>			
MTS Mission Valley East Line - 70th Street Alvarado Rd. near 70th Street Trolley Station	Various uses	Implement redevelopment projects on Alvarado Rd. near the 70th Street trolley station	<ul style="list-style-type: none"> • Inadequate public improvements and circulation • Inadequate housing supply • Underutilized property
Undergrounding of Utilities throughout Project Area	Public utilities	Developed undergrounding of utilities	<ul style="list-style-type: none"> • Inadequate public improvements
Alvarado Road Corridor (East of 70th Street)	Unimproved drainage channel	Storm drain improvements	<ul style="list-style-type: none"> • Flood hazards

VI. PROPOSED REVENUES AND EXPENDITURES

Redevelopment agencies are required to identify their proposed expenditures over the next five years for purposes of alleviating blight. Agency expenditures for the programs identified in this five-year plan will be derived from the following key sources:

- (1) Sale of tax allocation bonds supported by Project Area tax increment revenues.
- (2) Tax increment revenues over and above the amounts required to cover debt service on any tax allocation bonds.
- (3) Low and Moderate Income Housing Funds (Low-Mod Housing Funds), which must be used for low- and moderate-income housing. (The status of the Agency's Low-Mod Funds, possible housing developments, and potential expenditures are reviewed in the next section.)
- (4) Proceeds from land sales to private developers for purposes of implementing specific redevelopment projects.
- (5) Loans and advances that may be provided from time to time by the City of La Mesa.
- (6) Loans and advances from private developers.

Items (1) through (3) above are derived from Project Area property taxes. Tax revenues are expected to represent the major funding source for Agency programs. The Agency has received cumulative gross tax increment from its three Projects totaling about \$39.3 million. In Fiscal Year (FY) 2008-2009 gross annual revenues from the three Projects total about \$3.0 million. However, a substantial share of this figure is encumbered by existing obligations, such as administrative and pass-through payments to other taxing jurisdictions, the 20% housing set-aside, and debt service on outstanding bond issues.

Estimated future tax increment revenues for the three Project Areas are summarized as follows:

- ***Central:*** For FY 2009-2010, the Agency expects to receive about \$254,000 in net tax increment from the Central Project Area. Net tax increment is the amount available for new programs after administrative, pass-through, and debt service payments. The Agency projects tax increment revenues to rise about 2% annually over the next five years. Based on this assumption, and the Agency's current administrative, pass-through, and debt service commitment, the Agency can expect to receive an approximate total \$3.8 million (not

discounted) in net tax increment over the next five years. This further assumes that the Agency will continue to defer payments into the Central Low-Mod Housing Fund. All net tax revenues from Central are used toward the repayment of outstanding loans from the City.

- Fletcher Parkway: The Agency projects about \$1.8 million in gross tax increment in Fletcher Parkway during FY 2009-2010. Under the same assumptions used for the Central Project, i.e., a 2% annual increase, off-set by existing pass-through, set-aside, and debt service obligations, the Agency can expect to receive net tax increment totaling about \$393,000 (not discounted) over the next five years.
- Alvarado Creek: For 2009-2010, the Agency projects the Alvarado Creek Project to continue to generate minimal tax increment. Although the Agency projects the receipt of \$544,000 in gross tax increment during FY 2009-2010, much of the tax increment attributed to Alvarado Creek is used toward the repayment of existing debt service obligations. Therefore, after pass-throughs, set-aside, and debt service, the Agency expects to receive net tax increment of \$30,000 in FY 2009-2010, and about \$426,000 (not discounted) over the five-year period of 2010-2014.

Gross estimates of Agency expenditures for some of the proposed projects identified in the previous section are listed in Table 13. Funding for projects not listed in Table 13 has yet to be determined or is anticipated to be funded by sources other than the Agency. The actual amounts and timing of Agency expenditures will depend on the availability of funding. The Agency will continue to leverage its limited financial resources with other funding sources in order to implement its redevelopment programs. These sources may include, among others, advances or payments from developers and property owners, loans from the City, low-income housing tax credits, and financial participation by other public agencies. In some cases, it may be prudent for the Agency to aggregate funds to certain minimum levels before investing in programs and projects identified in this Plan.

