FIVE YEAR IMPLEMENTATION PLAN

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

2009-10 through 2013-14

Adopted
December 15, 2009

RSG

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INTRODUCTION

ABOUT THIS IMPLEMENTATION PLAN

Every five years, redevelopment agencies are required to adopt implementation plans that establish five-year operational and financial work programs for carrying out the redevelopment and affordable housing responsibilities of the agencies. This Five Year Implementation Plan ("Implementation Plan") for the El Monte Community Redevelopment Agency ("Agency") covers the five-year planning period for fiscal years 2009-10 through 2013-14, and serves as a consolidated Implementation Plan for four of the Agency's eight redevelopment project areas ("Project Areas"): (1) Downtown El Monte (inclusive of Downtown El Monte Amendment No. 1), (2) El Monte Center (inclusive of El Monte Center Amendment No. 1), (3) Northwest El Monte, and (4) Valley-Durfee. This Implementation Plan also contains an Update to the Agency's Housing Compliance Plan ("Housing Compliance Plan") for meeting the Agency's affordable housing requirements for the current 10-year compliance period (FY 2004-05 to 2013-14), including obligations for producing, replacing, and expending funds for affordable housing.

Substantially Completed Project Areas

The Agency has adopted eight redevelopment project areas between 1977 and 2003. Each redevelopment project area is identified in chronological order beginning on page 12. It is important to note that two of the Agency's redevelopment project areas have expired and that two of the Agency's redevelopment project areas have been successfully redeveloped, requiring no future redevelopment activities. The four completed redevelopment project areas include; East Valley Mall Redevelopment Project Area ("East Valley Mall"), El Monte Plaza Redevelopment Project Area ("El Monte Plaza"), Plaza El Monte Redevelopment Project Area ("Plaza El Monte"), and Santa Anita-Tyler Redevelopment Project Area ("Santa Anita-Tyler"). Background data for each of the four completed project areas is included in this Implementation Plan; however, there is no further analysis with regards to the Housing Compliance Plan for these project areas.

Legal Authority

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

- The Agency's goals and objectives, programs, and projects within the Project Areas for the next five years, including estimated expenditures.
- An explanation of how the goals and objectives, programs, projects, and expenditures will eliminate blight and promote affordable housing within the Project Areas.
- A specific section that addresses the Agency's housing responsibilities, including the Agency's Low and Moderate Income Housing Fund ("LMIHF") and the Agency's requirements for producing and replacing affordable housing.

This Implementation Plan fulfills Article 16.5 of the CRL. It conforms to the City of El Monte's General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element Update of the General Plan which was approved by the City Council in March

2009 and subsequently certified by the State of California. While the Implementation Plan must present specific programs, including potential projects and estimated expenditures to be made during the next five-year period (and address the ten year planning period for housing activities), adoption of the Implementation Plan does not constitute an approval of any specific program, project, or expenditure from the Agency or community.

Organization of the Document

This Implementation Plan is organized into four sections. The first section provides a narrative overview and background description of redevelopment in California. The second section presents a historical profile of the Agency, a description of its eight Project Areas, and its goals for revitalization of the Project Areas. The third section contains the five-year work program for reinvestment and revitalization of each of the Agency's four active project areas. The fourth section is the Agency's update to the Housing Compliance Plan for the current 10-year compliance period (FY 2004-05 through FY 2013-14), including production, replacement, and expenditure of funds for affordable housing. This section fulfills the requirements of CRL Sections 33413(b)(4) and 33490(a).

SECTION I: REDEVELOPMENT BACKGROUND

ABOUT REDEVELOPMENT

The Public Value & Benefit of Redevelopment

What is Redevelopment?

Redevelopment is a process created to assist city and county governments in eliminating blight from a designated area and to achieve the desired development, reconstruction, and rehabilitation of residential, commercial, and industrial uses. Redevelopment agencies possess unique tools to directly influence the private sector, reduce investment risk, and create or boost market confidence. Some of the tools available to redevelopment agencies include:

- Use of tax increment financing to fund public improvements and use of gap financing to provide financial assistance to qualifying developers for qualifying projects.
- Authority to acquire real property, and if necessary, use of eminent domain.
- Relocation assistance and replacement housing.
- Mitigation of environmental liabilities to property owners and developers through the Polanco Redevelopment Act (CRL §§33459 - 33459.8).

Although these tools can jumpstart the revitalization process, by law, redevelopment is limited to areas of a city that are in a state of decline and are physically and economically blighted. To initiate redevelopment, the agency must satisfy certain requirements. These requirements are as follows:

- Establishment of a Project Area(s) in parts of a city that are physically and economically blighted, and substantially.
- Establishment of debt as a prerequisite to the collection and expenditure of tax increment.
- Set aside 20 percent of tax increment revenue to increase, improve, and preserve the supply of housing for very low, low and moderate-income persons and families.

Redevelopment By the Numbers:

$31.84 billion. Redevelopment's economic contribution to California in 2003.

$14. Every $1 of redevelopment agency spending generates nearly $14 in total economic activity.

310,000. Full and part time jobs created in just one year (2002-03).

71,127 units of affordable housing built or rehabilitated since 1994 by redevelopment agencies.

20,048 units of low and moderate income housing expected to be built or refurbished over the next two years.

$1.58 billion. State and local taxes generated through redevelopment construction activities in 2003.

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

2nd largest funder of affordable housing in California after the federal government.

Source: *California Redevelopment Association*

- Assure that an amount equal to at least 15 percent of all new and substantially rehabilitated dwelling units in the project area(s) are affordable to, and occupied by, persons or families of very low, low, and moderate income.

After satisfying these requirements, redevelopment agencies can use their tools to catalyze the revitalization of urban areas. Once redevelopment efforts establish momentum in the market, the private sector can then dictate its own course, thereby benefitting residents, business-owners, and visitors.

Role of Redevelopment

In 1945, the State of California enacted the CRL to combat the deterioration of property and its effects on the tax base. Through the CRL, cities were given authorization to establish redevelopment agencies which would have the legal authority to take measures that combat urban decay, or blight. In 1952, California voters adopted Article XVI, Section 16 allowing tax increment financing to be used by the agencies for the redevelopment of blighted communities.

The goal of redevelopment to create safe and economically vibrant communities has remained steadfast since 1945. Goals and objectives of the Agency specific to its Project Areas are presented in Section II of this Implementation Plan.

Blight

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

The CRL (2009 Statutes) describes the physical and economic conditions that cause blight as follows:

Physical Conditions (CRL §33031(a))

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

Property Not Located in City of El Monte

Economic Conditions (CRL §33031(b))

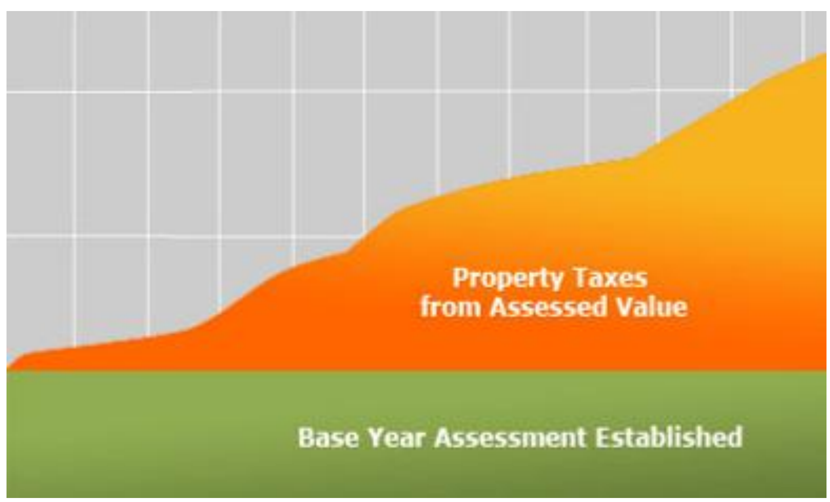

Property Not Located in the City of El Monte

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

In accordance with the CRL, the existence of blight has been established in each of the Project Areas requiring the use of redevelopment tools though the projects and programs established in this Implementation Plan.

Tax Increment Financing

Tax increment financing is the primary source of funding used by agencies to initiate and oversee redevelopment projects and activities in a community. This financing method is based on the assumption that as an area is revitalized, more property tax will be generated. Upon adoption of a project area, the total current assessed value of all the properties within its boundaries is totaled and then designated as the base year value (§33328). As assessed values increase in the project area, tax increment revenue is generated by capturing the amount of value added since the base year value was established. This increase in tax revenue, or tax increment, is used by the agency for reinvestment back into the project area. The adjacent image graphically depicts the generation of tax increment in a project area.



20 Percent Housing Set-Aside

As required by the CRL, 20 percent of tax increment revenue must be set aside into the LMIHF for the creation and preservation of affordable housing within the Project Areas (§§33334.2). These funds may then be used for activities such as acquiring property, constructing on- and off-site improvements related to affordable housing development, constructing or rehabilitating affordable housing units, providing subsidies to ensure affordability, and issuing bonds. As a result of these requirements, redevelopment agencies are one of the primary entities producing affordable housing throughout the State of California.

Pass-Through Payments

Prior to 1994 redevelopment agencies could adopt negotiated pass-through agreements with affected taxing entities provided those taxing entities could demonstrate financial hardship as a result of a redevelopment agency's adoption of a project area. Conversely, redevelopment plans adopted or amended to add territory after 1994, trigger a requirement that redevelopment agencies make annual payments of tax increment revenue to affected taxing entities (e.g., school districts, community college districts, the County) pursuant to CRL Section 33607.5, commonly referred to as "statutory payments." Additionally, redevelopment plans that are amended to increase financial or time limitations trigger statutory payments (per Section 33607.7) to those taxing entities for which the agency does not already have a negotiated pass-through agreement. CRL Section 33607.5 and Section 33607.7 prescribe a precise allocation formula to calculate an agency's required payments to those taxing entities not already receiving payment due to negotiated pass-through agreements. Statutory payments for post 1994 redevelopment plans represent about 20 percent of the tax increment received by an agency over the life of the redevelopment plan.

State Takeaways – SERAF Payments

The Agency is estimating that it may need to set aside approximately $2,469,261 for payments to the State's Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-10 and 2010-11 if this portion of the State fiscal year 2009-10 budget is not declared to be invalid. As in prior years during the State's fiscal crises, the Legislature is relying on "takeaways" from local governments to help close the State's massive budget gap in the form of revenue shifts. Statewide, $2.05 billion in redevelopment funds will be shifted from redevelopment agencies to SERAF, which is intended to be distributed to schools to meet the State's Proposition 98 obligations to education. $1.7 billion will be shifted in fiscal year 2009-10 and $350 million in 2010-11. The Agency's share is estimated to be $2,047,680 in fiscal year 2009-10 and $421,581 in 2010-11. It is the current assumption that the SERAF feature of the State fiscal year 2009-10 budget will be declared invalid by the courts. This is a view shared by many redevelopment agencies and legal experts in the field.

What is a Redevelopment Plan?

The redevelopment plan is a legal framework used by agencies for the long-term planning and implementation of revitalization activities in project areas. The plan establishes financing methods to implement projects and policies and also sets the basic goals, powers, and time and financial limitations within which the redevelopment agency must conduct its activities. Below is the framework in which redevelopment plans are legally bound:

- The time limit to establish loans, advances, and indebtedness to be paid with the revenue from property taxes may not exceed 20 years from the adoption date of the redevelopment plan (§33333.2).

- Loans, advances, or indebtedness may be repaid over a 45-year period from the adoption of the redevelopment plan. For redevelopment plans which were adopted prior to 1994 loans, advances, or indebtedness may be repaid over a 50-year period from the adoption of the redevelopment plan.
- The effectiveness of a redevelopment plan may not exceed 30 years from the adoption date. For redevelopment plans which were adopted prior to 1994 the effectiveness of the redevelopment plan may not exceed 40 years from the adoption date.
- After the effectiveness of a redevelopment plan has expired, an agency shall have no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness and to enforce existing covenants and contracts.
- An agency may commence eminent domain proceedings to acquire property within the project area for a period not to exceed 12 years from the adoption date.
- If a redevelopment plan authorizes the issuance of bonds, the redevelopment plan should include a limit on the amount of bonded indebtedness that can be outstanding at one time.
- These time and financial limitations may be extended or increased only through an amendment to the redevelopment plan.

This Implementation Plan proposes a work program of redevelopment and housing activities that seeks to accomplish the goals of the Agency within the legal framework established by the CRL and the Agency's adopted Redevelopment Plans for the Project Areas.

SECTION II: AGENCY PROFILE

ABOUT THE AGENCY

History and Profile

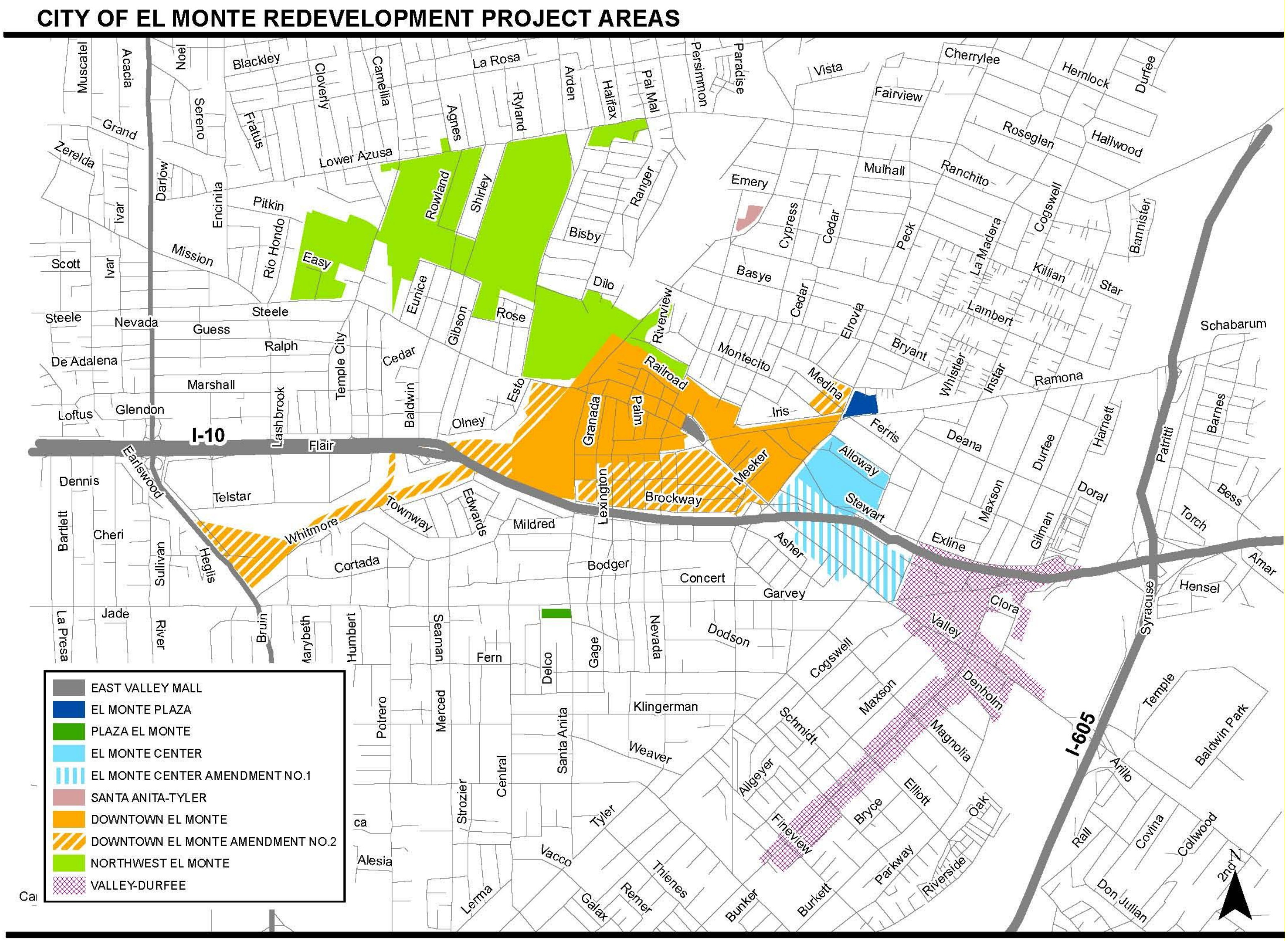
History

The El Monte City Council created the Agency in 1977 with the responsibility of initiating and managing redevelopment projects and activities within the Project Areas. That same year, the Agency adopted its first redevelopment project area, East Valley Mall, and has since adopted seven additional redevelopment project areas resulting in a total of eight Project Areas. Since adoption two of the eight Project Areas, Downtown El Monte and El Monte Center, have been amended to add additional territory resulting in a total of ten separately identifiable territories each with their own set of time and financial limitations. The Agency's eight Project Areas and two amendment areas include:

- East Valley Mall
- El Monte Plaza
- Plaza El Monte
- El Monte Center
- El Monte Center Amendment No. 1
- Santa Anita-Tyler
- Downtown El Monte
- Downtown El Monte Amendment No. 2
- Northwest El Monte
- Valley-Durfee

The following map depicts the location of these ten Project Areas:

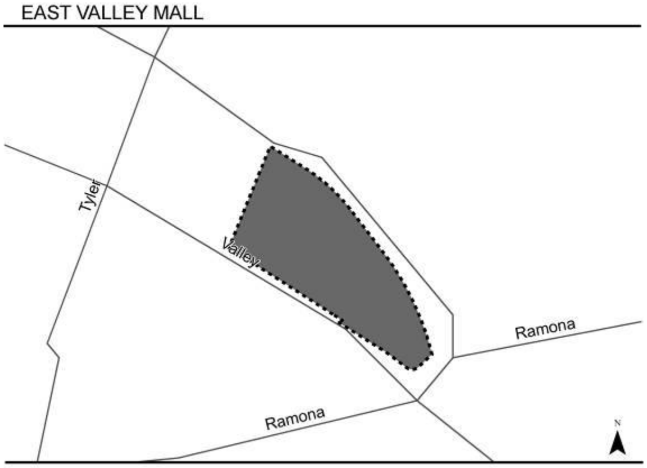
Detailed maps of the four active project areas (inclusive of amendments) are attached as Appendix A.


CITY OF EL MONTE REDEVELOPMENT PROJECT AREAS
EAST VALLEY MALL
EL MONTE PLAZA
PLAZA EL MONTE
EL MONTE CENTER
EL MONTE CENTER AMENDMENT NO.1
SANTA ANITA-TYLER
DOWNTOWN EL MONTE
DOWNTOWN EL MONTE AMENDMENT NO.2
NORTHWEST EL MONTE
VALLEY-DURFEE
I-10
I-605

Project Area Descriptions

East Valley Mall

The East Valley Mall Project Area was adopted by Ordinance No. 1832 on November 29, 1977 and expired on November 29, 2007. East Valley Mall included approximately two (2) acres of land. Redevelopment of the East Valley Mall was successfully completed. The area encompasses a four story office building and a savings and loan building.

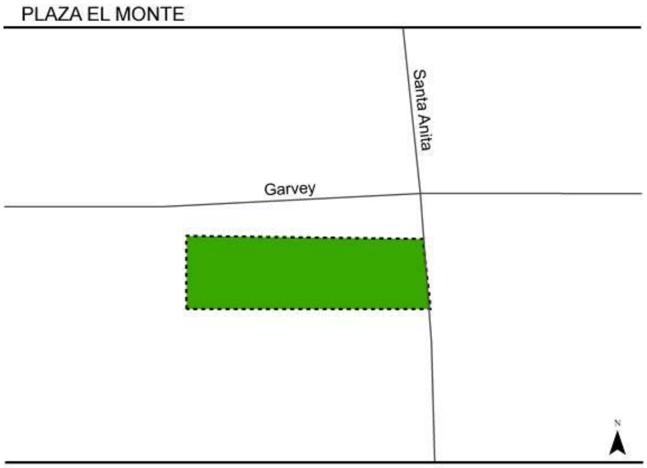


El Monte Plaza

The El Monte Plaza Project Area was adopted on February 14, 1978 by Ordinance No. 1839 and included 6.44 acres of territory. The conditions of blight that existed at the time the project area was adopted have been eliminated through development of an important neighborhood shopping center anchored by a regional chain grocery store and supported by other major retailers. El Monte Plaza expired on February 14, 2008.

Plaza El Monte

The Plaza El Monte Project Area was adopted on November 24, 1981 by Ordinance No. 1996 and encompasses an area of 2.93 acres. The conditions of blight, which existed in 1981, have largely been resolved in this project area. Completed improvements include a 35,000 square foot shopping center.

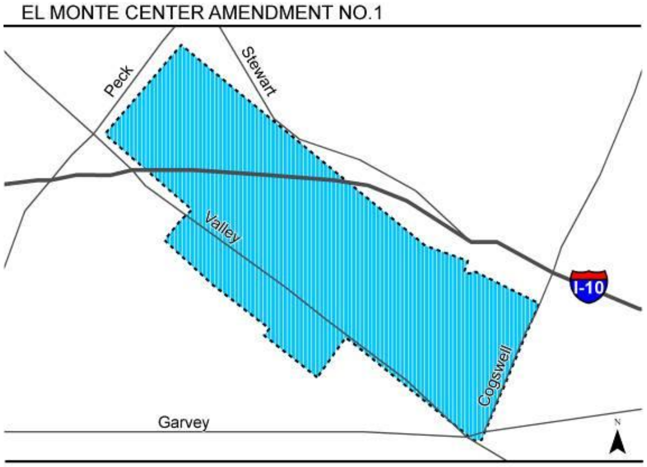


El Monte Center

The Redevelopment Plan for the El Monte Center Project Area was first adopted by Ordinance No. 2060 on October 11, 1983 and originally consisted of 60 acres of commercial property. Subsequent to its adoption the Agency amended the Plan to add an additional 114 acres of territory (Amendment No.1) giving the area a combined total of 174 acres. The Agency assisted with the development of a retail center and auto dealership in the original 60 acre Project Area. Although substantial redevelopment of this area has occurred, the Agency will continue to implement programs and projects with the goal of eliminating remaining blighting conditions.

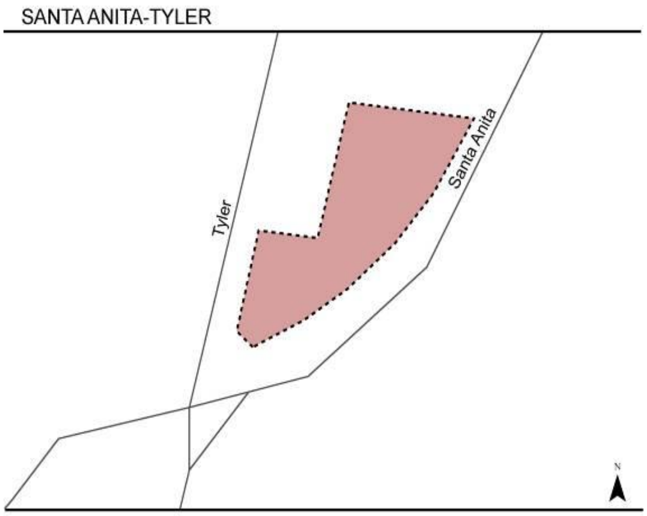
El Monte Center Amendment No. 1

The El Monte Center Amendment No. 1 was adopted on April 25, 1989 by Ordinance No. 2261. The Amendment added 114 acres of territory to El Monte Center Project Area. This project area is comprised primarily of commercial land uses, including the El Monte Auto Center located adjacent to Interstate 10, and residential uses. Although the area is an amendment to the El Monte Center Project Area, it is treated financially as a separate redevelopment project area.

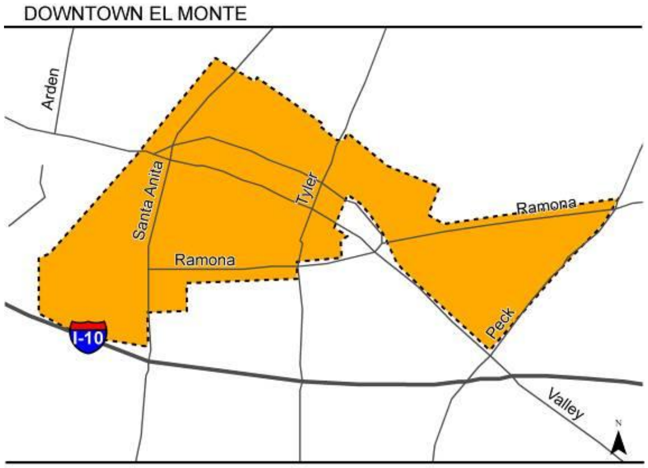


Santa Anita-Tyler

The Santa Anita-Tyler Project Area was adopted on December 26, 1984 by Ordinance No. 2103 for the purpose of developing vacant lots located adjacent to the El Monte Airport. This project area is entirely redeveloped with two 64,000 square foot office buildings. These developments would not have been possible had the properties not been placed into a redevelopment project area. The Agency together with the City of El Monte loaned proceeds of a $1.45 million UDAG grant to the developer for the project. Upon completion the developer repaid the loan with interest, which have been reused by the Agency several times to assist other redevelopment projects. The Agency does not receive tax increment revenues from Santa Anita-Tyler.

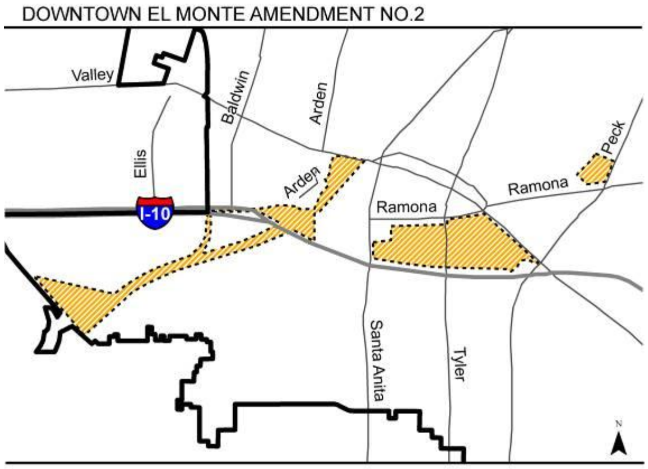


Downtown El Monte



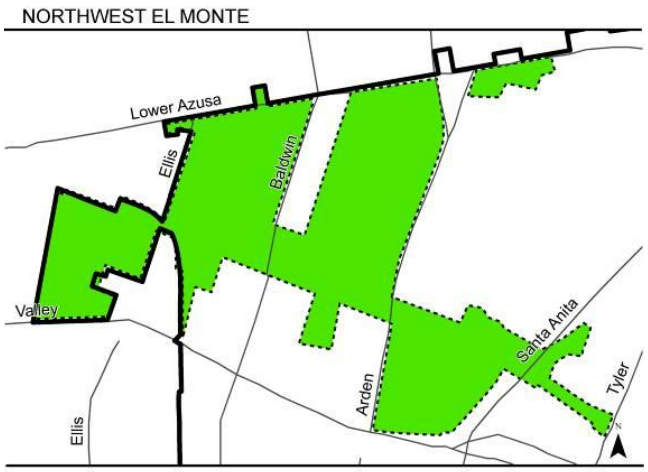
The Downtown El Monte Project Area was adopted by Ordinance No. 2199 on July 14, 1987 and includes 212 acres of territory. Located at the City's center, this project area comprises a variety of land uses including retail, office and business park, hotel, entertainment, and residential. Despite many accomplishments by the Agency, blighting conditions present at the time of adoption remain today. Redevelopment efforts have championed the development of a variety of new retail and residential projects. Downtown El Monte was amended on May 1, 2001 to add 231 acres of land (Downtown El Monte Amendment No. 2) bringing the project area's combined acreage to 443.

Downtown El Monte Amendment No. 2



The Downtown El Monte Amendment No. 2 was adopted on May 1, 2001 by Ordinance No. 2534 and added territory to the Downtown El Monte Project Area. The Amendment Area consists of 231 acres of residential, commercial, and industrial uses. Redevelopment of this area is focused on the revitalization of the residential neighborhoods by upgrading public improvements and providing grants and loans to private property owners for improvements. The Agency is also seeking opportunities for new housing and commercial development. Although the area is an amendment to Downtown El Monte, it is treated financially as a separate redevelopment project area.

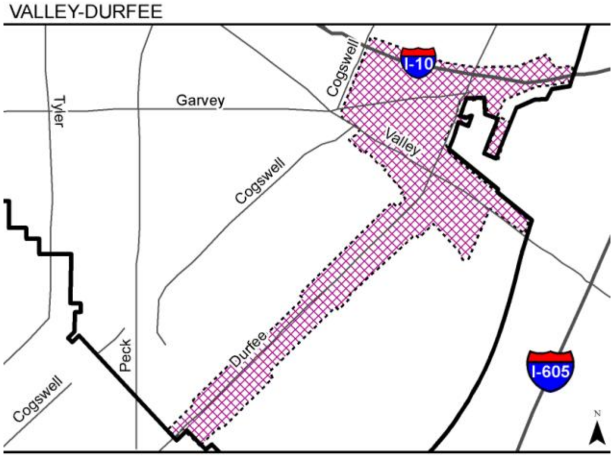
Northwest El Monte



The Northwest El Monte Project Area was adopted on December 14, 1993 by Ordinance No. 2390. It consists of 407 acres of primarily industrial and manufacturing uses. The Agency has implemented many projects to eliminate blighting conditions in the area; however, some blighting conditions identified at the time the project area was adopted remain. A major portion of this project area is within the El Monte Operable Unit of the San Gabriel Valley Superfund site designated by the United States Environmental Protection Agency, and must participate in groundwater remediation.

Valley-Durfee

The Valley-Durfee Project Area was adopted on July 15, 2003 by Ordinance No. 2584 and consists of 142 acres. The focus of redevelopment efforts in this project area centers upon providing public infrastructure improvements, helping to revitalize commercial and industrial properties by providing incentives for owners to improve and/or expand their properties or businesses, attracting new businesses to the area in order to create new job opportunities in the City, and improving the quality and quantity of housing.



Redevelopment Plan Limitations

As previously introduced, CRL requires that redevelopment plans contain certain time and financial limitations regarding the collection of tax increment revenue, incurring bonded indebtedness, redevelopment plan effectiveness, and the use of eminent domain.

