

**Attachment A**

**Annual Report Summary**

**For Fiscal Year 2009-2010**

**Redevelopment Agency of the City of Santa Monica**

SANTA MONICA REDEVELOPMENT AGENCY

# **ANNUAL REPORT SUMMARY**

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Fiscal Year 2009-2010

**December 2010**

The Annual Report Summary for the Santa Monica Redevelopment Agency contains a review of the objectives and activities of the Agency in Fiscal Year 2009-2010, and a preview of the Agency's work plan for Fiscal Year 2010-2011.

## I. INTRODUCTION

This annual report summary for the Santa Monica Redevelopment Agency contains a review of the objectives and activities of the Redevelopment Agency in FY 2009-2010, and a preview of the Agency's objectives and work plan for FY 2010-2011. This summary document explains in narrative form what the Agency worked on during the reporting fiscal year. When submitted to the Agency, the summary report is accompanied by supporting documentation that the Agency is required by state law to report each Fiscal Year. As required by California Health & Safety Code Section 33080.1, the Redevelopment Agency must file an annual report with the California State Controller within six months of the end of the Agency's fiscal year. The annual report must contain:

- 1) An independently prepared financial audit report conducted in accordance with generally accepted auditing standards (*Independent Auditor's Report*);
- 2) A fiscal statement that provides information on the outstanding indebtedness of, and the tax increment revenue generated by, the agency and by each project area (*State Controller's Report of Financial Transactions of Community Redevelopment Agencies and Statement of Indebtedness*);
- 3) A specific description of the Agency's activities affecting housing and any displacements (*Annual Report of Housing Activities of Community Redevelopment Agencies*); and
- 4) Any other supplemental information that the Agency believes useful in explaining its programs and activities.

## II. DESCRIPTION OF REDEVELOPMENT PROJECT AREAS

On August 13, 1957, the City Council of Santa Monica established the Santa Monica Redevelopment Agency pursuant to Redevelopment Law. In May 1972, the City Council declared itself the Agency and assumed all the rights, powers, duties and privileges vested in a redevelopment agency. There are four redevelopment project areas within the city:

- Ocean Park Redevelopment Project Area 1A
- Ocean Park Redevelopment Project Area 1B
- Downtown Redevelopment Project Area
- Earthquake Recovery Redevelopment Project Area

### ***Ocean Park Redevelopment Project Area 1A***

The City Council adopted the Redevelopment Plan for the Ocean Park Redevelopment Project 1A on June 30, 1960 and amended the Plan on November 14, 1967, primarily to change the permitted land uses. The project area is 25 acres bounded by Ocean Park Blvd. to the north, Neilson Way to the east, Ocean Park Project 1B to the south and the state beach parking lots and beach to the west.

The project area contains two 17-story, 250 rental unit high-rise buildings known as Santa Monica Shores and is surrounded by the Sea Colony condominium project, which consists of 340

condominium units. Ocean View Park is a public park located in the center of the project area facing the ocean. The project was completed in 1987.

### ***Ocean Park Redevelopment Project Area 1B***

The City Council adopted the Redevelopment Plan for the Ocean Park Redevelopment Project 1B on January 24, 1961, with subsequent amendments implemented on January 26, 1965, July 13, 1971, and September 12, 1972, principally to change the permitted land uses. The project area consists of 8 acres bounded by Ocean Park Redevelopment Project Area 1A to the north, Neilson Way to the east, the City limit to the south, and state beach parking lots and the beach to the west.

The project area contains two senior citizen residential apartment complexes, Neilson Villas and Barnard Park Villas, which contain 100 and 61 rental units, respectively. A former utility building within the project area was adapted into offices and art storage for the Eli Broad Trust Art Foundation. The project was completed in 1983.

### ***Downtown Redevelopment Project Area***

The City Council adopted the Redevelopment Plan for the Downtown Redevelopment Project on January 13, 1976. The Downtown Redevelopment Project encompasses 9.9 acres of property located in the downtown core of Santa Monica bounded by Broadway to the north, 4<sup>th</sup> Street to the east, Colorado Avenue to the south, and 2<sup>nd</sup> Street to the west. The project consists of Santa Monica Place, a large retail center that is owned and operated by the Macerich Company. The project also includes two Agency-owned parking structures that provide 1,843 parking spaces. Santa Monica Place underwent a substantial remodel that began in 2008, and the center re-opened in August 2010. The Agency made significant improvements to Parking Structures 7 & 8, which re-opened in conjunction with the mall in the summer of 2010. Improvements included renovating the façades, converting the structures to full-day attendant parking, installing parking controls, and other related capital improvements.

### ***Earthquake Recovery Redevelopment Project***

The City Council adopted the Redevelopment Plan for the Earthquake Recovery Project on June 21, 1994. The project area is 2.89 square miles—bounded by Cloverfield Boulevard and 26<sup>th</sup> Street to the east, Pacific Coast Highway/Beach Promenade to the west, Pico Boulevard to the south, and Montana Avenue to the north—and includes the structures predominantly damaged in the January 1994 Northridge earthquake. Approximately 90 percent of all red-tagged and 60 percent of all yellow-tagged buildings in the City were in the project area. To date, the Earthquake Recovery Project has funded substantial disaster prevention and mitigation, commercial revitalization, community revitalization and institutional projects. In 2009, the City Council approved Redevelopment Funding Priorities for capital improvement projects over the next five years, as discussed below.