TABLE 13

**ESTIMATED REVENUE AND EXPENDITURES (2010-2014)
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

	Total 2010-2014
I. Revenues	
Tax Increment (1)	\$18,034,000
Other Revenue Transfers (2)	<u>\$894,000</u>
Total Revenues	\$18,928,000
II. Total Expenditures	
Tax Increment Commitments (Set-Asides and County Pass-Through) (3)	\$2,657,000
Operating Expenses (4)	\$4,129,000
Annual Debt Service Payments (5)	\$3,615,000
Central Tax Increment for City Obligations (6)	\$3,887,000
Proposed Projects (7)	
Housing Rehabilitation Loan Program	\$100,000
Down Payment and Closing Cost Assistance	\$100,000
Re-Use of Former Post Office	\$2,000,000
Downtown Streetscape Improvement Project	\$1,000,000
Allison Avenue Intermodal Transit Node Improvements	\$120,000
Downtown Directional Signs	\$120,000
Alvarado Trunk Sewer Upgrade	\$190,000
Alvarado Creek - Utility Undergrounding	\$500,000
Alvarado Road Corridor	\$500,000
Total Proposed Projects	\$4,630,000
Total Expenditures (8)	\$18,918,000
III. Total Surplus/(Deficit)	\$10,000

- (1) Incremental tax revenue from Central, Fletcher Parkway, and Alvarado Creek, after school pass-throughs and tax roll adjustments.
- (2) Sales tax revenue from the City for use toward bond debt service (Assessment Districts 90 and 98).
- (3) Reflects 20% set-aside to Fletcher Parkway and Alvarado Creek Low-Mod Housing Funds; and Fletcher Parkway tax sharing agreement with the County of San Diego.
- (4) Salaries, fringe benefits, personal expenses, materials, supplies, and services.
- (5) Administrative fees, sewer fee loan payments, and annual bond debt service payments for Assessment Districts 87-1, 90-1, and 98-1.
- (6) All tax increment revenues from Central (excluding Sewer Fund debt service and Central operating expenses) are used to pay off existing City debt obligations.
- (7) Anticipated expenses toward projects/programs between 2010 and 2014.
- (8) Does not include Supplemental Educational Revenue Augmentation Fund (SERAF) payment. If Agency is required to make SERAF payment (pending lawsuit), financial projections will be modified and addressed in the Mid-Term Update.

Source: La Mesa Community Redevelopment Agency

VII. HOUSING PRODUCTION PLAN

In addition to the removal of blight, a fundamental purpose of redevelopment is to expand and preserve the supply of low- and moderate-income housing. To accomplish this purpose, State law contains numerous provisions to guide redevelopment agency activities with regard to affordable housing. One of these provisions is a requirement placed on redevelopment agencies to include a housing production plan in each five-year Implementation Plan. The housing plan must specify the Agency's intended approaches to increase, improve, and preserve the supply of low and moderate-income housing.

This section is organized as follows:

- First, a brief description of the Agency's strategy for providing affordable housing in the Project Area.
- Next, the three principal housing mandates of California Community Redevelopment Law are reviewed: set-aside funds, the replacement rule, and the inclusionary obligation. This review includes an assessment of the Agency's present situation with respect to each requirement.
- Lastly, specific targets for housing production are identified for five- and ten-year horizons, as well as the life of each Project Area.

A. Housing Program Strategy

1. Housing Element

The City of La Mesa Housing Element was adopted in June 2005. The Housing Element presents information on City demographic and housing characteristics, identifies principal housing needs in the community, assesses opportunities and constraints to meeting housing needs, and identifies specific housing goals, policies, and programs. The 2005-2010 Housing Element identifies five goals to address La Mesa's housing needs: (1) to maintain and enhance the quality of existing residential neighborhoods in La Mesa; (2) to encourage the adequate provision of a wide range of housing by location, type of unit, and price to meet the existing and future needs of La Mesa residents; (3) to provide increased opportunities for homeownership; (4) to provide housing support services to address the needs of the City's low- and moderate-income residents; and (5) to promote equal opportunity for all residents to reside in the housing of their choice.