Table 1 and Figure 1 outline the time and financial limitations of each Project Area as prescribed by their respective redevelopment plan.

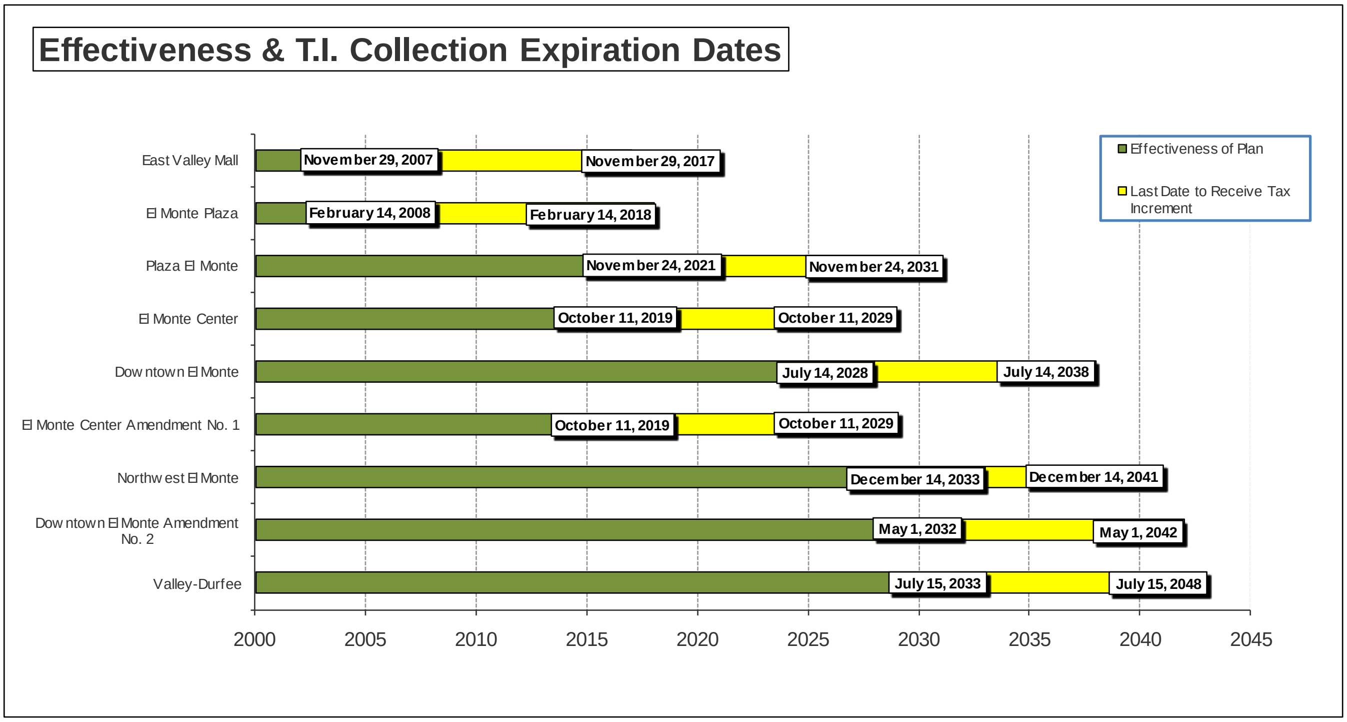
El Monte Community Development Agency
Project Area Time & Financial Limitations **Table 1**

Project Area	Plan Adoption Date	Eminent Domain Authority	Last Date to Incur Debt[1]	Effectiveness of Plan	Last Date to Receive Tax Increment	Bonded Debt Limit	Limit on Receiving Tax Increment
East Valley Mall	November 29, 1977	Expired	November 29, 1997	November 29, 2007	November 29, 2017	N/A	
El Monte Plaza	February 14, 1978	Expired	February 14, 1998	February 14, 2008	February 14, 2018	N/A	Not Applicable
Plaza El Monte	November 24, 1981	Expired	November 24, 2001	November 24, 2021	November 24, 2031	N/A	Not Applicable
El Monte Center	October 11, 1983	Expired	Eliminated	October 11, 2019	October 11, 2029	$36.4 million	$36.4 million or $85.5 million if the Agency issues bonds
Santa Anita-Tyler	December 26, 1984	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Downtown El Monte	July 14, 1987	May 1, 2013	July 14, 2007	July 14, 2028	July 14, 2038	$44.4 million at any one time	$100 million excluding taxing agency payments or $500 million gross tax increment
El Monte Center Amendment No. 1	April 25, 1989	Expired	Eliminated	October 11, 2019	October 11, 2029	$15 million	$30 million or $75 million if the Agency issues bonds, Additional limitation of $15 million for non-housing purposes
Northwest El Monte	December 14, 1993	N/A	December 14, 2013	December 14, 2033	December 14, 2041	$70 Million	$2.27 Billion
Downtown El Monte Amendment No. 1	May 1, 2001	May 1, 2013	May 1, 2021	May 1, 2032	May 1, 2042	$20 million	Not Applicable
Valley-Durfee	July 15, 2003	July 15, 2015	July 15, 2023	July 15, 2033	July 15, 2048	$25 million in principal amount at any one time	Not Applicable

1 Time limits to incur debt were eliminated pursuant to 33333.6(e)(2)(B) following the enactment of SB 211 (Chapter 741, Statutes of 2001) in 2002

Source: El Monte 2005-2009 Impelementation Plan; Fiscal Consultant Report for the 2007 Refunding Tax Allocation Bonds

Figure 1



Completed Redevelopment Project Areas

As previously mentioned in the introduction of this Implementation Plan, redevelopment in four of the Agency's Project Areas have been completed for many years and the Agency does not collect tax increment revenue from Plaza El Monte or Santa Anita-Tyler. Moreover, the time limits on the effectiveness of the redevelopment plans for East Valley Mall and El Monte Plaza have expired. Since redevelopment is substantially completed and/or expired in four project areas and each of these project areas have no land available for housing production, 20 percent housing set-aside funds collected from East Valley Mall and El Monte Plaza will continue to be expended in one of the Agency's four active Project Areas or on a community wide basis. Therefore, the remainder of this Implementation Plan focuses solely on the Agency's four active Project Areas which are; (1) Downtown El Monte (inclusive of Downtown El Monte Amendment No. 2), (2) El Monte Center (inclusive of El Monte Center Amendment No. 1), (3) Northwest El Monte, and (4) Valley-Durfee.

Recent Redevelopment Accomplishments

During the previous five-year implementation plan period (FY 2004-05 through FY 2008-09), the Agency championed many successful projects and programs in its four active Project Areas.

El Monte Center (inclusive of El Monte Center Amendment No. 1)

- Hometown Buffet- The restaurant opened in 2004 after the Agency assisted with the relocation of the former tenant, Dearden's, to a larger space in the same center. Since opening, Hometown Buffet has added approximately thirty jobs to the Project Area.

- Longo Toyota/Lexus Auto Dealership Expansion- In 2004, Longo Toyota/Lexus successfully expanded its retail campus as well as incorporated a new Starbucks, Subway, and AAA insurance office. The dealership has positively contributed to the community through increased sales tax revenues and ninety new jobs. A new 2,500 space parking structure was subsequently completed in 2005. The Agency assisted its development by providing a $3 million loan and a $3 million new jobs grant.

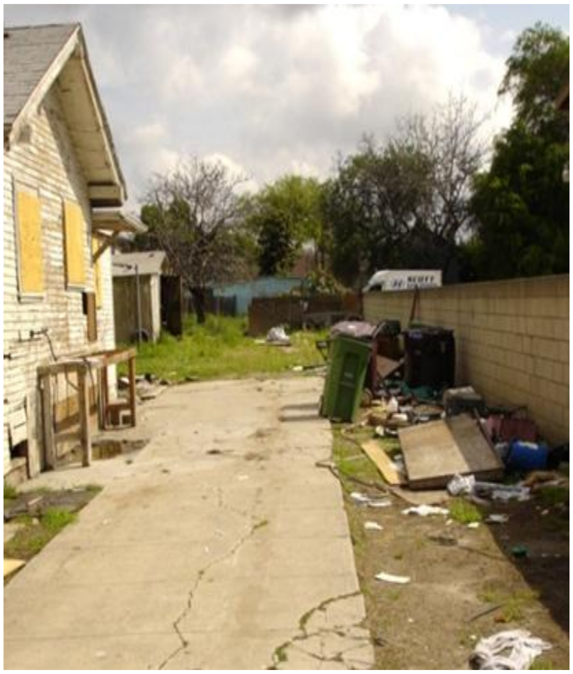
- Spirit Honda Expansion- In 2005, Spirit Honda expanded its parking structure by adding 400 new spaces, and remodeled its showroom and service center. In order to encourage Honda's $6 million investment the Agency provided assistance by providing a new jobs grant of up to $2.5 million subject to maintaining 35 new jobs and a new car sales use. The dealership subsequently designed and improved the adjacent Peck Road underpass at its expense.

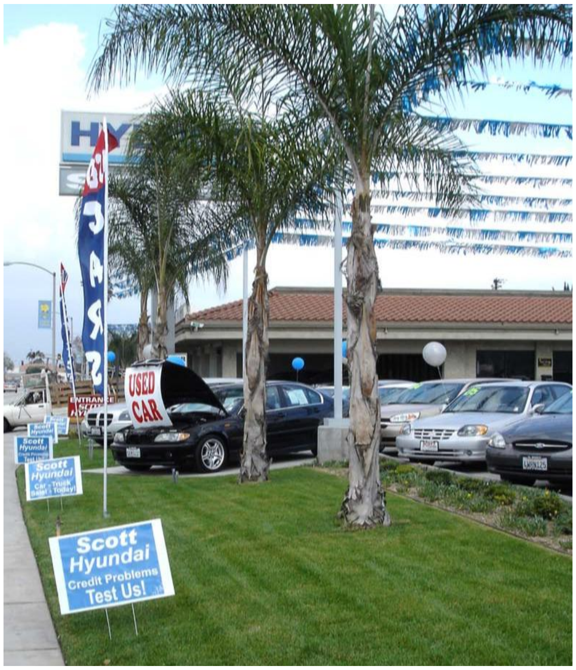
- Scott Pontiac and GMC- The dealership built a new showroom and parking structure on an expanded site using a $2,739,000 acquisition and new jobs grant from the Agency.

Downtown El Monte (Inclusive of Downtown El Monte Amendment No. 2)

- Pacific Towers Senior Housing- The Pacific Towers Senior Housing project was completed in 2005 and has 100 affordable apartment units containing 55 year covenants. Ten of these units were made available to very-low and 90 units to low income seniors.

- Hyundai Auto Dealer Expansion- The Agency participated in the expansion of the Hyundai auto dealership by acquiring and clearing adjacent parcels and leasing the site to the dealer to make improvements. As part of the redevelopment process the site's land use was restricted to new car sales.





- Wells Fargo Bank- Wells Fargo relocated to the Downtown El Monte Project Area in 2007 from the El Monte Center Project Area, into a new retail center developed with assistance from a $2.2 million grant from the Agency. The project provided a larger space for a busy branch and was the catalyst for new tenants including Walgreens, Anna's Linens, Subway, and others to locate in the new retail center.

- Santa Fe Trail Plaza Site- The Agency and the developer have acquired 95% of the site. Within the last 5-Years the Agency has expended $3.5 million on acquisition.

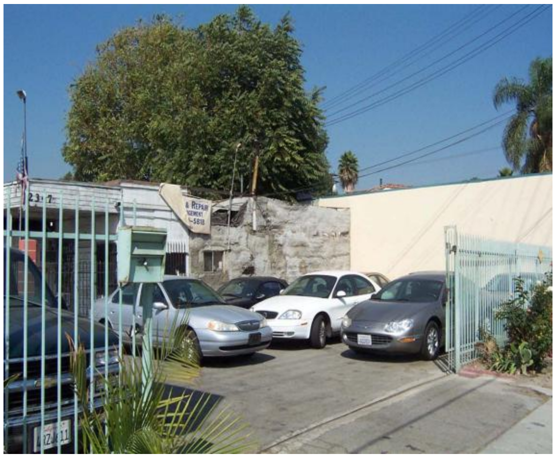
Northwest El Monte

- International Business Incubator- The Agency secured a $1 million U.S. Economic Development Administration (EDA) Grant for the construction of incubator office space to augment a warehouse that serves as a satellite to the Port of Long Beach Foreign Trade Zone.

Valley-Durfee

- Exline Street Sewer and Street Reconstruction- This freeway frontage road which has abutting residential uses was improved under a $400,000 funding agreement between the City and Agency.

- Pipo's Automotive Expansion- With a commercial rehabilitation grant from the Agency the automotive repair shop constructed new office space, improved its parking lot, used car sales lot, and added a landscape setback and screening wall. The shop is located on Durfee Avenue, one of the main thoroughfares in the City, making the improvements a significant visual improvement to the area.



Redevelopment Plan Goals

This Implementation Plan identifies proposed projects and programs for implementing and achieving the goals and objectives of the Agency for each of the four active Project Areas over the next five years. Due to the high degree of policy and programmatic consistency between the Project Areas, the strategic goals set forth in the Agency's adopted redevelopment plans for the Project Areas have been combined and are listed below.

CLEAN

Clean-up Physically Blighted Structures & Environmental Contamination. Eliminate and prevent the spread of blight and deterioration, by conserving, rehabilitating, and redeveloping the Project Areas. Includes upgrading existing commercial and industrial uses in the Project Areas and assisting with groundwater contamination remediation.

UNITE

Encourage Community Engagement. Encourage the cooperation and participation of residents, business persons, public agencies, and community organizations in the revitalization of the Project Areas.

ACCESS

Address Access & Public Facility Needs. Collaborate with the City to provide necessary traffic and circulation improvements to correct street deficiencies, alignment problems and road hazards, and to provide adequate street and freeway access throughout the Project Areas. Includes acquisition of water rights and improvements for water production, storage, and distribution facilities, and rights-of-way necessary for such projects.

GROW

Expand Opportunities for Development. Increase the availability of developable land by making underutilized land developable through the assemblage and disposition of land into parcels suitable for modern integrated development with improved development standards.

INVEST

Stimulate Private Sector Investment. Stimulate and encourage private sector investment in the Project Areas by offering financial assistance to private sector investors interested in developing and/or redeveloping in the Project Areas, and by increasing landscaping and urban design amenities aimed at improving Project Area identity.

GO

Facilitate & Encourage Highly Desirable Projects. Encourage the creation of well planned and designed commercial and industrial uses. Update zoning criteria for the Project Areas to improve the City's competitiveness in the marketplace while generating desirable new development based on Smart Growth Principles. Priority will be given to projects that; (1) address unwanted, conflicting, and blighted uses; (2) retain desirable uses, and save or create jobs; (3) are financially feasible and include owner participation; and (4) generate the greatest amount of tax increment revenue to the Agency, and sales and business taxes to the City.

LIVE

Increase the Supply of Affordable Housing. Support the rehabilitation and/or development of new housing inside and outside the Project Areas for all segments of the population, especially housing affordable to very low, low, and moderate-income households.

WORK

Create a Stronger Local Economy. Promote business retention, expansion, and attraction activities among existing commercial and manufacturing businesses.