### **III. FIVE-YEAR REDEVELOPMENT FUNDING PRIORITIES**

To capitalize on the Earthquake Recovery Redevelopment Project Area's ability to collect tax increment through 2042, the Redevelopment Agency must issue or commit all debt obligations by 2014. Thus, in June 2009, the Agency adopted funding priorities for spending a projected \$283 million in tax increment revenues over the next five years (not including the 20 percent of gross tax increment dedicated and expended on affordable housing). These funding priorities are indicated throughout this report as priority projects. The Agency emphasized affordable housing, planning to spend \$43 million beyond the required 20 percent of tax increment funds. This means that over the next five years, 15 percent of the Agency's prioritized spending is committed to affordable housing development, in addition to existing affordable housing requirements. Priority spending also emphasizes public improvements to the Civic Center area, including: a new seven-acre public park; upgrade and seismic retrofit of the Civic Auditorium; cultural and childcare facilities; exploration of freeway capping; preparations for the Exposition Light Rail Transit line; shared parking facilities; and joint use opportunities with Santa Monica High School for community use of athletic facilities. The remaining priority projects included property acquisition, a traffic signal master plan, expansion of Memorial Park, and a new library in the Pico neighborhood.

These Agency funding priorities formed the basis for the Agency's FY 2009-2010 through FY 2013-2014 Five-Year Implementation Plan, which the Agency adopted on November 17, 2009. Considering the Agency's desire to ensure the timely implementation and completion of projects, the Agency and City entered into a Master Cooperation Agreement whereby the Agency pledged all net available tax increment to finance the public improvements and affordable housing as defined in the current implementation plan. This Agreement is further detailed in Agency Resolution 527 (August 10, 2010), consenting to the use of Agency funds for payment of costs associated with the Agency-funded projects in the current and prospective Five-Year Implementation Plans.

This report organizes projects as follows. First, it highlights the affordable housing projects and programs in all areas of the City. Then, it presents projects according to the area of the City in which they are located. Many of the projects are interrelated due to their proximity to each other, and are therefore grouped accordingly. The report first outlines all of the projects located in the Civic Center area, moves on to projects in the Downtown area, and then discusses projects in other areas of the City.

### **IV. ACTIVITIES FOR FISCAL YEAR 2009-2010 AND 2010-2011**

The Agency's activities for the last fiscal year, and its objectives and activities for the current 2010-2011 fiscal year are set forth below. These activities implement the Agency's FY 2009-2010 through FY 2013-2014 Five Year Implementation Plan for all Redevelopment Project Areas.

Exhibit 1 provides a list of projects organized according to which FY 2009-2010 through 2013-2014 Implementation Plan objective they fulfill. The Implementation Plan objectives are as follows:

- A. Disaster Prevention and Mitigation
- B. Commercial Revitalization

- C. Community Revitalization
- D. Institutional Revitalization
- E. Affordable Housing

### **A. Affordable Housing Developments** *[Agency Funding Priority]*

The Agency continued its efforts to increase, preserve, and improve the supply of affordable housing in Santa Monica, as set forth in the adopted housing programs of the Redevelopment Agency's 2004 and 2009 Five-Year Implementation Plans. In 2009, the Agency reemphasized the high priority it places on affordable housing by committing an additional allocation of \$43 million dedicated to affordable housing development over the next five years, in addition to the 20 percent of gross tax increment that is expended on affordable housing. Staff successfully leverages Agency funds to attract other funding sources, including federal and state tax credits, funding for special needs populations, and traditional bank loans. During the reporting year, the Agency allocated the following funds to the Low and Moderate Income Housing Fund, and completed the projects and programs described below.

- **Project Area Housing Fund Revenues**

During the reporting period, the Agency contributed \$14,705,348 to its Low & Moderate Income Housing Fund, reflecting 20 percent of the tax increment revenues received in FY 2009-2010. These funds are used to support low and moderate-income housing. The following represents the breakdown of these contributions:

#### ***Ocean Park Redevelopment Projects 1A & 1B***

In FY 2009-2010 the Ocean Park 1A and 1B Redevelopment Projects received \$4,029,853 in tax increment revenue, of which \$805,971 was set aside for housing activities. These funds were expended on debt service, associated administrative costs and projects through the Affordable Housing Trust Fund.

#### ***Downtown Redevelopment Project***

In FY 2009-2010, the Downtown Redevelopment Project received \$1,228,313 in tax increment revenue, of which \$245,663 was set aside for housing activities. These funds were expended on debt service, associated administrative costs and developments through the Affordable Housing Trust Fund.

#### ***Earthquake Recovery Redevelopment Project***

In FY 2009-2010, the Earthquake Recovery Redevelopment Project received \$68,268,572 in tax increment revenue, of which \$13,653,714 was committed to housing activities.

- **Line of Credit – Leveraging Housing Set-Aside Funds.**

*FY 2009-2010:* In May 2008, the Agency entered into a Credit Agreement with Bank of America for a line of credit in the amount of \$50,000,000. During FY 2008-2009, four new construction and two rehabilitation multifamily low/moderate income developments received commitments of a total of \$31,027,950 from the line of credit. During FY 2009-2010, four additional new construction and one rehabilitation multifamily low/moderate income developments received a total of \$17,255,328 in commitments from the line of credit. This financing method leverages the Agency's ongoing housing set-aside revenue stream and provides a means to acquire properties that come up for sale in a timely manner. By spending more in the near future, the Agency can get more for its money by reducing its risk of rising costs due to increasing land values and construction costs.