The Implementation Plans must be consistent with the Housing Element of the City's General Plan. An update of the City's Housing Element is currently underway. California Health and Safety Code Section 33334.4 requires redevelopment agencies to target Low-Mod Housing Fund expenditures to the relative percentage of unmet need for very low, low, and moderate income units, as defined in the City's most recently approved Housing Element.

The adoption of this Implementation Plan is expected to occur prior to the update of the Housing Element. Therefore, calculations regarding how Low-Mod Housing Funds should be targeted as indicated on page 35 and Table 19, and based upon housing needs identified in the City's 2005-2010 Housing Element.

The Agency will amend and/or update the Implementation Plan during the mandatory Mid-Term Update process to reflect outcomes of the Housing Element update.

2. Consolidated Plan

The Consolidated Plan provides local jurisdictions with the opportunity to combine, into one document, the planning, the application submittal, and the performance reporting requirements for entitlement grant programs administered by the Department of Housing and Urban Development (HUD), including Community Development Block Grant (CDBG), Emergency Shelter Grants (ESG), HOME Investment Partnerships (HOME), American Dream Downpayment Initiative (ADDI), and Housing Opportunities for Person with AIDS (HOPWA). As required by HUD, the City will be updating the Consolidated Plan in FY 2010-2011 for the five-year period 2010-2015. The Plan comprehensively addresses community development and housing activities.

B. Low and Moderate Income Housing Requirements

1. Low and Moderate Income Housing Fund Strategy

State law requires that 20% of the tax increment generated in Project Areas be used for the purposes of increasing or improving the community's supply of very low, low, and moderate income housing. One exception to this requirement pertains to Redevelopment Plans adopted before 1977, where those Project Areas are allowed to defer Low-Mod Housing Fund deposits until 1996-1997 (or beyond) to fund existing projects, programs, and activities; the deferral can last as long as there are existing obligations.

State law also mandates that redevelopment agencies use Low-Mod Housing Fund monies in a timely manner, or otherwise forfeit these funds to other public agencies with housing responsibilities.

Specifically, the law stipulates that agencies may not retain “Excess Surplus” in their Low-Mod Housing Funds. “Excess Surplus” is defined as the greater of the amount of an Agency’s Low-Mod Housing Fund in excess of \$1,000,000, or the amount in the fund in excess of the aggregate contribution of the prior four-year period.

This calculation is performed annually and reported to the State Department of Housing and Community Development on Schedule “C” of the Agency’s annual report. The Agency’s 2008-2009 Schedule HCD-C report to the State, as summarized below, illustrates that the Agency currently has no Excess Surplus in its Low-Mod Housing Fund.

<u>Excess Surplus Calculation</u>	
Tax Increment Deposited into Low-Mod Housing Fund	
FY 2005-2006	\$305,000
FY 2006-2007	\$348,000
FY 2007-2008	\$392,000
FY 2008-2009	<u>\$459,000</u>
Total	\$1,504,000
Adjusted Unencumbered Balance	\$0
Excess Surplus	\$0

Low-Mod Housing Fund Targeting

Under California Health and Safety Code Section 33334.4, the Agency must target set-aside expenditures in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 2014, and then again through the termination of the Redevelopment Plan. These tests do not have to be met on an annual basis.

Housing Need

Under California Health and Safety Code Section 33334.4, the Agency must expend Housing Funds in proportion to the regional housing needs assessment (RHNA) as defined in Government Code Section 65584 and established by the San Diego Association of Governments (SANDAG). The table below presents La Mesa’s RHNA obligations and extrapolates the proportional spending limits for each income category.