SECTION III: REDEVELOPMENT WORK PROGRAM

REDEVELOPMENT WORK PROGRAM

Five-Year Work Program for Reinvestment & Revitalization

Tables 2, 4, 6, and 8 present the Agency's proposed redevelopment programs and projects, segregated by Project Area to be implemented over the next five years. Included are the program/project name and description, blighting condition(s) that would be alleviated by the project/program, anticipated project completion year, anticipated amount of Agency investment, funding source, and Agency goal(s) achieved by the project. Also included are five-year redevelopment cash flows for each of the Project Areas.

El Monte Center Work Program

Table 2 identifies and describes the Agency's proposed non-housing projects for the El Monte Center Project Area (inclusive of El Monte Center Amendment No. 1) for FY 2009-10 through FY 2013-14. Over the next five years the Agency anticipates expending a total of $150,000 of redevelopment funds for the following projects in the El Monte Center Project Area.

Proposed Projects and Programs for the El Monte Center Project Area
2009-10 through 2013-14

Table 2

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal(s) Achieved
El Monte Shopping Center	Develop target tenant list and assist property owner in filling vacant rentable space through business attraction subsidies.	Business vacancies	2009-10	$100,000	80% Tax Increment Revenues	WORK
Freeway Signs	Upgrade appearance and utility of existing signs to attract new businesses and jobs and to enhance the image of the community.	Business vacancies	2010-14	TBD	80% Tax Increment Revenues	WORK GROW
Valley Boulevard	Includes redeveloping a former auto dealer and other commercial sites. The Agency plans to conduct a survey of available or underutilized properties in order to develop a strategic plan for redevelopment of the general area. Future uses may include residential or mixed-use development.	Vacant/underutilized properties	2010-2014	$50,000	80% Tax Increment Revenues	CLEAN GO GROW
			Total	***$150,000***		

Financial Resources

The following cash flow presents the revenues (excluding low to moderate income housing fund revenues) the Agency may have available for the next five years to fund Implementation Plan activities in the El Monte Center Project Area. Outlined in Table 3 are projected tax increment receipts, taxing entity's fiscal mitigation payments, loan and debt service payments, and projected Agency administration costs. Funds available to implement future programs are identified as the remaining funds net of these operation and debt service obligations.

Table 3

El Monte Center Non-Housing Fund Cash Flow Projections 2009-10 through 2013-14

	2009-10	*2010-11*	*2011-12*	*2012-13*	*2013-14*	*5-Year*
Beginning Cash Balance /1	**3,506,000**	**2,319,700**	**2,269,994**	**2,291,359**	**2,324,648**	
Revenue						
Projected 80% Tax Increment Deposit /2	1,389,000	1,416,780	1,445,116	1,474,018	1,503,498	**7,228,412**
Pass-Through Payments /2	(314,200)	(320,484)	(326,894)	(333,432)	(340,100)	**(1,635,109)**
Other Revenue /3	25,000	25,000	25,000	25,000	25,000	**125,000**
Total Revenue	1,099,800	1,121,296	1,143,222	1,165,586	1,188,398	**5,718,302**
Expenses / Encumbrances						
Administration & Planning /4	302,300	308,346	314,513	320,803	327,219	**1,573,181**
Debt Service /5	1,883,800	812,656	807,344	811,494	809,694	**5,124,988**
Projects (Allocated Funds)	100,000	50,000	0	0	0	**150,000**
1)El Monte Shopping Center	*100,000*					***100,000***
2) Freeway Signs						
3)Valley Boulevard		*50,000*				***50,000***
Total Expenditures	2,286,100	1,171,002	1,121,857	1,132,297	1,136,913	6,848,169
Net Cash Flow	**(1,186,300)**	**(49,706)**	**21,365**	**33,289**	**51,485**	**(1,129,867)**
Ending Available Balance	**2,319,700**	**2,269,994**	**2,291,359**	**2,324,648**	**2,376,133**	**2,376,133**

1/ Unencumbered fund balance including 2007 bond proceeds with trustee.
2/ Tax increment and pass-throughs increased by 2% annually.
3/ Other revenue includesinterest income.
4/ Administration allocation increased 2% per year.
5/ Debt service for 2007 TABS and interest expenses.

Due to the State's effort to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the planning period. In fiscal year 2008-09, the State of California approved a budget contingent upon a shift of tax increment monies from redevelopment agencies to be applied to ERAF. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional based on the CRL. On April 30, 2009 a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal. The State has confirmed it will not appeal this decision.

Following this judgment, the State of California approved the fiscal year 2009-10 budget relying on another ERAF shift from redevelopment agencies over the next two years, now called the Supplemental Educational Revenue Augmentation Fund ("SERAF"). While the California Redevelopment Association believes this shift of tax increment from redevelopment falls under the same circumstances as the previous attempt, the Agency may potentially be required to make SERAF payments over the next two years. This shift of dollars from redevelopment could severely impact the Agency's ability to complete many of the projects both committed and anticipated over the next five year period. The California

Redevelopment Association has filed another lawsuit in an effort to thwart this and future takes from redevelopment. As recommended by the California Redevelopment Association, the potential SERAF shift is not shown in the cash flow, however the Agency will make the payments if required by law.

Downtown El Monte Work Program

Table 4 identifies and describes the Agency's proposed non-housing projects for the Downtown El Monte Project Area (inclusive of Downtown El Monte Amendment No. 2) for FY 2009-10 through FY 2013-14. The Agency anticipates expending $35,465,000 of redevelopment and other funds over the next five years in the Downtown El Monte Project Area.

Proposed Projects and Programs for the Downtown El Monte Project Area 2009-10 through 2013-14

Table 4

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Agency Expenditure	Source	Redevelopment Goal(s) Achieved
Santa Fe Trail Plaza Project	This 16 acre development was originally planned to consist of a 210,000 square foot shopping center including new freestanding restaurant pads. Approximately 95% of the project site was acquired by the developer or the Agency between July 1, 2005 and June 30, 2009. The Agency has assisted with property acquisition and residential tenant relocation activities. Future activities may include consultations with interested persons regarding overall redevelopment of the site, relocating remaining residential and business tenants, demolishing vacant structures, reviewing development alternatives due to the changing retail environment, identifying potential business tenants, completing the redesign of the Santa Anita-Valley intersection, commencing right-of-way acquisition and relocation, and commencing construction.	Underutilized properties, depreciated/ stagnant property values	2010-2014	$100,000	80% Tax Increment Revenues	LIVE INVEST GROW
Peck-Ramona Commercial Project (M & A Gabaee LP)	This retail project is on a 3.4 acre site and includes Wells Fargo Bank, Walgreens Drug Store, and other retail space totaling 32,810 square feet. Phases I and II are complete; completion of the final site improvements and closeout documentation are expected shortly. Additionally, the Agency plans to identify potential retail development opportunities along Peck Road and Ramona Blvd to add retail synergy.	Commercial vacancies/low lease rates	2009-10	$15,000	80% Tax Increment Revenues	GO INVEST WORK

Proposed Projects and Programs for the Downtown El Monte Project Area 2009-10 through 2013-14

Table 4 continued

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal Achieved
El Monte Transit Village	This transit-oriented mixed-use development is on a 65 acre site and includes the expansion of the bus transit terminal, redesign and relocation of public park facilities, residential units, and commercial development. Various milestones have been reached such as: completed boundary and site survey; tract maps, Specific Plan, EIR, and DDA have been approved; a $26.5 million State Proposition 1C grant has been awarded; and negotiations commenced for relocation of Public Works Maintenance Yard. During the Implementation Plan period the Agency plans to become the master land use planning/development entity, complete the business plan, amend CEQA documents, complete infrastructure and park designs, rehabilitate the fire station, relocate the Public Works Maintenance Division, commence bond financing, and solicit developers for project construction.	Depreciated/ Stagnant Property Values	2009-2014	$31,000,000	80% Tax Increment Revenue, LMIHF, Grants	INVEST, LIVE, GO, ACCESS
El Monte Bus Station Expansion (Metro) and Local/Regional Transit Planning	This project will double the capacity of the current MTA bus station in El Monte and construct a bus tunnel at Ramona Blvd and Santa Anita Ave. The Agency collaborated with other strategic partners in a design charette for the expanded bus station, developed terms of an Exclusive Negotiation Agreement, and participated in multiple planning meetings related to transportation development. It is anticipated that the Agency will continue to work with key stakeholders, finalize design and lease with purchase option of former Chevrolet site and sublease to Metro for interim uses during new station construction.	Conditions preventing the viable use or capacity of lots	2013-14	TBD	Grants	ACCESS, UNITE

Proposed Projects and Programs for the Downtown El Monte Project Area
2009-10 through 2013-14

Table 4 continued

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal Achieved
Valley-Santa Anita Intersection Improvements	The improvements will redesign the intersection to incorporate new turning lanes and traffic controls. Accomplishments to date include conceptual design, determination of right-of-way requirements, and commencement of appraisals for necessary right-of-way acquisitions. The Agency will acquire 30,000 square feet of necessary right-of-way, provide relocation assistance and pay for intersection widening improvements not covered by an MTA call for projects grant. The Agency anticipates that the sale of excess land from the project will bring in $1.5 million in 2012-13.	Necessary public improvements & depreciated/ stagnant property values	2009-2014	$2,300,000	80% Tax Increment Revenue	ACCESS
Tyler-Ramona-Transit Oriented Development	Phase I of this transit oriented development will include covered bus shelters, bus pullout, public amenities, and landscaping followed by Phase II which will include residential units made available to persons and families of low income. The Agency has previously relocated commercial tenants on property acquired in connection with the Phase 1 improvements and completed transit improvement designs. Transit improvements are expected to be completed in 2009-10. Additional property acquisitions, solicitation of developer proposals, and completion of development of Phase II will occur during the Implementation Plan Period.	Necessary public improvements & depreciated/ stagnant property values	2009-2014	$100,000	80% Tax Increment Revenue	LIVE GO INVEST ACCESS GROW
Valley Mall-Downtown Specific Plan	A specific plan for the redevelopment of the Valley Mall and downtown vicinity. Once completed the specific plan would provide a land use vision for revitalization of the historic downtown core. The Agency will commence the community planning process by conducting public workshops, evaluating market potential for retail, commercial, and residential uses, and commence circulation studies for traffic, transit, and pedestrians.	Incompatible land uses, unsafe & unhealthy buildings, vacant and underutilized property, & irregularly sized/shaped lots	2011-12	$1,100,000	80% Tax Increment Revenue	UNITE GO

Proposed Projects and Programs for the Downtown El Monte Project Area
2009-10 through 2013-14 **Table 4 continued**

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal Achieved
El Monte Union High School District Property (Valra Star Partners)	The School District has requested Agency assistance with the development of a 3 acre former school site that is currently vacant and underutilized. A redevelopment Planning and Participation Agreement has been executed with a development team that proposes a 140 room hotel and retail project. The Agency plans to assist with DDA execution, infrastructure improvements, and construction as determined necessary following feasibility studies.	Vacant/ underutilized property & depreciated/ stagnant property values	2010-2014	TBD	80% Tax Increment Revenue	GO GROW INVEST
Rosemead-Whitmore	Vacant and underutilized industrial properties located adjacent to the Rio Hondo Channel. The Agency is evaluating their development feasibility and working with prospective buyers/tenants.	Vacant/ underutilized property, depreciated/ stagnant property values, & business vacancies	2010-2011	TBD	80% Tax Increment Revenue	CLEAN INVEST
News Café	An existing building on City-owned property located adjacent to City Hall requiring a new tenant. The Agency will evaluate financing for Agency purchase and improvement of the site from the City and adjacent properties.	Business vacancies	2010-11	$850,000	80% Tax Increment Revenue	WORK
			Total	***$35,465,000***		

Financial Resources

The following cash flow presents the revenues (excluding low to moderate income housing fund revenues) the Agency may have available for the next five years to fund Implementation Plan activities in the Downtown El Monte Project Area. Outlined in Table 5 are projected tax increment receipts, taxing entity's fiscal mitigation payments, loan and debt service payments, and projected Agency administration costs. Funds available to implement future programs are identified as the remaining funds net of these operation and debt service obligations.

Table 5

Downtown Non-Housing Fund Cash Flow Projections 2009-10 through 2013-14

	2009-10	*2010-11*	*2011-12*	*2012-13*	*2013-14*	*5-Year*
Beginning Cash Balance /1	**2,835,017**	**1,427,917**	**1,467,515**	**3,092,205**	**(262,611)**	
Revenue						
Projected 80% Tax Increment Deposit /2	1,812,100	1,848,342	1,885,309	1,923,015	1,961,475	**9,430,241**
Pass-Through Payments /2	(485,400)	(495,108)	(505,010)	(515,110)	(525,413)	**(2,526,041)**
Other Revenue /3, 6	3,850,000	13,000,000	7,500,000	2,500,000	6,000,000	**32,850,000**
Total Revenue	5,176,700	14,353,234	8,880,299	3,907,905	7,436,063	**39,754,200**
Expenses / Encumbrances						
Administration & Planning /4	341,800	348,636	355,609	362,721	369,975	**1,778,741**
Debt Service /5	2,342,000	900,000	900,000	900,000	900,000	**5,942,000**
Projects (Allocated Funds)	3,900,000	13,065,000	6,000,000	6,000,000	5,000,000	**33,965,000**
1) Transit Village TOD Mixed Use	*500,000*	*13,000,000*	*5,000,000*	*7,500,000*	*5,000,000*	***31,000,000***
2) Santa Fe Trail Plaza Mixed Use	*100,000*					***100,000***
3) Valley Blvd-Santa Anita Intersection	*2,300,000*			*(1,500,000)*		***800,000***
4) Romona Blvd-Santa Anita Intersection	*100,000*					***100,000***
5) Downtown/Valley Mall Specific Plan	*50,000*	*50,000*	*1,000,000*			***1,100,000***
6) News-Café Site	*850,000*					***850,000***
7) Peck-Ramona		*15,000*				***15,000***
Total Expenditures	6,583,800	14,313,636	7,255,609	7,262,721	6,269,975	41,685,741
Net Cash Flow	**(1,407,100)**	**39,598**	**1,624,690**	**(3,354,816)**	**1,166,087**	**(1,931,541)**
Ending Available Balance	**1,427,917**	**1,467,515**	**3,092,205**	**(262,611)**	**903,476**	**903,476**

1/ Unencumbered fund balance including 2007 bond proceeds with trustee.
2/ Tax increment and pass-throughs increased by 2% annually.
3/ Other revenue includes Prop 1C Grants ($23,500,000 Round 1 ($3,000,000 to LMIHF) and $7,500,000 from unallocated Prop 1C funds) and loan for News Café site.
4/ Administration allocation increased 2% per year.
5/ Debt service from housing portion of 2007 TABS and interest expenses.
6/ Does not include potential proceeds from remarketed 2007 TOD "dry" bonds.

Due to the State's effort to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the planning period. In fiscal year 2008-09, the State of California approved a budget contingent upon a shift of tax increment monies from redevelopment agencies to be applied to ERAF. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional based on the CRL. On April 30, 2009 a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal. The State has confirmed it will not appeal this decision.