*FY 2010-2011:* The Agency has until 2012 to exercise its option to increase the line of credit by an additional \$25,000,000 to rehabilitate existing developments or to create new affordable housing developments as opportunities arise.

- **Senior Homeless Prevention and Rental Assistance Program.**

*FY 2009-2010:* The Housing Authority funds two programs with Redevelopment funds—the Senior Homeless Prevention Program (SHP) and the Rental Assistance Program. The SHP program provides assistance to senior households at risk of eviction. The Rental Assistance program provided rental subsidies to 75 senior households.

*FY 2010-2011:* The Agency will continue to provide funding for the SHP and Rental Assistance programs. Agency funds available to these programs for this next fiscal year are \$1.3 million.

- **175 Ocean Park Boulevard.**

*FY 2009-2010:* The Agency fulfilled lease payment obligations to maintain twenty-two housing units for very low-income senior and family households. The lease payment made by the Agency is on behalf of the 175 Ocean Park Boulevard public housing development operated by the County of Los Angeles.

*FY 2010-2011:* This is an ongoing obligation of the Agency.

- **New Construction and Rehabilitation of Affordable Housing Units.**

In summary, seventy-eight (78) affordable housing units have been constructed or rehabilitated and are occupied. An additional thirty-six (36) units are currently in the construction phase and four hundred and seventy-three (473) units are in the acquisition/predevelopment/design phase. The following tables provide a snapshot of housing development activity during FY 2009-2010 and anticipated activity during FY 2010-2011.

### Completed - FY 2009-2010

Development	Type	Units	Bedrooms	Affordability	Completion Date	Additional Comments
2418 5 <sup>th</sup> St.	Rehabilitation	6	1 - 1BR 5 - 2BR	Low Income	May 2010	
1458 14 <sup>th</sup> St (Ocean Breeze Apartments)	New Construction	20	1 bedroom	Very- Low and Low Income for Seniors	December 2009	
2029-31 20 <sup>th</sup> St.	Rehabilitation	12	1 - Studio 5 - 1BR 6 - 2BR	Low Income	May 2010	
2320 34 <sup>th</sup> St.	Rehabilitation	6	4 - 1BR 2 - 2BR	Low Income	October 2009	
1513 Centinela Ave.	Rehabilitation	8	7 - 2BR 1 - Studio	Low Income	May 2010	
844 Lincoln Blvd.	Rehabilitation	10	5 - 1BR 5 - 2BR	Low Income	June 2010	
750-752 Marine (Marine Street Apartments).	Rehabilitation	8	8 - 2BR	Low Income	September 2009	
2624 Santa Monica Blvd.	Rehabilitation	8	7 single room occupancy; 1 -1BR manager's unit	Very-low Income	July 2009	Permanent supportive housing for young adults experiencing first episode of mental illness
<b>Total Units</b>		<b>78</b>	<b>9- Singles 36 - 1 BR 33 - 2 BR</b>	<b>Very Low and Low Income</b>		

### Construction Phase - FY 2009-2010

Development	Type	Units	Bedrooms	Affordability	Activity FY 2009-2010	Activity and Goals FY 2010-2011
1930 Stewart (Mountain View Mobile Home Park)	Rehabilitation of park, not all units	105	Mobile homes	Very-Low, Low, and Moderate Income	Majority of construction completed	Rehab completed in September 2010
225 San Vicente Blvd.	Rehabilitation	36	25 - 1BR 11 - 2BR	Very-Low and Low Income	Majority of construction completed	Rehab completed in August 2010
<b>Total Units</b>		<b>36 + MHP rehab</b>				