Regional Housing Needs Assessment Unit Obligations			
Income Category	Total Units	% of Total	Expenditure Proportionality
Very-Low Income	89	39%	At Least 39%
Low Income	68	29%	At Least 29%
Moderate Income	75	32%	At Most 32%
Totals	232	100%	

The Agency is entitled to expend a disproportionate amount of funds for very low income households, and to subtract a commensurate amount from the low and/or moderate income thresholds. Similarly, the Agency 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.

In order to meet the income targeting standards, the Agency proposes that these Implementation Plans allocate 39% of the Low-Mod Housing Fund project and program expenditures to very low income households, 29% of the fund to low income households, and no more than 32% of the funds to moderate income households.

Expenditures on Senior Citizen Projects

The age restriction proportionality test requires that the maximum percentage of set-aside funds that an agency can allocate to senior housing is based on the percentage that very low and low income households over the age of 65 represent of the total very low and low income population in La Mesa. As shown below, based the 2000 United States Census data, the very low and low income senior citizen population represents 36% of the very low and low income population in La Mesa.

Age Restriction Proportionality Test - La Mesa		
Very Low/Low Under 65 Years Old	6,356	64.0%
Very Low/Low 65 Years and Older	3,585	36.0%
Source: U.S. Census Bureau, Census 2000		

In order to meet the age restriction proportionality test requirements, the Agency proposes that these Implementation Plans allocate 64.0% of the Low-Mod Housing Fund project and program expenditures to non-age-restricted housing.

2. Replacement Obligation

State law also requires the replacement of low- and moderate-income housing when an agency causes the removal of such housing as part of its redevelopment activities. Redevelopment agencies are required to cause the development of replacement dwelling units, for low- or moderate-income households, in numbers equal to those eliminated, within four years of removal.

To date, the Agency has not caused any housing units or households to be displaced. Consequently, the Agency has not incurred any obligation to provide replacement housing units.

3. Inclusionary Housing

State law incorporates inclusionary housing requirements where defined percentages of housing are reserved for low- and moderate-income households. Where the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units in a Project Area must be affordable to low- and moderate-income households. Of the 15% restricted, 40% must be restricted to very low-income households.

If housing is developed or rehabilitated by the Agency itself, 30% of the housing must be affordable to low and moderate income households. Of those units restricted, 50% must be affordable to very low-income households.

Prices or rents for inclusionary housing units must be restricted by Agency-imposed covenants for the longest feasible time, as determined by the Agency. With respect to for-sale housing, this restriction must apply for a minimum of 45 years. The minimum requirement for rental housing is 55 years.

The inclusionary housing production requirement does not apply to Redevelopment Plans adopted before 1976. The Central Project, formed in 1973, is therefore exempt from this obligation.

State law allows redevelopment agencies to combine developments from several Project Areas to meet the inclusionary obligation described above. In addition, housing production outside Project Areas may be counted, on a 2-for-1 basis, in order to fulfill these requirements.

Status of Inclusionary Production

As shown in Table 14, a total of 1,153 housing units have been developed in the three Project Areas. Of this total, 242 units were developed in the Central Project and 911 were developed in the Fletcher Parkway Project. No housing development has occurred in Alvarado Creek, and no housing units have been rehabilitated in any of the Project Areas. All of the housing units produced have been built by private developers.

Two (2) of the completed housing developments (La Mesa Springs senior complex and Pravada at Grossmont Transit Center) within the Project Areas include affordability restrictions that meet the inclusionary housing requirements pursuant to California Health and Safety Code Section 33413.

As shown in Table 14, the Agency also sponsored and assisted the development of Campina Court, 60 affordable apartments just outside the Fletcher Parkway Project boundary. This Project, completed in 1995, contains 48 low-income and 12 very low-income family apartments. Applying the 2-for-1 rule, 24 low-income and 6 very low-income units can be credited against the Agency's inclusionary obligation.