Following this judgment, the State of California approved the fiscal year 2009-10 budget relying on another ERAF shift from redevelopment agencies over the next two years, now called the Supplemental Educational Revenue Augmentation Fund ("SERAF"). While the

California Redevelopment Association believes this shift of tax increment from redevelopment falls under the same circumstances as the previous attempt, the Agency may potentially be required to make SERAF payments over the next two years. This shift of dollars from redevelopment could severely impact the Agency's ability to complete many of the projects both committed and anticipated over the next five year period. The California Redevelopment Association has filed another lawsuit in an effort to thwart this and future takes from redevelopment. As recommended by the California Redevelopment Association, the potential SERAF shift is not shown in the cash flow, however the Agency will make the payments if required by law.

Northwest El Monte Work Program

Table 6 identifies and describes the Agency's proposed non-housing projects for the Northwest El Monte Project Area for FY 2009-10 through FY 2013-14. The Agency anticipates expending $150,000 or more of redevelopment funds over the next five years in the Northwest El Monte Project Area.

Proposed Projects and Programs for the Northwest El Monte Project Area 2009-10 through 2013-14

Table 6

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal(s) Achieved
Saint Gobain Site Development	This 27 acre former manufacturing site is in need of redevelopment. The developer recently negotiated with the City to relocate the Public Works Maintenance Yard to this site, site plan and access road design plans are complete, and parcel map recorded. The Agency will assist the developer with further planning, expedite entitlement processing, and commence purchase of land as needed.	Vacant/underutilized property, unsafe & unhealthy buildings, depreciated/stagnant property values & business vacancies	2010-2014	TBD	80% Tax Increment Revenue	CLEAN INVEST ACCESS WORK
Clayton Industries Site Development	This site has been cleared and vacant for two years. The Agency may provide incentives to assist the owner with marketing and tenant attraction as well as expedite entitlement processing as needed.	Vacant/underutilized property, depreciated/stagnant property values & business vacancies	2010	TBD	80% Tax Increment Revenue	WORK
El Monte Operable Unit Treatment Plant	The Agency will collaborate with one group of property and business owners within the Project Area to treat groundwater within the San Gabriel Valley Superfund Site. The Agency will coordinate with City departments and property owners regarding installation of treatment facilities including extraction and injection wells and associated pipelines and retain consultants to evaluate the feasibility of proposals from property and business owners.	Hazardous waste contamination	2010-2014	$50,000	80% Tax Increment Revenue	CLEAN
Northwest El Monte and Flair Park Economic Feasibility Study	The Agency will analyze the economic development potential of the Project Area and the Flair Business Park, which includes a portion of the Downtown El Monte Amendment No. 1 Area. Economic development activities may include the rebranding and marketing of the districts.	Depreciated/stagnant property values	2011	$100,000	California Community Foundation	WORK GO

Proposed Projects and Programs for Northwest El Monte Project Area 2009-10 through 2013-14

Table 6 Continued

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal(s) Achieved
Crown City Plating	The Agency will evaluate the feasibility of redeveloping a contaminated site which has been abandoned by the former owner.	Vacant/underutilized property, business vacancies, and hazardous waste contamination	2010-2014	TBD	80% Tax Increment Revenue	CLEAN INVEST WORK
Baldwin Avenue Underpass-Alameda Corridor East	This is a new grade separation project by the Alameda Corridor East Joint Powers Authority. The Agency will cooperate with ACE staff regarding project planning and the reconfiguration of the roadway as well as evaluate the development potential of remnant parcels. If feasible the Agency will acquire remnant parcels for potential affordable housing development.	Necessary public improvements, affordable workforce housing	2010-2014	TBD	80% Tax Increment Revenue, LMIHF	ACCESS UNITE
Industrial Business Retention Strategy	Evaluate marketing and incentive strategies for retention of major employers such as M.C. Gill and Safeway-Vons.	Business Vacancies, depreciated/stagnant property values	2010-11	TBD	80% Tax Increment Revenue	WORK

Total $150,000

Financial Resources

The following cash flow presents the revenues (excluding low to moderate income housing fund revenues) the Agency may have available for the next five years to fund Implementation Plan activities in the Northwest El Monte Project Area. Outlined in Table 7 are projected tax increment receipts, taxing entity's fiscal mitigation payments, loan and debt service payments, and projected Agency administration costs. Funds available to implement future programs are identified as the remaining funds net of these operation and debt service obligations.

Table 7

Northwest Non-Housing Fund Cash Flow Projections 2009-10 through 2013-14

	2009-10	*2010-11*	*2011-12*	*2012-13*	*2013-14*	*5-Year*
Beginning Cash Balance /1	**3,084,215**	**3,284,015**	**3,349,111**	**3,579,809**	**3,826,421**	
Revenue						
Projected 80% Tax Increment Deposit /2	1,171,300	1,194,726	1,218,621	1,242,993	1,267,853	**6,095,492**
Pass-Through Payments /2	(296,200)	(302,124)	(308,166)	(314,330)	(320,616)	**(1,541,437)**
Other Revenue /3	35,000	35,000	35,000	35,000	35,000	**175,000**
Total Revenue	910,100	927,602	945,454	963,663	982,236	**4,729,056**
Expenses / Encumbrances						
Administration & Planning /4	110,300	112,506	114,756	117,051	119,392	**574,006**
Debt Service /5	600,000	600,000	600,000	600,000	600,000	**3,000,000**
Projects (Allocated Funds)	0	150,000	0	0	0	**150,000**
1) Saint Gobain Site Development						***0***
2) Clayton Industries Site Development						***0***
3) El Monte Operable Unit Treatment Plant		*50,000*				***50,000***
4) Economic Feasibility Study and Marketing		*100,000*				***100,000***
5) Crown City Plating						***0***
6) Baldwin Ave Underpass - Alameda Corridor						***0***
7) Industrial Business Retention Strategy						***0***
Total Expenditures	710,300	862,506	714,756	717,051	719,392	3,724,006
Net Cash Flow	**199,800**	**65,096**	**230,698**	**246,612**	**262,844**	**1,005,050**
Ending Available Balance	**3,284,015**	**3,349,111**	**3,579,809**	**3,826,421**	**4,089,265**	**4,089,265**

1/ Unencumbered fund balance including 2007 bond proceeds with trustee.
2/ Tax increment and pass-throughs increased by 2% annually.
3/ Other revenue includes interest income.
4/ Administration allocation increased 2% per year.
5/ Debt service for 2007 TABS and interest expenses.

Due to the State's effort to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the planning period. In fiscal year 2008-09, the State of California approved a budget contingent upon a shift of tax increment monies from redevelopment agencies to be applied to ERAF. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional based on the CRL. On April 30, 2009 a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal. The State has confirmed it will not appeal this decision.

Following this judgment, the State of California approved the fiscal year 2009-10 budget relying on another ERAF shift from redevelopment agencies over the next two years, now called the Supplemental Educational Revenue Augmentation Fund ("SERAF"). While the California Redevelopment Association believes this shift of tax increment from redevelopment falls under the same circumstances as the previous attempt, the Agency may potentially be required to make SERAF payments over the next two years. This shift of dollars from redevelopment could severely impact the Agency's ability to complete many of the projects both committed and anticipated over the next five year period. The California Redevelopment Association has filed another lawsuit in an effort to thwart this and future takes from redevelopment. As recommended by the California Redevelopment Association, the potential SERAF shift is not shown in the cash flow, however the Agency will make the payments if required by law.

Valley-Durfee Work Program

Table 8 identifies and describes the Agency's proposed non-housing projects for the Valley-Durfee Project Area for FY 2009-10 through FY 2013-14. In total, the Agency expects to spend $4,900,000 on the following redevelopment projects in the Valley-Durfee Project Area.

Proposed Projects and Programs for the Valley-Durfee Project Area
2009-10 through 2013-14 **Table 8**

Project Name	Description	Blighting Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal(s) Achieved
Lawrence Equipment Company	The Agency has been communicating with the property owner over development and design alternatives for a 20,000 to 30,000 square foot expansion of the Lawrence Equipment Company manufacturing business. The business owner has acquired adjacent properties for its expansion over the past two years. Over this Implementation Plan period the Agency anticipates structuring necessary financing, completing development and job agreements, commencing construction, and potentially providing further support for expansion by assisting with new job creation costs.	Underutilized parcels & promote job growth	2010-2014	TBD	80% Tax Increment Revenue	WORK GROW
Public Improvements	The Agency will complete an urban design plan for street improvements and landscaped medians. The Agency will make use of appropriate funds as available to construct these capital improvements in the project area.	Necessary public improvements & depreciated/ stagnant property values	2010-2014	$1,500,000	80% Tax Increment Revenue	ACCESS INVEST
Durfee and Garvey Grade Separation Storm Drains	Design and reconstruct storm drain improvements at the Garvey railroad grade separation and at the Durfee railroad grade separation to correct long-standing roadway hazards that occur during periods of measurable rainfall. Hazards include significant street flooding that often results in stranded motorists and the need for onsite police officers to control traffic.	Necessary public improvements	2011-12	$1,400,000	80% Tax Increment Revenue	ACCESS
Removal of Underutilized/Vacant Properties (Valley-Durfee intersection to east City limit)	The Agency will work with owners of blighted properties that are vacant and/or underutilized to reverse these conditions. The Agency will achieve this goal by initiating the owner participation process and marketing of large parcels for residential and mixed-use development.	Vacant/ underutilized properties, unsafe & unhealthy buildings, depreciated/ stagnant property values	2010-2014	$1,000,000	80% Tax Increment Revenue	GROW CLEAN
Owner Participation Opportunities	The Agency will assist existing Project Area industrial businesses with expansion needs and/or other business retention needs in order to retain jobs in the community.	Business vacancies	2010-2014	$1,000,000	80% Tax Increment Revenue	WORK
			Total	***$4,900,000***		

Financial Resources

The following cash flow presents the revenues (excluding low to moderate income housing fund revenues) the Agency may have available for the next five years to fund Implementation Plan activities in the Valley-Durfee Project Area. Outlined in Table 9 are projected tax increment receipts, taxing entity's fiscal mitigation payments, loan and debt service payments, and projected Agency administration costs. Funds available to implement future programs are identified as the remaining funds net of these operation and debt service obligations.

Table 9

Valley Durfee Non-Housing Fund Cash Flow Projections 2009-10 through 2013-14

	2009-10	*2010-11*	*2011-12*	*2012-13*	*2013-14*	*5-Year*
Beginning Cash Balance /1	**838,425**	**1,188,825**	**3,846,333**	**3,011,091**	**2,383,244**	
Revenue						
Projected 80% Tax Increment Deposit /2	472,000	481,440	491,069	500,890	510,908	**2,456,307**
Pass-Through Payments /2	(40,900)	(41,718)	(42,552)	(43,403)	(44,271)	**(212,845)**
Other Revenue /3	4,000	3,004,000	4,000	4,000	4,000	**3,020,000**
Total Revenue	435,100	3,443,722	452,516	461,487	470,637	**5,263,462**
Expenses / Encumbrances						
Administration & Planning /4	75,700	77,214	78,758	80,333	81,940	**393,946**
Debt Service /5	9,000	9,000	9,000	9,000	9,000	**45,000**
Projects (Allocated Funds)	0	700,000	1,200,000	1,000,000	2,000,000	**4,900,000**
1) Durfee and Garvey Storm Drains		*700,000*	*700,000*			***1,400,000***
2) Lawrence Equipment Company						***0***
3) Public Improvements			*500,000*	*1,000,000*		***1,500,000***
4) Remove Underutilized/Vacant Props					*1,000,000*	***1,000,000***
5) Owner Participation Opportunities					*1,000,000*	***1,000,000***
Total Expenditures	84,700	786,214	1,287,758	1,089,333	2,090,940	5,338,946
Net Cash Flow	**350,400**	**2,657,508**	**(835,242)**	**(627,847)**	**(1,620,304)**	**(75,484)**
Ending Available Balance	**1,188,825**	**3,846,333**	**3,011,091**	**2,383,244**	**762,941**	**762,941**

1/ Unencumbered fund balance including 2007 bond proceeds with trustee.
2/ Tax increment and pass-throughs increased by 1% in 2010-11, 2% in 2011-12, and 3% in 2012-13 and 2013-14.
3/ Other revenue includes interest income and anticipated 2011 TAB Bonds.
4/ Administration allocation increased 2% per year.
5/ Interest Expenses.

Due to the State's effort to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the planning period. In fiscal year 2008-09, the State of California approved a budget contingent upon a shift of tax increment monies from redevelopment agencies to be applied to ERAF. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional based on the CRL. On April 30, 2009 a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal. The State has confirmed it will not appeal this decision.

Following this judgment, the State of California approved the fiscal year 2009-10 budget relying on another ERAF shift from redevelopment agencies over the next two years, now called the Supplemental Educational Revenue Augmentation Fund ("SERAF"). While the California Redevelopment Association believes this shift of tax increment from redevelopment falls under the same circumstances as the previous attempt, the Agency may potentially be required to make SERAF payments over the next two years. This shift of dollars from redevelopment could severely impact the Agency's ability to complete many of the projects both committed and anticipated over the next five year period. The California

Redevelopment Association has filed another lawsuit in an effort to thwart this and future takes from redevelopment. As recommended by the California Redevelopment Association, the potential SERAF shift is not shown in the cash flow, however the Agency will make the payments if required by law.

Project Area Wide Non-Housing Work Program

In addition to the above projects and programs specific to each Project Area, Table 10 lists three redevelopment programs which may be implemented among any and all Project Areas over the next five years as needed and pending available cash.

Ongoing Redevelopment Programs Project Area Wide
2009-10 through 2013-14

Table 10

Project Name	Description	Condition Addressed	Anticipated Completion	Anticipated Expenditure	Source	Redevelopment Goal(s) Achieved
Commercial Rehabilitation	Assist property and business owners with needed façade improvements to blighted commercial and industrial properties.	Unsafe/unhealthy buildings & depreciated/ stagnant property values	2010-2014	TBD	80% Tax Increment Revenue	CLEAN INVEST
Economic Development-Marketing and Outreach	The Agency has historically participated in marketing and outreach activities designed to attract new businesses and retain businesses already operating in the City and will continue to do so throughout this Implementation Plan period. Activities may include but are not limited to preparation and application for California Enterprise Zone designation, update of Agency website and marketing materials, development of business retention and attraction strategy, and attendance at various networking events.	Business vacancies	2010-2014	TBD	80% Tax Increment Revenue	WORK
New Markets Tax Credit (El Monte Smart Growth)	El Monte Smart Growth was created as a Community Development Entity eligible to receive NMTC funds for the El Monte Transit Village and other development projects. Agency staff serve on the Board and will work with developers to prepare tax credit applications as well as analyze and review uses of tax credits if approved.	Lack of private investment in property and business, unemployment.	2010-2014	TBD	80% Tax Increment Revenue	GO INVEST

SECTION IV: HOUSING COMPLIANCE PLAN UPDATE

HOUSING COMPLIANCE PLAN

Ten Year Outlook of Affordable Housing

The CRL requires agencies to adopt an affordable housing compliance plan that identifies how the redevelopment agency will achieve the affordable housing production requirements for a project area. The compliance plan must be consistent with the jurisdiction's housing element and must also be reviewed and, if necessary, amended at least every five years in conjunction with the cyclical preparation of the housing element or the agency's five year implementation plan. This section of the Implementation Plan addresses specific requirements in the CRL with respect to prior affordable housing activities and the anticipated housing program for the current ten-year planning period (fiscal years 2004-05 through 2013-14) ("Compliance Period"). The Housing Compliance Plan Component details the Agency's housing goals and proposed work program during the Compliance Period. Furthermore, the Housing Compliance Plan evaluates the Agency's affordable housing requirements for the next five years (FY 2009-10 though FY 2013-14) and for the life of the Redevelopment Plan.