**Acquisition/Predevelopment/Design Phase - FY 2009-2010**

Development	Type	Units	Bedrooms	Affordability	Activity FY 2009-2010	Activity and Goals FY 2010-2011
914 4 <sup>th</sup> St	Rehabilitation	16	12 - 1BR 4 - 2BR	Low Income	Acquired; financing secured	Rehab to begin in Oct. 2010
1342 Berkeley	New Construction	8	5 - 1BR 3 - 2 BR	Low Income	Construction loan	Loan Committee in August 2010
2602 Broadway Ave.	New Construction	33	2 & 3 bedrooms	Very- Low and Low Income	Approved by ARB; Received tax credit	Anticipated construction start: March 2011
217-225 Bicknell Ave	Rehabilitation	13	8 - 1BR 4 - 2BR 1 - 3BR	Low Income	Financing secured	Rehab began Sept. 2010; Anticipated completion March 2011
520 Colorado Ave.	New Construction	26	Singles	TBD with permanent loan	N/A	Acquire; Financing; Demolish
430 Pico Blvd	New Construction	32	22 - 2 BR 10 - 3 BR	Low Income	Acquired; Community workshops; Admin. & ARB approval.	Apply for construction financing in early 2011.
1438 25 <sup>th</sup> St.	Rehabilitation	12	6 - 2BR 6 - 3BR	Low Income	N/A	Rehabilitation to begin in April 2011
1924 & 1930 Euclid St., 1753 18 <sup>th</sup> St. and 1754 19 <sup>th</sup> St. (FAME)	New Construction	49	42 - Studios 6 - 1BR 1 - 2BR	Very-Low and Low Income Seniors	ARB approval received	Apply for tax credits March 2012
1943, 1945, 1955 and 1959 High Place (High Place East)	New Construction	45	2 & 3 bedrooms	Very-Low Income	Received grant; Extended predevelopment loan in Sept. 2009; ARB approval	Anticipated Construction Start: 2012 Home Ownership Project
1942-54 High Place (High Place West)	New Construction	47	2 & 3 bedrooms	Low Income	Same as above (High Place East)	Anticipated Construction Start: 2011
1700 Main St. (Civic Center Village)	New Construction	160	Pending	Low Income	Delayed due to market; Extended DDA in July 2010;	Construction start in summer 2012
2802 Pico Blvd.	New Construction	33	2 & 3 bedrooms	Very- Low and Low Income	Community meetings; design	Apply for tax credits March 2011
<b>Total Units</b>		<b>473</b>	<b>68 - Singles 31 - 1 BR 160 - TBD 215 - 2/3BR</b>	<b>Very Low and Low Income</b>		

The Agency will continue to pursue as many very-low, low, and moderate income housing opportunities within the City as feasible with funding assistance for land acquisition, new construction, and acquisition and rehabilitation of existing properties.

## **B. Civic Center Projects**

The Civic Center area of Santa Monica is as large as the City's Downtown core but feels very spread out with wide streets and large areas of surface parking. Geographically, the Civic Center area connects several major activity centers—Downtown, the Beach and Pier, Palisades Park, Santa Monica High School, Ocean Park, and the Main Street commercial area. However, it is not pedestrian-oriented and may act more as a barrier than as a connector. The Agency is placing strong priority on redeveloping the Civic Center area so that it can reconnect the city's fabric and strengthen linkages between key districts. The projects in this section fulfill Implementation Plan goals of community revitalization and institutional revitalization.

- **Civic Center Specific Plan Projects** - The 2005 update to the Civic Center Specific Plan (CCSP) resulted in plans, concept designs, and studies for various project components of the Civic Center, especially public open spaces, cultural facilities and renovation and upgrades to the Civic Center Auditorium. There has been significant progress on the projects listed below, with the Redevelopment Agency playing a critical role in funding these projects.

- **Palisades Garden Walk.** *[Agency Funding Priority]*

*FY 2009-2010:* The Palisades Garden Walk and Town Square will create seven acres of park space bounded by Interstate 10 and Olympic Drive, City Hall and Ocean Avenue. Envisioned as a central component of the Civic Center Specific Plan (CCSP), these new parks will provide a critical link between the Civic Center, Palisades Park, the Pier and downtown. The Redevelopment Agency prioritized \$25 million in funding for this project in FY 2009-2010. During the reporting year, following a competitive process, the City Council selected James Corner Field Operations and placed them under contract to design the parks. Council also approved an extensive community engagement process which was launched.

*FY 2010-2011:* City staff, in collaboration with James Corner Field Operations, has begun holding broadly noticed community workshops. The first community workshop held in July 2010 helped establish a program and themes for the park. In September, three concept designs were presented at the second workshop jointly convened by the Planning and Recreation and Parks Commissions. A revised schematic design was presented at a workshop in November jointly convened by the Planning and Recreation and Parks Commissions, with a final workshop on design development planned for late January 2011. After each workshop and stage of design, the City Council will weigh-in and provide direction. Required regulatory reviews with both the Landmarks Commission and Architectural Review Board will occur in spring 2011, and the design

for Palisades Garden Walk and Town Square will be incorporated into construction documents and specifications. Construction is anticipated to start in 2012 and a park opening is anticipated in the winter of 2013.

- **Early Childhood Education Center (ECEC).** *[Agency Funding Priority]*

*FY 2009-2010:* The Civic Center Specific Plan (CCSP) calls for the creation of an early childhood education center (ECEC) to provide a learning environment for Santa Monica College (SMC) students and a childcare facility for the civic center. In 2009, the Redevelopment Agency prioritized \$4.4 million in funding to supplement a budget appropriation of \$1.163 in FY06/07 and \$7 million in SMC Bond funds for design and construction costs. During the reporting year, staff began work on an exclusive negotiating agreement between the City and the College to allow the parties to work out scope, responsibilities and schedule for building, operating and maintaining the center. When the City Council directed staff to undertake negotiations with The Broad Foundation regarding creation of an art museum open to the public in the Civic Center, work on the early childhood education center was delayed since the proposed museum was to be located on the site identified in the CCSP for the ECEC.

*FY 2010-2011:* It is anticipated that site selection and a legal agreement will be finalized so that further work on the ECEC can continue.