Based on this production level, the Agency's inclusionary obligation for low and moderate-income units is 138 units, of which 55 must be affordable to very low-income households. To date, the Agency has restricted 239 units, with 72 units restricted to low/moderate income households, and 167 units restricted to very low income households. As a result, the Agency has a current inclusionary housing surplus of 101 total units.

TABLE 14

**SUMMARY OF PRIOR HOUSING PRODUCTION
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

Prior Housing Production

<u>Project</u>	<u>Year</u>	<u>Project Area</u>	<u>Total Number of Units</u>	<u>Inclusionary Obligation @ 15.0%</u>	<u>Qualifying as Inclusionary Units</u>	
					<u>Low/Moderate</u>	<u>Very Low</u>
La Mesa Springs Senior Apartments (1)	1981	Central	129	0	0	129
The Villages of La Mesa	1988	Fletcher	384	58	0	0
Campina Court (2)	1994	n/a	0	0	24	6
La Mesa Village Plaza (1)	1991	Central	95	0	0	0
Paseo Condominiums (1)	2001	Central	18	0	0	0
Pravada at Grossmont Transit Center	2008	Fletcher	527	80	48	32
Total Prior Housing Production			1,153	138	72	167

Total Inclusionary Housing Surplus/(Deficit) (1992-2009):			
	<u>Total Surplus/(Deficit)</u>	<u>Low/Moderate</u>	<u>Very Low</u> (3)
Inclusionary Units Produced	239	72	167
(Less) Inclusionary Obligation	(138)	(83)	(55)
Total Inclusionary Housing Surplus/(Deficit)	101	(11)	112

- (1) Inclusionary requirements do not apply to pre-1976 plans. The Central Plan was adopted in 1973, and is therefore exempt from inclusionary housing requirements.
- (2) Campina Court Apartments is located outside the Project Area. As such, unit count is not counted toward inclusionary housing obligation. Affordable units at Campina Court are counted on a 2:1 basis.
- (3) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.
- (4) There is no minimum requirement for the number of low/moderate income units. As such, the deficit shown does not reflect an outstanding obligation of the Agency.

C. Proposed Housing Program

Redevelopment agencies are required to outline proposed housing activities at varying levels of detail for five years, ten years, and the life of the Redevelopment Plan. Accordingly, this section addresses the Agency's housing goals, and identifies planned housing production, both market-rate and affordable, for all three time periods.

Agency Goals: The Agency's key housing goal for its Project Areas is the promotion of new housing development, both for-sale and rental, to serve a variety of household types and income groups.

In addition, the Agency seeks to reinvigorate downtown La Mesa as a multi-use area with a 24-hour residential community.

Each of the Agency's Project Areas is relatively small in size and dominated by non-residential land uses. The City of La Mesa as a whole is nearly built out. Therefore, the opportunities to develop new housing units, whether market-rate or affordable, are few in number. For this reason, the Agency will continue to pool its available housing funds to support a limited number of housing developments within its area of influence.

1. Housing Production

The Agency has estimated inclusionary housing production based on future redevelopment potential within each of the Project Areas. As presented in Tables 15 through 17 and summarized below, future inclusionary housing production will continue to meet State law requirements over the next five years, ten years, and the life of the Plan.

<u>Housing Production</u>	<u>5-Year Plan 2010-2014</u>	<u>10-Year Plan 2010-2019</u>	<u>Lifetime Plan 2010-Life</u>
Number of Units Produced (1)			
Central (2)	50	50	50
Fletcher Parkway	0	0	0
Alvarado Creek	<u>0</u>	<u>0</u>	<u>0</u>
Total Number of Units Produced	50	50	50
Estimated Inclusionary Obligation (15%)	0	0	0
Add: Previous Inclusionary Obligation (3)	<u>138</u>	<u>138</u>	<u>138</u>
Total Inclusionary Obligation	138	138	138
Inclusionary Housing Produced (4)	289	289	289
(Less) Total Inclusionary Obligation	<u>(138)</u>	<u>(138)</u>	<u>(138)</u>
Inclusionary Housing Surplus/(Deficit)	151	151	151
<p>(1) Source: City of La Mesa. (2) The Central Plan was adopted in 1973 and is exempt from inclusionary housing requirements. (3) Previous obligation through 2009. (4) Reflects units produced through 2009.</p>			