The Agency is required to allocate 20% of the tax increment revenue it receives from the Project Areas to increase and improve housing affordable to very low, low, and moderate-income households. The Agency's LMIHF has been established for this revenue. The Agency has the authority to expend the LMIHF either inside or outside the Project Areas and aggregate its housing production activities among all Project Areas to more effectively meet housing program objectives. The Agency is taking action to aggregate its affordable housing obligations between its Project Areas. In so doing, findings must be made as to the benefit to the Project Areas and the community, and that such aggregation would not cause or exacerbate racial, ethnic, or economic segregation. These findings were made by resolution, which was adopted on December 15, 2009 along with this Implementation Plan.

Redevelopment agencies use implementation plans to establish ten-year objectives to achieve compliance with the CRL in its affordable housing programs. These generally fall into three categories:

- Housing Production – Based on the number of housing units constructed or substantially rehabilitated within the project areas over a ten-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to low and moderate income households.

- Replacement Housing – Redevelopment agencies are legally obligated to ensure that any housing units destroyed or removed from the affordable housing market as a result of an agency redevelopment project are replaced within four years.

- Expenditures by Household Types – Specific requirements on the amount of housing set-aside funds an agency must spend over a ten-year period on housing affordable to very low income households, low income households, and housing for residents under the age of 65.

Since four of the Agency's Project Areas have either expired or are substantially complete and do not include housing nor vacant land available for housing, this Housing Compliance Plan focuses on the following four Project Areas: (1) El Monte Center (inclusive of El Monte Center Amendment No. 1), (2) Downtown El Monte (inclusive of Downtown El Monte Amendment No. 2), (3) Northwest El Monte' and (4) Valley-Durfee. Nonetheless, the Agency continues to collect tax increment revenue from one non-active Project Area (East Valley Mall). These revenues are required to be deposited into the LMIHF; therefore information pertaining to the funds deposited into the LMIHF from East Valley Mall is also included in this Housing Compliance Plan.

Agency's Five-Year Affordable Housing Goals

The Agency's housing goals for the term of the Compliance Period are:

CLEAN

Eliminate Physical Blighting Conditions. Eliminate and prevent the spread of blight and deterioration, by conserving, rehabilitating, and redeveloping housing units in the Project Areas.

UNITE

Encourage Community Engagement. Encourage the cooperation and participation of residents, business persons, public agencies, and community organizations in the revitalization of housing in the Project Areas.

INVEST

Stimulate Private Sector Investment. Stimulate and encourage private sector investment in the Project Areas by offering financial assistance to private sector investors interested in developing and redeveloping housing in the Project Areas.

LIVE

Increase the Supply of Affordable Housing. Support the rehabilitation and/or development of new housing inside and outside the Project Areas for all segments of the population, especially housing affordable to very low, low, and moderate-income households.

Affordable Housing Work Program

Table 11 describes the proposed projects and programs for affordable housing across all Project Areas, including projected completion dates, estimated Agency investments, and housing goals that would be achieved.

Project Area Wide Housing Projects and Programs

2009-10 through 2013-14 **Table 11**

Project Name	Description	Anticipated Completion	Anticipated Agency Expenditure (Housing Fund Only)	Housing Goal(s) Achieved
Santa Fe Trail Plaza Project (Festival-Capri, LLC)	The Santa Fe Trail Plaza Project is located on a 16 acre site and was originally proposed to include both retail and residential uses. Due to current economic conditions, the development concept is being re-evaluated. However, the proximity of the commuter rail station and El Monte Transit Center makes this a desirable site for future housing development.	2013-14	TBD	LIVE INVEST CLEAN
Ramona-Stewart Affordable Housing	A surplus 29,000 square foot parcel owned by the Alameda Corridor East Authority is a potential site for an affordable housing project. Its location is ideal for a tax credit project.	2011-12	$2,200,000	LIVE INVEST
El Monte Transit Village	This transit-oriented mixed-use development is on a 65 acre site and involves the expansion of a bus transit terminal, redesign of public park facilities, and new commercial and residential developments. Residential construction is planned over several phases and could include as many as 1,850 new dwelling units under a previously approved Specific Plan and EIR. Phase I which is scheduled to be completed during the Compliance Period will have a total of 634 dwelling units of which 115 will be made available to moderate income households. Additional affordability could be provided via soft second loans to qualifying buyers of for-sale units. Phases II and III which are not anticipated until after the Compliance Period will add additional affordable units.	2013-14	$3,500,000	LIVE INVEST CLEAN
First-Time Homebuyer Assistance Program	The Agency utilizes its LMIHF to provide financing assistance to first-time homebuyers whose gross annual income does not exceed moderate-income eligibility requirements for selected projects. Assistance criteria are being evaluated for current market conditions. The program is subject to funding availability.	Ongoing	TBD	LIVE

Project Area Wide Housing Projects and Programs

2009-10 through 2013-14 **Table 11 Continued**

Project Name	Description	Anticipated Completion	Anticipated Agency Expenditure (Housing Fund Only)	Housing Goal(s) Achieved
Home Improvement Grant Program	From time to time the Agency has provided one-time grants of up to $5,000 for the purpose of eligible home improvements within a designated target area. Grant recipients may not exceed gross household moderate income eligibility requirements. New target areas and program guidelines may be established as funds are available.	Ongoing	TBD	CLEAN
Mixed Use Development - Valley Blvd, El Monte Center Amendment No. 1	A number of vacant sites are on the market and should be evaluated for potential mixed use development within a future higher density corridor.	TBD	$100,000	INVEST CLEAN
Garvey Affordable Senior Apartments	A housing developer has acquired a parcel on which 68 senior apartments were planned, but construction was stalled due to economic conditions. A tax credit project which will provide low and very-low income units is now proposed. The Agency may provide enhancements, such as permit assistance, to assist with the tax credit scoring.	TBD	$250,000	CLEAN
Tyler-Ramona Affordable Family Rental	The Agency had previously designated the SE corner at Tyler and Ramona for a potential affordable housing site. One property has been acquired and another is in escrow. This site is at the intersection of multiple transit routes and near schools, making it an ideal location for affordable transit oriented development. The locational amenities qualify this as a tax credit candidate for low and very-low income households. Agency participation in the project would be necessary in the form of land write downs and development cost assistance.	2012	$4,500,000	CLEAN
Tyler-Amador Site	The City acquired the vacant Glaziers Hall Site for affordable housing, with the potential for mixed-use.	TBD	$250,000	CLEAN
		Total	***$10,800,000***	

Affordable Housing Compliance

The Housing Compliance Plan serves as a blueprint for current and future Agency activities within the Project Areas and outlines how the Agency will meet its low and moderate income housing responsibilities and eliminate blight. This Housing Compliance Plan presents a summary of the Agency's inclusionary and replacement housing programs as mandated by Sections 33413(b)(4) and 33490(a)(2) and (3) of CRL Section 33000 et. seq. Specifically, it presents a forecast of the number of affordable housing units that may be required over the Compliance Period, and assesses the Agency's plans to facilitate the creation of the required number of affordable housing units within this timeframe.

Adoption of a Housing Compliance Plan does not constitute approval of any specific project, program, or expenditure; and it does not change the need to obtain any required approval of a specific program, project, or expenditure from the Agency or community. The Housing Compliance Plan is a general statement of direction rather than an unalterable course of action. As such, in order to effectuate its purposes due to unknown circumstances or new opportunities that arise from time to time, the Agency may amend the Housing Compliance Plan during the five-year term of the Implementation Plan at any point, including but not limited to the mid-term opportunity as required by CRL.

Housing Production

Since 1976, redevelopment agencies have been required to assure that, for all units developed in a project area by entities other than an agency, at least 15% of these new or substantially rehabilitated dwelling units be made available at affordable costs to very low, low, or moderate income households. Of these affordable units, not less than 40% are required to be available at affordable costs to very low income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated unless so required by an agency.

These affordable housing production requirements differ for Agency-developed housing versus privately-developed housing. The CRL requires that at least 30% of all new or substantially rehabilitated units directly developed by an agency (within a project area) be available at affordable costs to households of very low, low, or moderate income. Of this 30%, not less than 50% are required to be available at affordable costs to very low income households. It is the practice of this Agency to enter into agreements with third party developers to build all affordable housing units in the Project Areas, and not directly develop housing. The Agency intends to continue this practice through the remaining life of the Redevelopment Plans.

Table 12 shows the total number of affordable units that have been or are anticipated to be produced in the Project Areas. Those affordable units already produced have documented covenants appropriate to the time in which they were produced and have been counted towards the inclusionary requirements triggered by development in the Project Areas pursuant to CRL Section 33413(c)(1). These affordable units which have been counted towards inclusionary requirements cannot also be used to replace affordable units destroyed within the Project Areas. Additionally, in the future, housing units restricted to low or moderate income households produced outside the Project Areas may be used towards satisfying inclusionary housing requirements on a 2-for-1 basis according to Section 33413(b)(2)(ii) of the CRL or to replace any demolished housing units on a 1-for-1 basis.

Inclusionary Housing Projects							**Table 12**
El Monte Community Redevelopment Agency							
Project Name	**Project Description**	**Total Affordable Units Built**	**Inclusionary Units[1]**	**Inclusionary Units Very Low**	**Low**	**Mod**	**FY of Completion**
1994-2004							
Garfield Financial	For Sale Housing	9	5	0	0	5	1996-97
Telacu Amador Manor	Senior Housing	71	71	70	0	1	1997-98
Blessed Rock[2]	Senior Housing	93	47	47	0	0	1998-99
Telacu Encanto[3]	Senior Housing	37	19	19	0	0	2000-01
Wanda Street	For Sale Housing	8	4	0	0	4	2001-02
Singing Wood[4]	Senior Housing	76	38	11	27	0	2003-04
Total		**294**	**183**	**146**	**27**	**10**	
Project Name	**Project Description**	**Total Affordable Units Built**	**Inclusionary Units[1]**	**Inclusionary Units Very Low**	**Low**	**Mod**	**FY of Completion**
2004-05 through 2008-09							
Pacific Towers[5]	Senior Housing	28	28	10	18	0	2005-06
Vista del Valle	For Sale Housing	17	17	0	0	17	2001-02
Total		**45**	**45**	**10**	**18**	**17**	
Project Name	**Project Description**	**Total Affordable Units Built**	**Inclusionary Units[1]**	**Inclusionary Units Very Low**	**Low**	**Mod**	**FY of Completion**
2009-10 through 2013-14							
El Monte Transit Village I	Apartments	115	115	0	0	115	2011-12
Tyler-Ramona Transit Corner	Rental Housing	60	60	0	60	0	2011-12
Ramona-Stewart Housing	Apartments	40	40	40	0	0	2012-13
Santa Fe Trail	For Sale or Rental	32	32	0	32	0	2013-14
Total		**247**	**247**	**40**	**92**	**115**	
Project Name	**Project Description**	**Total Affordable Units Built**	**Inclusionary Units[1]**	**Inclusionary Units Very Low**	**Low**	**Mod**	**FY of Completion**
2014-15 through 2023-24							
Tyler Amador Site	For Sale or Rental	40	40	20	20	0	2014-15
Transit Village II	For Sale Housing	50	50	0	0	50	2016-17
Transit Village III	Apartments	78	78	0	28	50	2017-18
Total		**168**	**168**	**20**	**48**	**100**	
Project Name	**Project Description**	**Total Affordable Units Built**	**Inclusionary Units[1]**	**Inclusionary Units Very Low**	**Low**	**Mod**	**FY of Completion**
2024-25 through End of the Plans							
Currently Unknown							
Total		**0**	**0**	**0**	**0**	**0**	
Total Inclusionary Production: (1994 through End of the Plans)		**754**	**643**	**216**	**185**	**242**	

[1] Pursuant to CRL Section 33413(b)(2)(A), the Agency may produce affordable units outside of the Project Area to be counted towards its inclusionary housing obligation on a two for one basis. Therefore, units produced by the Agency outside of the Project Areas are counted for half credit towards its Inclusionary Housing Obligations.

[2] Total affordable units constructed was 138 units; however, 45 units were counted towards the Agency's replacement housing obligations.

[3] Total affordable units constructed was 70 units; however, 33 units were counted towards the Agency's replacement housing obligations.

[4] Total affordable units constructed was 110 units; however, 34 units were counted towards the Agency's replacement housing obligations.

[5] Total affordable units constructed was 100 units; however, 72 units were counted towards the Agency's replacement housing obligations.

As of June 30, 2009, the Agency has produced 156 very low income and 72 low and moderate income units in and outside the Project Areas since the adoption of the Redevelopment Plans. From July 1, 2009 through the termination of the Redevelopment Plans, it is projected that 60 very low and 355 low or moderate income restricted units will be produced inside the Project Areas. Therefore, throughout the entire life of the Redevelopment Plans, it is estimated that a total of 643 very low, low, or moderate income restricted units will have been produced inside and outside the Project Areas.

Table 13 summarizes, by Project Area, the production goals over various time periods as required by the CRL. The number of affordable units required is based on statutory thresholds prescribed by the CRL, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during the Compliance Period.

To estimate the number of housing units that need to be affordable to very low, low, and moderate-income households, the Agency estimated the total number of units to be constructed or substantial rehabilitated in the Project Areas and applied formulas established in the CRL. The following inclusionary housing analysis takes into account all residential construction or substantial rehabilitation that occurred within the Project Areas since their adoptions to determine affordable housing production needs, and includes projections for the number of additional dwelling units to be constructed or substantially rehabilitated during the Compliance Period and over the remaining life of the Redevelopment Plans.

Table 13 shows that development over the past five years has generated a need for 5 very low and 7 low or moderate income restricted units. Furthermore, in the second five years (FY 2009-10 through FY 2013-14) of the Compliance Period there is a projected need of 54 very low and 80 low and moderate income restricted units. The need for additional inclusionary units between FY 2009-10 and FY 2013-14 is generated based on anticipated housing projects to be assisted by the Agency.