- **Freeway Capping.** *[Agency Funding Priority]*

*FY 2009-2010:* A key recommendation of the Civic Center Specific Plan was to explore options for capping a number of different segments of Interstate 10. Capped areas would create new land for open space, parks, and pedestrian connections between Downtown and the Civic Center. As part of their funding priorities, the Agency allocated \$2 million toward freeway capping construction. Staff issued a Request for Proposals in October 2009, and in January 2010 the Council authorized a contract with AECOM to complete a feasibility study. The study, funded with designated freeway capping funds as well as Agency funds allocated from Expo Green Streets and Pathways and Civic Center Planning and Design, will include cost estimates that fully explore capping and phasing options from Ocean Avenue to 4<sup>th</sup> Street with priority given to two segments—the McClure Tunnel and Fujinomiya Douri Drive extensions.

Immediate priorities are:

- Analyze the feasibility of a Phase I project to improve pedestrian access at the intersection of Colorado and Ocean and allow for entrance into the new Palisades Garden Walk, with a small cap/ bridge or widening of the existing ridge over the McClure Tunnel and the I-10/Pacific Coast Highway transition.
- Analyze feasibility and provide cost estimates for a new roadway between Fujinomiya Douri Drive and the Fourth Street I-10 off-ramp. Analysis would

determine the effectiveness of diverting traffic from the downtown intersections that would have additional traffic pressure due to Expo Light Rail operations.

*FY 2010-2011:* Staff will return to the City with results of the AECOM feasibility study and seek further direction in January 2011. Dependent on Council direction, further work could include schematic design and the required Caltrans Advanced Planning Report, environmental review, and Caltrans entitlements. Staff is coordinating with Caltrans regarding regulatory approvals if the Council approves a project.

▪ **Civic Auditorium District Projects.** *[Agency Funding Priority]*

*FY 2009-2010:* These open space and cultural facility projects will occupy the block bounded by 4<sup>th</sup>, Main, Pico, and Civic Center Drive. The projects include a new park and a cultural facility with streetscapes and pedestrian linkages designed to complement the Civic Auditorium's program (see below) and the ECEC (described above as a separate capital project within the district). In 2009, the Redevelopment Agency prioritized \$21 million in RDA funds for the park and possible cultural facility.

*FY 2010-2011:* It is anticipated that the cultural facility component will be resolved so that work on the remaining components of the block can progress.

▪ **Civic Auditorium Renovation.** *[Agency Funding Priority]*

*FY 2009-2010:* In 2009, the Redevelopment Agency prioritized \$25 million in RDA funds to renovate the Civic Auditorium. In March 2009, City Council authorized the issuance of a Request for Qualifications to solicit qualifications from non-profit and/or for-profit entities interested in participating in a public/private partnership for the use and programming of the Civic Auditorium. In September 2009, City Council authorized the City Manager to negotiate an agreement with the Nederlander Organization to do so, and negotiations are currently underway. The \$25 million will support seismic and accessibility upgrades to the landmark building as well as some upgrades to equipment (lighting, sound, stage) and building systems (i.e., HVAC, acoustical, electrical).

*FY 2010-2011:* It is anticipated that proposed business terms with the Nederlander Organization will be considered by the City Council in late 2010 or early 2011 and that renovation plans for the Auditorium will proceed following selection of a design build firm.

▪ **Exposition Light Rail Enhancements.** *[Agency Funding Priority]*

*FY 2009-2010:* Construction of the Exposition Light Rail Transit (LRT) is scheduled to begin in Santa Monica in 2014. As part of its 2009-2013 funding priorities, the Agency allocated \$10 million for station enhancements and an additional \$20.9 million for Green Streets and Pathways to improve access to the new stations. In October 2009, staff issued a Request for Qualifications (RFQ) for a consultant team to develop criteria for integrating the Expo LRT, designing a downtown station plaza, and creating an "Esplanade" along Colorado Avenue (as described in the project below). In December, staff invited the five most qualified teams that

responded to the RFQ to submit specific proposals, and in February 2010, the Council awarded a contract to Cityworks Design. This analysis will ensure that the Expo LRT effectively integrates into downtown and meets City standards regarding pedestrian orientation, parking, and ADA access.

FY 2010-2011: City staff and the Cityworks Design team will present the design criteria for the integration of the Expo LRT to Council in late 2010 or early 2011. As the Expo LRT project is more fully designed, the City will determine what additional station design and construction projects will be needed to allow for optimal interface between pedestrians, bicycles, transit and vehicles.

- **Colorado Esplanade and Station Plaza.** *[Agency Funding Priority]*

FY 2009-2010: This project is a component of the broader Expo Light Rail Enhancements described above. The Expo LRT will traverse down Colorado Avenue at grade level to integrate with the urban fabric and the future vision for the downtown. Infrastructure improvements will be required to ensure that the grade-level transit line and station will effectively integrate into a key Downtown corridor. Initial design concepts for the Station envision a large plaza at 4<sup>th</sup> St. and Colorado Ave. At the August 11 2009 workshop, the community supported the concept of a pedestrian “Esplanade” that connects the station to the Pier along Colorado. This will provide wider sidewalks, a new streetscape and an improved bicycle route while removing a minimum of one lane of car traffic. The project will make pedestrian improvements at the intersection of Colorado Avenue, Ocean Avenue, and the Pier Bridge, which will improve connections between Palisades Park, the Pier, and the new Palisades Garden Walk. Activity during the reporting year has been part of the broader Exposition Light Rail enhancement activities described above. A project designer will be selected in winter or spring of 2011.

FY 2010-2011: As planning for the Expo LRT moves forward, planning the Colorado Esplanade and Station Plaza be an integral component of the City’s preparations and the Agency’s funding priorities.