<u>Target Affordability</u>	<u>5-Year Plan 2010-2014</u>	<u>10-Year Plan 2010-2019</u>	<u>Lifetime Plan 2010-Life</u>
<u>Very Low Income</u>			
Inclusionary Housing Produced (1)	192	192	192
(Less) Inclusionary Housing Obligation (2)	<u>(55)</u>	<u>(55)</u>	<u>(55)</u>
Total Inclusionary Housing Surplus/(Deficit)	137	137	137
<u>Moderate Income</u>			
Inclusionary Housing Produced (1)	97	97	97
Inclusionary Housing Obligation (2)	<u>(83)</u>	<u>(83)</u>	<u>(83)</u>
Total Inclusionary Housing Surplus/(Deficit)	14	14	14
Total Surplus/(Deficit)	151	151	151
<p>(1) Reflects units produced through 2009. (2) Includes previous obligation through 2009.</p>			

TABLE 15

**FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - FIVE-YEAR PLAN
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

I. Proposed Housing Production (2010 - 2014)

	<u>Project Area</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total Number of Units 2010 - 2014</u>	<u>Inclusionary Obligation @ 15.0%</u>	
Total Housing Production									
Re-Use of Former Police Station Site (1)	Central				50		50	0	
							<u>Low/Moderate</u>	<u>Very Low (1)</u>	<u>Total</u>
II. Estimated Inclusionary Housing Obligation									
Prior Inclusionary Housing Obligation (Table 20)							83	55	138
Projected through FY 2014							<u>0</u>	<u>0</u>	<u>0</u>
Total Inclusionary Housing Obligation (Table 20)							83	55	138
III. Projected Inclusionary Housing Production									
Prior Inclusionary Housing Units Produced through 2009							72	167	239
Projected Inclusionary Housing Production (2010 - 2014)									
Re-Use of Former Police Station Site (1)							<u>25</u>	<u>25</u>	<u>50</u>
Total Projected Inclusionary Housing Production							97	192	289
IV. Inclusionary Housing Surplus/(Deficit)									
Total Projected Inclusionary Housing Production							97	192	289
Total Inclusionary Housing Obligation							<u>(83)</u>	<u>(55)</u>	<u>(138)</u>
Total Inclusionary Housing Surplus/(Deficit)							14	137	151

(1) Inclusionary requirements do not apply to pre-1976 plans. The Central Plan was adopted in 1973, and is therefore exempt from inclusionary housing requirements.

(2) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

TABLE 16

**FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - TEN-YEAR PLAN
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

I. Proposed Housing Production (2010 - 2019)

	<u>2010 - 2014</u>	<u>2015 - 2019</u>	<u>Total Number of Units 2010 - 2019</u>	<u>Inclusionary Obligation @ 15.0%</u>	
Total Housing Production					
Central (1)	50	--	50	0	
Fletcher Parkway	0	0	0	0	
Alvarado Creek	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Housing Production	50	0	50	0	
<hr/>					
II. Estimated Inclusionary Housing Obligation			<u>Low/Moderate</u>	<u>Very Low (2)</u>	<u>Total</u>
Prior Inclusionary Housing Obligation (Table 20)			83	55	138
Projected through FY 2019			<u>0</u>	<u>0</u>	<u>0</u>
Total Inclusionary Housing Obligation			83	55	138
III. Projected Inclusionary Housing Production					
Inclusionary Housing Units Produced through 2009			72	167	239
Projected Inclusionary Housing Production (2010 - 2014)			25	25	50
Projected Inclusionary Housing Production (2015 - 2019)			<u>0</u>	<u>0</u>	<u>0</u>
Total Projected Inclusionary Housing Production			97	192	289
IV. Inclusionary Housing Surplus/(Deficit)					
Total Projected Inclusionary Housing Production			97	192	289
Total Inclusionary Housing Obligation			<u>(83)</u>	<u>(55)</u>	<u>(138)</u>
Total Inclusionary Housing Surplus/(Deficit)			14	137	151

(1) Inclusionary requirements do not apply to pre-1976 plans. The Central Plan was adopted in 1973, and is therefore exempt from inclusionary housing requirements.