Inclusionary Housing Obligation				Table 13
El Monte Community Redevelopment Agency				
		Inclusionary Units Required		
	Number of New Units	Total Units	Very Low Units	Low/Mod Units
El Monte Center Project Area				
10/11/1983 though 6/30/94	0	0	0	0
1994 through 2004	0	0	0	0
2004-05 through 2008-09	0	0	0	0
2009-10 through 2013-14	0	0	0	0
2014-15 through End of Plan[1]	0	0	0	0
TOTAL Adoption through End of Plan	0	0	0	0
El Monte Center Amendment No. 1				
4/25/89 through 6/30/94	1	0	0	0
1994 through 2004	8	1	0	1
2004-05 through 2008-09	12	2	1	1
2009-10 through 2013-14	0	0	0	0
2014-15 through End of Plan[1]	5	1	0	0
TOTAL Adoption through End of Plan	26	4	2	2
Downtown El Monte Project Area				
7/14/87 through 6/30/94	0	0	0	0
1994 through 2004	56	9	4	5
2004-05 through 2008-09	47	7	3	4
2009-10 through 2013-14	894	134	54	80
2014-15 through End of Plan[1]	1,163	174	70	105
TOTAL Adoption through End of Plan	2,160	325	130	195
Downtown El Monte Amendment No. 2				
5/1/01 through 6/30/04	0	0	0	0
2004-05 through 2008-09	20	3	1	2
2009-10 through 2013-14	0	0	0	0
2014-15 through End of Plan[1]	41	6	2	4
TOTAL Adoption through End of Plan	61	9	4	5
Northwest El Monte Project Area				
12/14/93 through 6/30/94	0	0	0	0
1994 through 2004	0	0	0	0
2004-05 through 2008-09	0	0	0	0
2009-10 through 2013-14	0	0	0	0
2014-15 through End of Plan[1]	0	0	0	0
TOTAL Adoption through End of Plan	0	0	0	0
Valley-Durfee Project Area				
7/15/03 through 6/30/04	0	0	0	0
2004-05 through 2008-09	0	0	0	0
2009-10 through 2013-14	0	0	0	0
2014-15 through End of Plan[1]	7	1	0	1
TOTAL Adoption through End of Plan	7	1	0	1
Summary of All Project Areas				
Project Adoption thru 6/30/94	1	0	0	0
1994 through 2004	64	10	4	6
2004-05 through 2008-09	79	12	5	7
2009-10 through 2013-14	894	134	54	80
2014-15 through End of Plan[1]	1,216	182	73	109
TOTAL Adoption through End of Plan	2,254	339	136	202

After fiscal year 2013-14 through the remaining effective term of the Redevelopment Plans, the Agency has projected that the number of housing units that are to be produced will be based on historical development trends and amount of vacant land in each of the Project Areas. During this period the Agency anticipates that there will be the need for 73 very low and 109 low or moderate income units, as shown in Table 14. The Agency anticipates development of affordable housing projects in the Project Areas over the Compliance Period that may result in sufficient units to meet the Agency's housing production goal.

Reconciliation of Affordable Housing Units — **Table 14**
El Monte Community Redevelopment Agency

	Number of New Units	Inclusionary Requirement			Total Inclusionary Units Produced[1]			Surplus/(Deficit) in Inclusionary Production		
		Total	Very Low	Low/Mod	Total	Very Low	Low/Mod	Total	Very Low	Low/Mod
Pre 1994	1	0	0	0	202	0	202	202	0	202
1994-2004	64	10	4	6	183	146	37	173	142	31
Current Ten Year Period										
2004-05 through 2008-09	79	12	5	7	45	10	35	33	5	28
2009-10 through 2013-14	894	134	54	80	247	40	207	113	(14)	127
Total Ten Year Period	973	146	59	87	292	50	242	146	(9)	155
2014-15 through End of Plans[2]	1,216	182	73	109	168	20	148	(14)	(53)	39
Over the Life of the Plans[2]	2,254	338	136	202	845	216	629	507	80	427

[1] Excludes units produced to replace affordable units destroyed within the Project Areas. See Table 15 for more details.
[2] See Table 1 for plan expiration dates.

Furthermore, taking into account the surplus of affordable units at the end of the current Compliance Plan Period and the inclusionary units already planned to be produced during the next Compliance Plan Period through the end of the Redevelopment Plans, there may be sufficient units to meet the Agency's housing production goals through the expiration of the Redevelopment Plans, as shown in Table 14. The Agency will ensure that all inclusionary requirements are met through the end of the Redevelopment Plans.

Replacement Housing

The CRL requires that whenever housing occupied by very low, low, and moderate-income persons or households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and 100% of the replacement units must be affordable to the same income categories (very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Areas. Table 15 summarizes the units that have been demolished in the Project Areas and subsequently replaced.

Summary of Replacement Units Versus Demolished Units							Table 15
El Monte Community Redevelopment Agency							
		# of Units	# of Bdrms	Very Low Units	Low Units	Mod Units	
Plan Adoption Through 6/30/2004	Demolished	106	176	36	52	18	
	Replaced	125	176	36	71	18	
	Blessed Rock (Bryant Rd/Tyler Ave)	*32*	*32*	*0*	*31*	*1*	
	Telacu Encanto (Maxson Rd)	*33*	*33*	*33*	*0*	*0*	
	Habitat for Humanity (Burkett Rd)	*3*	*9*	*0*	*3*	*0*	
	El Monte Youth Development Center (Maxson Rd)	*3*	*11*	*0*	*3*	*0*	
	Klingerman Apartments (Klingerman Ave)	*3*	*6*	*3*	*0*	*0*	
	Iris Lane Housing (Las Flores/Iris Lane)	*17*	*51*	*0*	*0*	*17*	
	Singing Wood (Valley Blvd)	*34*	*34*	*0*	*34*	*0*	
	Surplus (Deficit)	**19**	**0**	**0**	**19**	**0**	
7/1/2004 - 6/30/2009	Demolished	38	84	13	24	1	
	Replaced	85	84	13	71	1	
	Blessed Rock (Bryant Rd/Tyler Ave)	*13*	*13*	*13*	*0*	*0*	
	Pacific Towers (Valley Blvd/Esto)	*72*	*71*	*0*	*71*	*1*	
	Surplus (Deficit)	**47**	**0**	**0**	**47**	**0**	
Cumulative Surplus (Deficit) Through June 30, 2009		**66**	**0**	**0**	**66**	**0**	

Source: El Monte Community Redevelopment Agency

According to Agency records, there were 106 affordable units destroyed in the Project Areas from the adoption of the Redevelopment Plans through June 30, 2004. Of these, 36 units were occupied by very low, 52 units were occupied by low, and 18 units were occupied by moderate income households. However, during the same time period, an equal number of very low, low, and moderate income replacement units were built in or outside the Project Areas. From July 1, 2004 through June 30, 2009, records show that 13 very low, 24 low, and 1 moderate income units were destroyed but an equal number of affordable units wer been replaced at each of the respective income levels. The Agency does not anticipate the displacement or removal of any additional affordable housing units in the Project Areas through the duration of the Compliance Period.

Housing Program Cash Flow Analysis

The Agency's primary source of funding for housing projects and programs is the annual deposit of 20% of its tax increment revenue into the LMIHF. The CRL requires that these funds be used to increase, improve, and preserve the community's supply of housing available, at affordable housing costs, to persons and families of very low, low, and moderate incomes. Other sources of LMIHF revenues include interest earnings, bond proceeds, loan repayments, and other miscellaneous revenue. Tables 16 and 17 present the Agency's LMIHF projected cash flow over the next ten years. Table 16 shows the remainder of the Compliance Period (FY 2004-05 through FY 2013-14) and Table 17 shows the first five years of the next compliance period (FY 2014-15 through FY 2023-24) and is included to assist the Agency with planning for future affordable housing projects and programs.

Table 16

El Monte Community Redevelopment Agency Housing Fund Cash Flow Projections 2009-10 through 2013-14						
	2009-10	*2010-11*	*2011-12*	*2012-13*	*2013-14*	*5-Year*
Beginning Cash Balance /1	**5,569,179**	**3,103,779**	**1,824,671**	**1,137,181**	**941,641**	
Revenue						
Projected 20% LMIHF Deposit /2	1,244,500	1,269,390	1,294,778	1,320,673	1,347,087	**6,476,428**
Other Revenue /3	30,000	6,000,000	25,000	0	0	**6,055,000**
Total Revenue	1,274,500	7,269,390	1,319,778	1,320,673	1,347,087	**12,531,428**
Expenses / Encumbrances						
Admin & Planning /4	429,900	438,498	447,268	456,213	465,338	**2,237,217**
Debt Service /5	560,000	560,000	1,060,000	1,060,000	1,060,000	**4,300,000**
Projects (Allocated Funds)	2,750,000	7,550,000	500,000	0	0	**10,800,000**
1) Tyler-Ramona TOD Family Rental	*2,500,000*	*2,000,000*				***4,500,000***
2) Ramona-Stewart Efficiency Rental in DTEM		*2,200,000*				***2,200,000***
3) Garvey Senior Rental	*250,000*					***250,000***
4) Transit Village Phase 1 Rental Housing Loan		*3,000,000*				***3,000,000***
5) Transit Village Phase 1 Homebuyer Loans			*500,000*			***500,000***
6) Mixed Use Rental on Valley - El Monte Center		*100,000*				***100,000***
7) Tyler-Amador (Glaziers Hall Site)		*250,000*				***250,000***
Total Expenditures	3,739,900	8,548,498	2,007,268	1,516,213	1,525,338	**17,337,217**
Net Cash Flow	**(2,465,400)**	**(1,279,108)**	**(687,490)**	**(195,540)**	**(178,251)**	**(4,805,789)**
Ending Available Balance	**3,103,779**	**1,824,671**	**1,137,181**	**941,641**	**763,390**	**763,390**

1/ Unencumbered fund balance including 2007 bond proceeds with trustee.
2/ Twenty percent LMIHF deposits are increased by 2% annually.
3/ Other revenue includes a portion of Prop 1C IIG Grants and $3,000,000 in anticipated new bond proceeds from Northwest and Valley-Durfee.
4/ Admin allocation increased 2% per year.
5/ Debt service from housing portion of 2007 TABS, anticipated new 2011 TABS for Northwest and Valley-Durfee, and interest expenses.

Table 17

El Monte Community Redevelopment Agency Housing Fund Cash Flow Projections 2014-15 through 2018-19						
	2014-15	*2015-16*	*2016-17*	*2017-18*	*2018-19*	*5-Year*
Beginning Cash Balance	**763,390**	**352,774**	**10,146**	**1,035,866**	**500,299**	
Revenue						
Projected 20% LMIHF Deposit /1	1,374,029	1,401,509	1,429,539	1,458,130	1,487,293	**7,150,500**
Other Revenue /2	0	0	3,000,000	10,000	510,000	**3,520,000**
Total Revenue	1,374,029	1,401,509	4,429,539	1,468,130	1,997,293	**10,670,500**
Expenses / Encumbrances						
Admin & Planning /3	474,644	484,137	493,820	503,696	513,770	**2,470,068**
Debt Service /4	1,060,000	1,060,000	1,060,000	1,500,000	1,500,000	**6,180,000**
Projects (Allocated Funds)	250,000	200,000	1,850,000	0	0	**2,300,000**
1) Mixed Use Rental on Valley Blvd	*250,000*					***250,000***
2) Transit Village Phase II Rental Housing Loan		*100,000*	*1,500,000*			***1,600,000***
3) Durfee Avenue Mixed Use Housing		*100,000*	*250,000*			***350,000***
4) Bunker Street Housing (Valley-Durfee)			*100,000*			***100,000***
Total Expenditures	1,784,644	1,744,137	3,403,820	2,003,696	2,013,770	**10,950,068**
Net Cash Flow	**(410,616)**	**(342,628)**	**1,025,719**	**(535,566)**	**(16,478)**	**(279,568)**
Ending Available Balance	**352,774**	**10,146**	**1,035,866**	**500,299**	**483,822**	**483,822**

1/ Twenty percent LMIHF deposits are increased by 2% annually.
2/ Other revenue includes a portion of Prop 1C Grants, CDBG funds, anticipated proceeds from refunding of 2007 bonds, and interest earnings.
3/ Admin allocation increased 2% per year.
4/ Debt service from housing portion of 2007 TABS, anticipated new 2011 TABS for Northwest and Valley-Durfee, and interest expenses.

Due to the State's actions to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the Compliance Period. In 2008, the State approved the prior budget contingent upon a $350 million shift of tax increment monies from redevelopment agencies to be applied to ERAF. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional. On April 30, 2009, a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal. The State has since dropped their appeal of the court decision.

Following this judgment, the State of California approved the fiscal year 2009-10 budget relying on a $2.05 billion ERAF shift from redevelopment agencies over the next two years. The additional shift to ERAF (referred to as the Supplemental Educational Revenue Augmentation Fund or "SERAF") is estimated to result in a payment of $2,047,680 in 2009-10, and $421,581 in 2010-11 from the Agency. The budget trailer bill, Assembly Bill 26 4x, contains a provision by which the Agency has the option to suspend its fiscal 2009-10 20% housing set-aside contribution in order to assist the SERAF shift in that year; however, the loan will need to be repaid by June 30, 2015. If the Agency elects this option, the loan could potentially delay many of the housing programs and projects anticipated over the next five year period.

Expenditures by Household Types

Pursuant to Section 33334.4(a) of the CRL, LMIHF expenditures must be expended to assist housing for persons of very low- and low-income households in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of very low- and low-income within the community, as determined by the Regional Housing Need Assessment (RHNA). The City's 2006 RHNA number, prepared by the Southern California Association of Governments, reflected a *Citywide* need for 2,208 dwelling units. These RHNA units reflect a need for 1,235 affordable units; including 532 very low-, 533 low-, and 370 moderate-income units. For LMIHF expenditure purposes, the remaining RHNA numbers reflect a minimum proportional expenditure obligation of 43% for very low- and 27% for low-income households, while not more than 30% may be expended to assist moderate-income households, as shown in Table 17.

During the first five years (FY 2004-05 through FY 2008-09) of the Compliance Period the Agency expended $835,000 in LMIHF on projects and programs. It is estimated that the Agency will have approximately $10,800,000 in LMIHF available during the next five years, after the payment of debt service and administrative and planning expenses, to expend on projects and programs, reflecting a cumulative amount of $11,635,000. Of this amount, a minimum of $5,012,000 and $3,137,211 is to be expended for very low- and low-income households respectively.

Section 33334.4(b) of the CRL requires that LMIHF expenditures assist housing that is available to all persons regardless of age, be in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of very low- and low-income households in the community, as reported in the most recent Census. The legislative intent of the CRL is to limit the amount of LMIHF monies that a community may spend to assist developing age-restricted senior housing units to the detriment of developing affordable family housing units. Data relating to low income households under the age of 65 is not readily available from Census data, however, the Comprehensive Housing Affordability Strategy ("CHAS") uses an extrapolation of Census data to calculate the number of low income households under the age of 62; which is the data that may be the closest to that which is required by the CRL and therefore used in this Compliance Plan. Accordingly, 14 percent of the City's Census 2000 very low- and low-income households were over the age of 62, thus not less than 86 percent of the Agency's available LMIHF revenues must be expended to assist non age-restricted housing. The Agency assisted with the development of an age-restricted senior housing project during the prior five years (FY 2004-05 through FY 2008-09) and expended $300,000 of LMIHF monies on that project. The Agency may spend up to an additional $1,328,900 of LMIHF monies during the planning period on age-restricted senior housing units, as shown in Table 17.