- **Civic Center Joint Use Project (CCJUP).** *[Agency Funding Priority]*

FY 2009-2010: The CCJUP seeks to connect the School District’s long-range plan to expand the Santa Monica High School campus with revitalization efforts underway in the civic center. Specifically, the CCJUP includes plans for new or redeveloped recreational and cultural facilities that the public could access when not needed by the high school, the creation of a Michigan Avenue pedestrian/bicycle promenade to facilitate public access through the campus, and subterranean parking. During the reporting year, the City Council highlighted the CCJUP as a priority redevelopment project and designated \$57 million for the project. The decision to move forward with the project was based on siting studies and community meetings, conducted in previous years, which demonstrated the community benefits of this project.

FY 2010-2011: Staff is continuing to move forward with the project, working collaboratively with School District staff. In June 2010, as part of the citywide budget adoption, Council

allocated \$1.084 million in General Fund revenue to the CCJUP, which reduced total Agency funding to \$55.916 million. In October 2010, the Council authorized staff to negotiate a Memorandum of Understanding with the School District to spend the initial funding on planning, design, and preliminary environmental review on the project. In winter and spring of 2011, the School District will move forward with technical studies for environmental review and design, and will conduct additional community workshops. City staff will work with District staff to develop the terms of an agreement for the remaining \$55.9 million allocation.

- **Shared Parking** [*Agency Funding Priority*]

*FY 2009-2010:* During the reporting year, the Agency also allocated \$25 million for the development of shared parking for Civic Center uses. Efforts to capitalize on shared parking opportunities are a priority as Civic Center projects proceed with planning and design. A traffic circulation study is underway to consider optimal circulation based on the Civic Center Specific Plan build out and phasing, while planning for effective Civic Center circulation in relation to the Downtown as well.

*FY 2010-2011:* Staff will complete shared parking analysis, and taking development and phasing schedules into consideration, will provide recommendations City Council in early 2011.

## **C. Downtown Projects**

Downtown is adjacent to the Civic Center area of Santa Monica, and many of the projects in this section are connected to projects in the previous section due to their proximity. Projects in the Downtown area fulfill Implementation Plan goals of commercial revitalization and disaster mitigation.

- **Santa Monica Place.**

*FY 2009-2010:* The objectives of the Santa Monica Place renovations included redesigning the enclosed mall into an outdoor shopping venue, establishing an open connection to the Third Street Promenade and adjacent streets to better integrate shopping Downtown, and providing an attractive shopping destination that would appeal to retailers and the community. The mall construction and remodel commenced in FY 2008-2009 and was completed in FY 2009-2010. The Agency worked with Macerich Company on the remodel of Santa Monica Place and coordinated construction of public improvements to ensure the City's conditions of project approval were satisfied. The mall reopened on August 6, 2010. Bloomingdales and Nordstrom's, the two anchor department stores at Santa Monica Place, also remodeled their stores and reopened on August 6<sup>th</sup> and 26<sup>th</sup>, respectively.

- **Improvements to Parking Structures 7 & 8.**

*FY 2009-2010:* In conjunction with the remodeling of Santa Monica Place, the Agency continued improvements on adjacent Parking Structures 7 and 8. The first phase of improvements featured façade upgrades including exterior cladding, glass elements, and new signage. Parking

controls and related capital improvements were installed to integrate operations of these garages into the City's broader Downtown parking system. The Agency worked with the Macerich Company to oversee construction of the improvements, which were completed in the summer of 2010 in coordination with the reopening of Santa Monica Place.

FY 2010-2011: Additional improvements, including ground level retail shops at Parking Structure 7 and public bike parking facilities at both Parking Structures 7 and 8 are anticipated to be completed in FY 2010-11. Construction on the bicycle parking facilities is scheduled to begin in spring of 2011.

- **2<sup>nd</sup> and 4<sup>th</sup> Street Improvement Project.**

*FY 2009-2010:* This streetscape improvement project was part of the Downtown Urban Design Plan. It included the installation of new trees, removal of some existing trees, pedestrian lighting to illuminate the sidewalks, enlargement of tree-wells, and installation of decorative uplighting to enhance six mid-block crosswalks on 2<sup>nd</sup> and 4<sup>th</sup> Streets downtown. The project was substantially completed in 2009, but final elements were installed in 2010 in conjunction with the reopening of Santa Monica Place. The project is now complete.

- **Downtown Parking Program.** *[Agency Funding Priority]*

FY 2009-2010: At its September 8, 2009 meeting, Council endorsed the Walker Parking Study, which was a follow-up to the Downtown Parking Program adopted on May 9, 2006. The Walker Parking Study analyzed parking demand and operations in the Downtown area and proposed options for enhancement. Other than the additional parking spaces planned in the reconstruction of Parking Structures 1 and 6, the Study found that Downtown Santa Monica does not need additional public parking at this time. An interdepartmental team reviewed the recommendations, gathered input from Downtown stakeholders, and developed a phased implementation plan. At the May 11, 2010 Council meeting, Council approved the first phase of recommendations, which established new parking rates for Downtown Structures 1-9, the Main Library Structure, the Civic Center Structure, and the Civic Center Auditorium Lot, effective July 1, 2010. Staff is also working on agreements for public use of private parking, and a new employee parking program.