(2) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

TABLE 17

**FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - LIFETIME PLAN ⁽¹⁾
 2010-2014 IMPLEMENTATION PLANS
 LA MESA COMMUNITY REDEVELOPMENT AGENCY**

I. Proposed Housing Production (2010-Life of Plan) ⁽¹⁾

	<u>2010 - 2014</u>	<u>2015 - 2019</u>	<u>2020-2027</u> ⁽¹⁾	Total Number of Units <u>2010 - 2027</u>	Inclusionary Obligation @ <u>15.0%</u>	
Total Housing Production						
Central ⁽²⁾	50	--	--	50	0	
Fletcher Parkway	0	0	0	0	0	
Alvarado Creek	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Housing Production	50	0	0	50	0	
				<u>Low/Moderate</u>	<u>Very Low</u> ⁽³⁾	<u>Total</u>
II. Estimated Inclusionary Housing Obligation						
Prior Inclusionary Housing Obligation (Table 20)				83	55	138
Inclusionary Housing Obligation Projected through Life of Plan				<u>0</u>	<u>0</u>	<u>0</u>
Total Inclusionary Housing Obligation				83	55	138
III. Projected Inclusionary Housing Production						
Inclusionary Housing Units Produced through 2009				72	167	239
Projected Inclusionary Housing Production (2010 - 2014)				25	25	50
Projected Inclusionary Housing Production (2015 - 2019)				0	0	0
Projected Inclusionary Housing Production (2020-Life of Plans)				<u>0</u>	<u>0</u>	<u>0</u>
Total Projected Inclusionary Housing Production				97	192	289
IV. Inclusionary Housing Surplus/(Deficit)						
Total Projected Inclusionary Housing Production				97	192	289
Total Inclusionary Housing Obligation				<u>(83)</u>	<u>(55)</u>	<u>(138)</u>
Total Inclusionary Housing Surplus/(Deficit)				14	137	151

(1) Effectiveness of Redevelopment Plans are as follows: Central (November 27, 2013); Fletcher Parkway (June 26, 2024); Alvarado Creek (June 23, 2027).

(2) Inclusionary requirements do not apply to pre-1976 plans. The Central Plan was adopted in 1973, and is therefore exempt from inclusionary housing requirements.

(3) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

2. Low and Moderate Income Housing Funds Expenditures

Agencies are required to identify: (1) available balances in Low-Mod Housing Fund(s); (2) estimated annual deposits to the Low-Mod Housing Fund(s) over the next five years; and (3) estimated annual Low-Mod Housing Fund expenditures over the same period.

The Agency’s Low-Mod Housing Fund’s fund balance as of FY 2008-2009 is estimated at \$2,307,000. The Agency currently deposits a total of about \$528,000 per year into its two Low-Mod Housing Funds (Fletcher Parkway and Alvarado Creek). Since set-aside funds are a function of property tax revenues, the actual amount of future deposits will depend on factors such as market conditions and the timing of new taxable development. An estimate of five-year set-aside funds can be formulated based on a projected annual increase of 2%. Using this assumption, the Agency can expect to deposit a total of about \$2.6 million into its Low-Mod Housing Funds over the next five years. In combination with the existing balances, the Agency would therefore have an estimated total \$4.6 million in Low-Mod Housing funds available.