Proportional Project and Program Expenditures: 2004-05 through 2013-14 — **Table 17**
El Monte Community Redevelopment Agency

Income Category	RHNA Allocation	Targeting Requirement	2004-05 thru 2008-09 Expenditures	%	2009-10 thru 2013-14 Expenditures	%	2004-05 thru 2013-14 Expenditures	%
Very Low	532	43%	$30,000	4%	$4,982,000	46%	$5,012,000	43%
Low	333	27%	270,000	32%	2,867,211	27%	3,137,211	27%
Moderate	370	30%	535,000	64%	2,950,789	27%	3,485,789	30%
Total	1,235	100%	$835,000	100%	$10,800,000	100%	$11,635,000	100%
Age Category	**CHAS Allocation**	**Targeting Requirement**	**2004-05 thru 2008-09 Expenditures**	**%**	**2009-10 thru 2013-14 Expenditures**	**%**	**2004-05 thru 2013-14 Expenditures**	**%**
Senior	2,207	14%	$300,000	36%	$1,328,900	12%	$1,628,900	14%
Non-Senior	13,113	86%	535,000	64%	9,471,100	88%	10,006,100	86%
Total	15,320	100%	$835,000	100%	$10,800,000	100%	$11,635,000	100%

Table 18 provides a detailed recap of the information summarized in Table 17 for the past five year period (FY 2004-05 through FY 2008-09) including the number, location, level of affordability and the amount of LMIHF expended on multi-family units.

Housing Fund Expenditures: 2004-05 through 2008-09 — **Table 18**
El Monte Community Redevelopment Agency

Project	Very Low Units	$ Spent on Very Low Units	Low Units	$ Spent on Low Units	Mod Units	$ Spent on Mod Units	Affordable Units Assisted	Total Expenditures
Pacific Towers	10	$30,000	89	$267,000	1	$3,000	100	$300,000
Vista del Valle	0	$0	0	$0	17	$0	17	-
El Monte Transit Village[1]	0	$0	0	$0	115	$535,000	115	535,000
Total	*10*	*$30,000*	*89*	*$267,000*	*133*	*$538,000*	*232*	*$835,000*
Age Assisted	**Very Low Units**	**$ Spent on Very Low Units**	**Low Units**	**$ Spent on Low Units**	**Mod Units**	**$ Spent on Mod Units**	**Affordable Units Assisted**	**Total Expenditures**
Units for Seniors	10	$30,000	89	$267,000	1	$3,000	100	$300,000
Non-Age Restricted Units	0	$0	0	$0	132	$535,000	132	$535,000
Total	*10*	*$30,000*	*89*	*$267,000*	*133*	*$538,000*	*232*	*$835,000*

[1] The Agency expended $535,000 in FY 08-09 for the preperation of concept plans and applications for Prop 1C TOD and Infill Infrastructure grants. The Project is anticiapted to yield 115 moderate income units to be completed during FY 2011-12.

Affordable Units Constructed During Prior Implementation Plan Period Without Agency Assistance

While historically the Agency has utilized other key funding sources besides its LMIHFs to assist with the community's housing needs, no affordable units featuring long-term covenant restrictions have been created without the use of LMIHF monies during the prior five year period (FY 2004-05 through FY 2008-09).

Administration of the Implementation Plan

As detailed in the introduction of this Implementation Plan, the Agency is required to produce an implementation plan every five years. After adoption of the first implementation plan, a new plan is to be adopted every five years either in conjunction with the housing element cycle or the implementation plan cycle.

Implementation Plan Adoption Process

Each Implementation Plan must be presented and adopted at a duly noticed public hearing of the Agency. Notice of the public hearing must be conducted pursuant to Section 33490 of the CRL. Furthermore, the Notice must be published pursuant to Government Code Section 6063, mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the project area for a period of three weeks. Publication, mailing, and posting shall be completed not less than 10 days prior to the date set for hearing.

The Agency may amend the Implementation Plan at any time after conducting a public hearing on the proposed amendment.

Mid-Term Implementation Plan Review Process

At least once within the five-year term of this Implementation Plan, the Agency must conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the implementation plan and the corresponding implementation for each redevelopment project. This hearing must take place no earlier than two years and no later than three years after the adoption of the Implementation Plan and Housing Compliance Plan.

APPENDIX A

Maps of the Four Active Project Areas

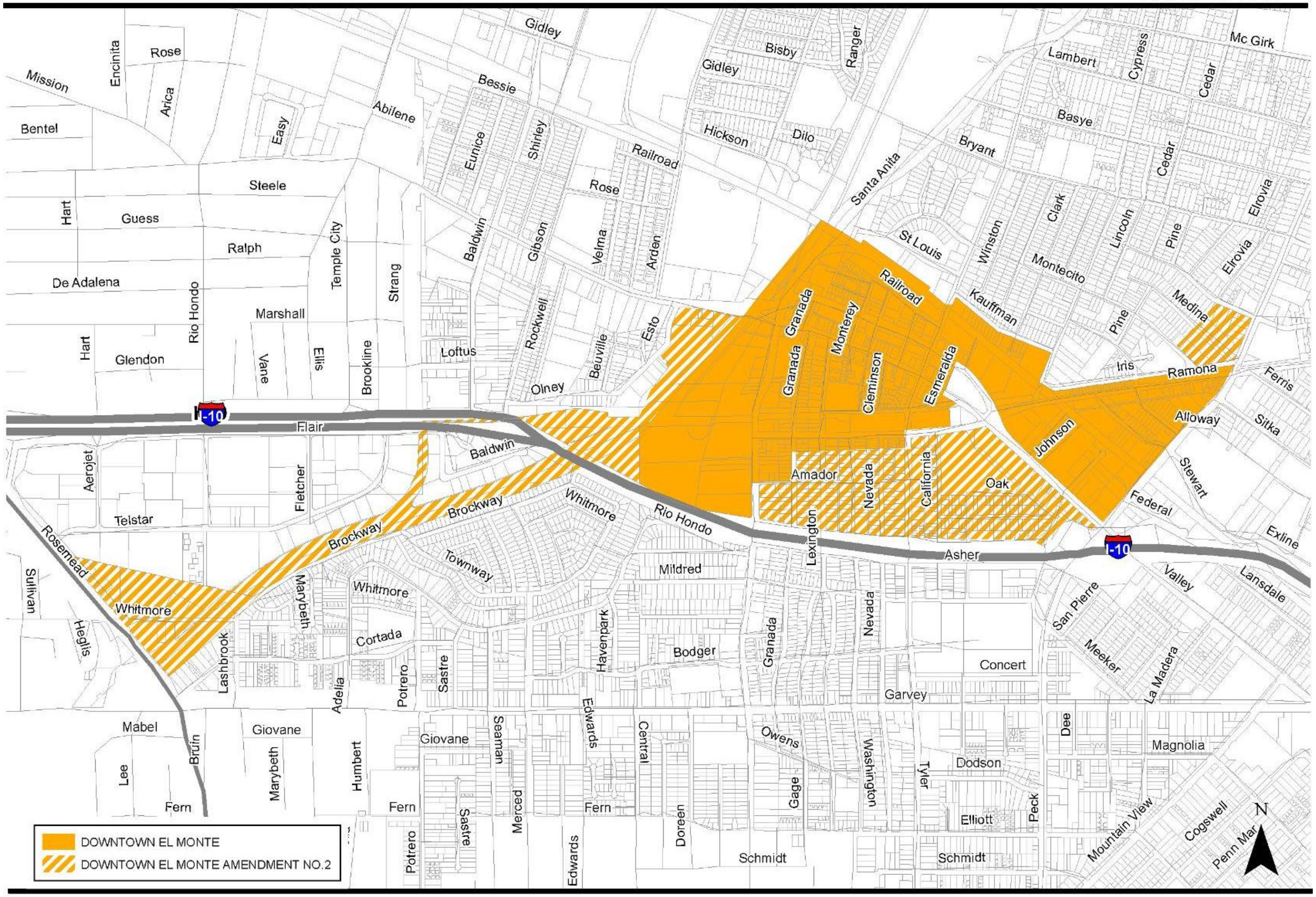
Exhibit A-1:	El Monte Center and El Monte Center Amendment No. 1 Project Areas
Exhibit A-2:	Downtown El Monte and Downtown El Monte Amendment No. 2 Project Areas
Exhibit A-3:	Northwest El Monte Project Area
Exhibit A-4:	Valley-Durfee Project Area

EL MONTE CENTER AND EL MONTE CENTER AMENDMENT NO.1 PROJECT AREAS

Exhibit A-1

DOWNTOWN EL MONTE AND DOWNTOWN EL MONTE AMENDMENT NO.2 PROJECT AREAS

EXHIBIT A-2

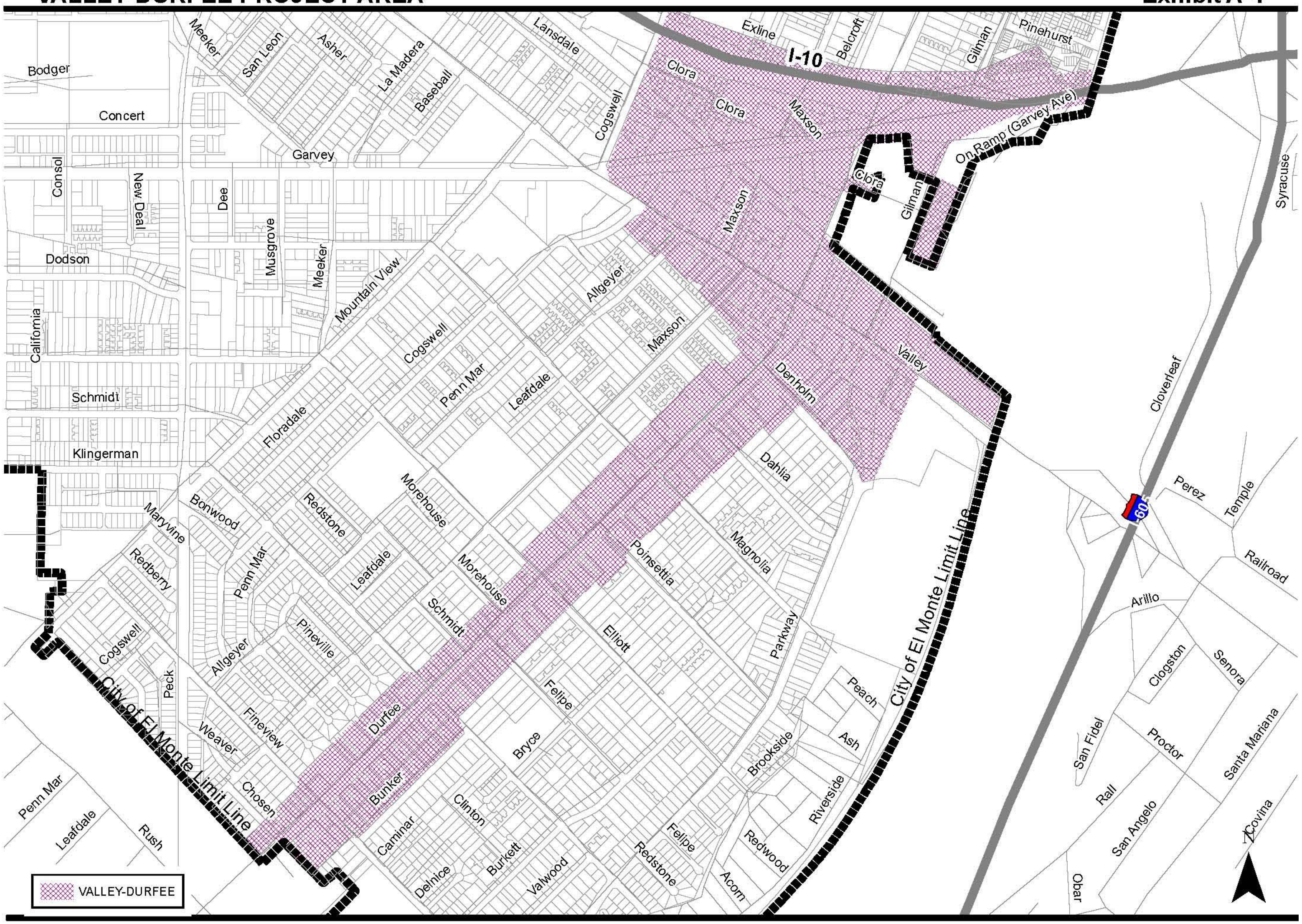


NORTHWEST EL MONTE PROJECT AREA

Exhibit A-3

VALLEY-DURFEE PROJECT AREA

Exhibit A-4



APPENDIX B

Affordable Housing Glossary of Terms

Inclusionary Housing Production

There are many ways in which the Agency may create inclusionary units that satisfy the requirements outlined in Law Section 33413 including new construction of for-sale and rental housing, substantial rehabilitation, and the purchase of covenants on multifamily rental housing.

New Construction and Substantial Reconstruction:

For-sale (affordable) inclusionary units or inclusionary multifamily rental housing may be created by assisting new construction or providing financing for purchasers of new housing, and by substantially rehabilitating such units per the CRL definition. To be counted toward the Agency inclusionary unit need, for sale units must be covered by a 45-year affordability covenant and rental units by a 55-year affordability covenant.

Purchase of Covenants:

The Agency may use the LMIHF to subsidize multifamily units that are not substantially rehabilitated or newly constructed, by the purchase of an affordability covenant. The affordability covenants on multifamily units would restrict such units for a period of 55 years. Such units must be occupied by and affordable to very low and low income households. The Agency may only meet up to 50% of their required inclusionary unit need in this manner. Inclusionary units secured by the Agency through the purchase of covenants, substantial rehabilitation, and new construction that are located within the Project Area boundaries can be counted on a one-for-one basis. If the units are located outside of the Project Area they only receive one-half (½) credit (counted on a two-for-one basis). Mutual self-help housing units receive a 1/3 credit towards satisfying inclusionary unit production requirements.

Mutual Self-help Housing:

Mutual self-help housing refers to very low or low income, owner-occupied housing units where residents have contributed at least 500 hours of work on the unit to ensure safe and sanitary housing. Mutual self-help housing units must be deed restricted for at least 15 years. Each housing production unit must have a covenant recorded with the county pursuant to Law Section 33334.3 in order to be counted.

Duration of Affordability Covenants

Prior to January 1, 2002:

For no less than the period of land use controls established in the redevelopment plan.

After January 1, 2002:

For the longest feasible time, but not less than 55 years for rental housing and 45 years for owner occupied housing.

Under Section 33413, rental housing units may be replaced prior to the expiration of the 55-year period with equally affordable and comparable rental units in another location within the City if (i) the replacement units are available for occupancy prior to the displacement of any persons residing in the subject units and (ii) the comparable replacement units are not developed using monies in the LMIHF.

Under Section 33413, owner-occupied units may be sold prior to the expiration of the 45-year period for a price in excess of what would otherwise be allowed if the units are subject to an equity sharing agreement or some other program that protects the Agency's investment of LMIHF monies. The Agency must deposit the excess proceeds in the LMIHF and within three years from the date of the sale of the units, spend funds to make affordable an equal number of units at the same income level as the units sold. Only the units originally assisted by the Agency can be counted towards the Agency's obligations under Section 33413.

Affordability Income and Cost Levels

Section 50052.5 of Health and Safety Code defines affordable housing cost as:

- Extremely Low – Not more than 30% of 30% of the County median household income.
- Very Low - Not more than 30% of 50% of the County median household income.
- Low - Not more than 30% of 70% (or 30% of 60% for rental projects) of the County median household income.
- Moderate - Not more than 35% of 110% (or 30% of 120% for rental projects) of the County median household income.

The following tables detail affordable housing costs for rental and ownership units pertinent to El Monte based on the 2009 Los Angeles County Area Median Income for the Central Region.