FY 2010-2011: As Council approves them, staff will implement remaining Study recommendations, which include expanded transportation demand management, alternative payment mechanisms, a review of parking staffing and policies, a maintenance program, a review of in-lieu fees, a valet program, an ongoing parking review process, and new ways to disseminate parking information.

- **Parking Structure 2.**

FY 2009-2010: This project entails a seismic retrofit of the existing, nine-story Parking Structure 2, located at 1235 2<sup>nd</sup> Street. Construction on Parking Structure 2 began on June 1, 2010.

FY 2010-2011: The seismic retrofit is expected to be complete in the spring of 2011.

- **Parking Structure 6.**

*FY 2009-2010:* The Downtown Parking Program (described above) calls for Parking Structures 1 and 6 to be demolished and rebuilt in the same locations with additional parking spaces. In November 2009, the City Council reviewed concept massing, urban design, circulation, and cost information presented by Planning staff. Council directed staff to proceed with the design of Parking Structure 6, and did not direct staff to proceed with Parking Structure 1 at this time.

*FY 2010-11:* After selecting Morley Construction Company, International Parking Design, and Behnisch Architects as the design-build team for this project on May 11, 2010, Council issued them a Notice to Proceed with Parking Structure 6 on September 23, 2010. Staff will present conceptual design for a 714-715 space garage at Parking Structure 6 to City Council in spring of 2011, and will present schematic designs thereafter. Construction will start in spring 2012.

- **Façade Improvements to Parking Structures.**

*FY 2009-2010:* The Agency completed façade improvements to Parking Structures 1-6 in FY 2009-2010. Improvements included artist-designed vehicle and pedestrian entry features, lighting enhancements, and planter repairs. Additionally, real-time parking availability monument signs were replaced. The project is now complete.

- **Land Acquisitions.** *[Agency Funding Priority]*

*FY 2009-2010:* The Agency has been pursuing the acquisition of property within the area bounded by 4<sup>th</sup> Street, 5<sup>th</sup> Court, Wilshire Blvd., and Olympic Blvd. for future public projects that may include light rail transit, public parking, affordable housing or other public supportive commercial uses. In 2009, the Agency allocated \$27 million to be spent on property acquisition over the next five years, with an emphasis on facilitating the Downtown Parking Strategic Plan goals. The Agency did not make any acquisitions in FY 2009-2010.

*FY 2010-2011:* In November 2010, the Agency purchased a key property at 4<sup>th</sup> Street and Arizona. The parcel is in the block described above and therefore facilitates land assemblage on a key Downtown city block. The Agency will continue to pursue land acquisition as necessary to accomplish Agency priorities Downtown.

- **AMC Cinema.**

*FY 2009-2010:* Planning is underway for an AMC cinema project that will be developed at the current site of Parking Structure 3. The proposed 83,000-square-foot complex will feature 12 screens with 2,167 total seats, including a four-story IMAX auditorium with 3D capabilities. The project will also include 2,100 square feet of retail space and an interior restaurant open to non-theater-goers. This state-of-the-art project, which AMC believes will be their flagship location, will revive Downtown Santa Monica's reputation as a movie-going destination. City staff hosted a community meeting in April 2010 to discuss the concept plans, and the community was supportive of the project as proposed by AMC Entertainment Inc. &

Metropolitan Pacific Capital Inc. Construction of the project will be phased to ensure that there is sufficient replacement parking available when Parking Structure 3 is demolished.

FY 2010-2011: The project concept was reviewed by the Planning Commission on July 21, 2010. On August 10, 2010, the City Council reviewed the Development Agreement Concept Plan and directed staff to initiate the Development Agreement negotiations, including public benefits, parameters for site redevelopment, and design alternatives. During FY 2010-2011, the EIR analysis will begin and it is anticipated that a development agreement will be completed.

## **D. Other Projects**

The Redevelopment Agency is active well beyond the Civic Center and Downtown areas of Santa Monica. The projects in this section are occurring in other areas of the City, in neighborhoods and along commercial corridors that contribute to the vitality and livability of the City as a whole. Projects in this section fulfill Implementation Plan goals of disaster prevention and mitigation, commercial revitalization, and community revitalization.

- **Traffic Signal Master Plan.** *[Agency Funding Priority]*

FY 2009-2010: A multi-phased upgrade of the City's traffic signal technology will allow for centralized management of the City's 160 signals in real time to handle incidents, special events, and unique timing needs. Phase 1 and 2 were completed in previous years. During this reporting year, the Agency allocated \$4.4 million to be spent on Phase 4 of the Plan as part of Agency funding priorities. In FY 2009-2010, Phase 3 design was completed and phase 4 design was underway. Staff also finalized a Memorandum of Understanding with the Los Angeles County Metropolitan Transit Authority, specifying that the City could use Metro grant funds to purchase wireless communication technology as part of the Phase 3 Transit Priority System. Additionally, traffic signal equipment—including pedestrian indication upgrades, countdown timers, and traffic signal controller test boards—was acquired.

FY 2010-2011: Phase 3 construction is anticipated to be complete by spring 2011. Phase 4 design will be complete by the end of 2010 and construction will begin in 2011. Additional traffic signal equipment will be purchased, and will include video detection systems and cameras to monitor intersection traffic conditions.