Table 18 presents an estimate of the Agency’s fund balance over the next five years. This estimate is summarized as follows:

<u>Low-Mod Housing Fund</u>	<u>5-Year Plan 2010-2014</u>
Low-Mod Housing Fund Beginning Balance	\$2,307,000
Projected Low-Mod Housing Fund Revenues	
Central (1)	\$0
Fletcher Parkway	\$1,997,000
Alvarado Creek	<u>\$644,000</u>
Total Low-Mod Housing Revenues	\$2,641,000
(Less) Low-Mod Housing Fund Expenditures (Table 18)	<u>(\$5,397,000)</u>
Low-Mod Housing Fund Ending Balance	(\$449,000)

(1) All payments to the Central Low-Mod Housing Fund are deferred to pay off existing City debt obligations.
Source: City of La Mesa

TABLE 18

**PROJECTED LOW-MOD HOUSING FUND APPROPRIATIONS - FIVE-YEAR PLAN
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

	2010	2011	2012	2013	2014	Total 2010-2014
I. Housing Fund Beginning Balance	\$2,307,000	\$636,000	\$390,000	\$102,000	(\$178,000)	
II. Total Housing Fund Revenues						
Fletcher Parkway	\$384,000	\$392,000	\$399,000	\$407,000	\$415,000	\$1,997,000
Alvarado Creek	\$124,000	\$126,000	\$129,000	\$131,000	\$134,000	\$644,000
Total Revenues (1)	\$508,000	\$518,000	\$528,000	\$538,000	\$549,000	\$2,641,000
III. Total Housing Fund Expenditures (2)						
Operating Expenses (3)(4)	\$67,000	\$64,000	\$66,000	\$68,000	\$70,000	\$335,000
Grossmont Transit Station (4)	\$1,512,000	\$0	\$0	\$0	\$0	\$1,512,000
Police Station Property (5)	\$600,000	\$700,000	\$750,000	\$750,000	\$750,000	\$3,550,000
Future Affordable Housing Projects/Programs	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$2,179,000	\$764,000	\$816,000	\$818,000	\$820,000	\$5,397,000
IV. Housing Fund Ending Balance	\$636,000	\$390,000	\$102,000	(\$178,000)	(\$449,000)	

- (1) Reflects housing fund revenues from the Fletcher Parkway and Alvarado Creek Projects. All payments into the Central Housing Fund are deferred to pay off existing City debt obligations.
- (2) Does not include Supplemental Educational Revenue Augmentation Fund (SERAF) payment. If Agency is required to make SERAF payment (pending lawsuit), financial projections will be modified and addressed in the Mid-Term Update.
- (3) Escalated at 3.0% per year starting in Year 2012.
- (4) Source: City of La Mesa 2009-2011 Preliminary Budget.
- (5) Per Promissory Note dated November 25, 2008. Amount shown does not reflect \$1,000,000 paid at closing and remaining amount of \$3,800,000 owed out of \$8,350,000 purchase price.

TABLE 19

**LOW-MOD HOUSNG FUND PROPORTIONALITY REQUIREMENTS - FIVE-YEAR PLAN
2010-2014 IMPLEMENTATION PLANS
LA MESA COMMUNITY REDEVELOPMENT AGENCY**

	Five Year Plan <u>2010-2014</u>
I. Estimate of Net Revenue	
A. Beginning Balance	\$2,307,000
B. Revenues	
Central (1)	\$0
Fletcher Parkway	\$1,997,000
Alvarado Creek	<u>\$644,000</u>
Total Revenues	\$4,948,000
C. (Less) Operating Expenses	<u>(\$335,000)</u>
D. Total Fund Balance/Net Revenue	\$4,613,000

II. Housing Need

A. Very Low Income	38.4%	\$1,769,600
B. Lower Income	29.3%	\$1,352,100
C. Moderate Income	<u>32.3%</u>	<u>\$1,491,300</u>
D. Total	100.0%	\$4,613,000

III. Expenditures on Senior Citizen Projects

A. Very Low/Low Under 65 Years Old	64.0%	\$2,952,000
B. Very Low/Low 65 Years and Older	<u>36.0%</u>	<u>\$1,661,000</u>
C. Total	100.0%	\$4,613,000

(1) All payments into the Central Housing Fund are deferred to pay off existing City debt obligations.