- **Palisades Bluff Stabilization.**

FY 2009-2010: After the January 17, 1994 Northridge earthquake, various sections of the Palisades Bluffs were impacted by landslides, flows of debris and mud, and fractures. The damage was exacerbated by sloughing from the disaster level storms of 1995 and 1998. In April 2010, the City completed implementation of the Palisades Bluffs Improvement project as recommended in the Geotechnical Study of the Palisades Bluffs (written in October 2004). The improvements included the installation of 82 new horizontal drains, and a demonstration of slope stabilization and surface treatment measures to determine the aesthetic impacts prior to broader implementation and debris removal. The project is now complete.

- **Memorial Park Master Plan and Expansion.** *[Agency Funding Priority]*

*FY 2009-2010:* In 2004, the City invested \$18.5 million to purchase the 2.9-acre Fisher Lumber site at 1601 14th Street. The site is adjacent to Memorial Park and was purchased to expand recreational opportunities, supporting community priorities related to youth, sustainability, infrastructure and recreation, and active living. Park expansion also supports the goals of the City's Open Space Element and Parks and Recreation Master Plan. In 2009, the Redevelopment Agency prioritized \$2.3 million in funding to supplement a budget appropriation of \$1.9 million in FY08-09 to fund a full Memorial Park master plan. Work on this master plan has not begun because staff is working with the Expo Authority to evaluate impacts the Expo Line will have on the site. The site also has the potential to address water infrastructure needs. Consultants working for the Water Resources Division of Public Works completed initial environmental reports on a 1 million gallon water storage reservoir that may be located underneath the park.

*FY 2010-2011:* Once impacts from the Exposition Rail Line are understood, decisions regarding a master plan for Memorial Park can be made, likely in FY 2011-2012.

- **Pico Branch Library.** *[Agency Funding Priority]*

*FY 2009-2010:* An 8,300 square foot neighborhood library will be built in the Pico neighborhood at Virginia Avenue Park, on the corner Cloverfield and Pico Boulevards. The library will enhance existing park amenities, including the weekly Farmers Market, Community Center, Teen Center, and Park Center Building. Staff issued a Request for Proposals for the design of the new library in September 2009 and executed a contract with Koning Eizenberg Architecture in June 2010. An updated site survey and an geotechnical report were both started in spring of 2010.

*FY 2010-2011:* Four community workshops are being held in late 2010 to gather input on the new branch library. In early 2011, staff will present a concept design to the City Council and relevant boards and commissions, and a schematic design is expected to be complete by the end of FY 2010-2011. Construction is anticipated to take place in 2012 for a 2013 opening.

- **20<sup>th</sup> Street and Cloverfield Streetscape Improvement Project.**

*FY 2009-2010:* This project includes construction of various streetscape enhancements on 20<sup>th</sup> Street and Cloverfield Boulevard between the Santa Monica Freeway (I-10) and Pico Boulevard. The City Council approved the final concept design on April 27, 2010. Staff completed the transportation system and traffic impact analysis, an independent urban design review, and a review of the selected tree species by the Urban Forest Task Force. Staff also broadened the scope of the project to incorporate new Land Use and Circulation Element (LUCE) principles relating to bicycle and pedestrian connectivity, open space and landscaping, sustainability, and the role of streets as places for social interaction and recreation.

*FY2010-2011:* The agreement is being modified to increase the scope of work and the construction timeframe. Design should be complete by spring 2011. Construction will start in summer 2011 and will take ten months.

## EXHIBIT 1

### Projects According to Implementation Plan Goals

#### A. Disaster Prevention and Mitigation

Downtown Parking Program *[Agency Funding Priority]*  
Parking Structure 2  
Parking Structure 6  
Façade Improvements to Parking Structures  
Land Acquisitions *[Agency Funding Priority]*  
Palisades Bluff Stabilization

#### B. Commercial Revitalization

Santa Monica Place  
Improvements to Parking Structures 7 & 8  
2<sup>nd</sup> and 4<sup>th</sup> Street Improvement Project  
Exposition Light Rail Enhancements *[Agency Funding Priority]*  
Colorado Esplanade and Station Plaza *[Agency Funding Priority]*  
Traffic Signal Master Plan *[Agency Funding Priority]*  
AMC Cinema

#### C. Community Revitalization

Palisades Garden Walk *[Agency Funding Priority]*  
Early Childhood Education Center (ECEC) *[Agency Funding Priority]*  
Freeway Capping *[Agency Funding Priority]*  
Civic Auditorium District Projects *[Agency Funding Priority]*  
Civic Auditorium Renovation *[Agency Funding Priority]*  
Shared Parking *[Agency Funding Priority]*  
Memorial Park Master Plan and Expansion *[Agency Funding Priority]*  
Pico Branch Library *[Agency Funding Priority]*  
20<sup>th</sup> Street and Cloverfield Streetscape Improvement Project

#### D. Institutional Revitalization

Civic Center Joint Use Project (CCJUP) *[Agency Funding Priority]*

#### E. Affordable Housing *[Agency Funding Priority]*

New Construction and Rehabilitation of Affordable Units  
Line of Credit – Leveraging Set-Aside Funds  
Senior Homeless Prevention and Rental Assistance Programs  
175 Ocean Park Boulevard