



STAFF REPORT

DATE: APRIL 17, 2012
 TO: HONORABLE MAYOR AND COUNCIL MEMBERS
 FROM: ROD FOSTER, CITY MANAGER
 PREPARED BY: ARTHUR W. MORGAN, REDEVELOPMENT MANAGER
 SUBJECT: "GO FORWARD STRATEGY"

RECOMMENDED ACTION

It is recommended that the City Council adopt the "Go Forward Strategy."

GOAL STATEMENT

The proposed action will support the City's goal to attain financial viability and stability, and ensure economic development.

BACKGROUND

AB 1X 26 dissolved the Redevelopment Agency for the City of Colton ("Agency") as of February 1, 2012 along with all other redevelopment agencies within the State of California. Pursuant to the implementation of AB 1X 26, the City of Colton ("City"), as the Successor Agency to the former Redevelopment Agency, will provide basic administrative support in the dissolution process. An appointed, seven-member Oversight Board will oversee the payment of existing obligations, liquidation of all current assets of the Agency, and disposition of all proceeds and unencumbered funds to various taxing entities.

In light of AB 1X 26, staff has prepared the attached "Go Forward Strategy" as an implementation tool for the City Council and staff. Specifically, this document will provide a framework to move forward the goals for facilitating the development of many needed projects, including the City's priority of a senior housing complex, without the tools of traditional tax increment-based redevelopment.

ISSUE/ANALYSIS

"Location, location, location" is the mantra of business, residential and commercial real estate. Selecting the right location may be the most important decision that a business or resident makes. The "Go Forward Strategy" aims at making Colton the "location" for business attraction, retention, expansion and mixed-income housing. The "Go Forward Strategy" utilizes proven economic development and revitalization concepts toward achieving the City's short and long-term goals.

The document supports the stated goals of the City as it pursues a fiscal healthy government, key development within the City, job opportunities for its citizens, community ownership and pride, and a better place to live and work.

The “Go Forward Strategy” is organized into Goals, Strategies, and Implementation Actions. Goals of the City are broad statements regarding the City’s priorities. Strategies are methods for achieving the Goals. Implementation Actions include specific initiatives that the City will undertake to enact the Strategies and achieve its Goals.

To achieve the stated Strategies, staff will continue to establish relationships, build networks, and identify resources to meet the needs of property owners, residents, developers and businesses. Creative financing, identifying sustainable resources, and leveraging assets from both the public and private sector is critical to attract new businesses, facilitate enterprise development, and assist existing businesses with expansion. A clear understanding of the City’s Development Process is important to our success. Staff will be key facilitators in creating public-private partnerships and coordinating activities and communication between different agencies and levels of government.

The Strategies and Implementation Actions coincide and compliment the City’s current General Plan, the updated draft General Plan, the City’s draft Housing Element, the City’s adopted Legislative Policy, the Capital Improvement Plan, the City of Colton’s Financial Policies, and the City’s Budget, collectively, with the intent of meeting the City Council’s goals and objectives.

FISCAL IMPACT

The goal of the “Go Forward Strategy” is to increase property and sales tax revenues to the City of Colton. Therefore, providing the opportunity for enhanced City services and programs.

ALTERNATIVE

1. Provide alternative direction to staff.

ATTACHMENT

1. “Go Forward Strategy”



City of Colton

Go Forward Strategy 2012

Sarah S. Zamora, Mayor
Frank Gonzales, Mayor Pro Tem
Deirdre Bennett, Council Member
Susan Oliva, Council Member
Alex Perez, Council Member
David Toro, Council Member
Vincent Yzaguirre, Council Member
Rod Foster, City Manager

“Colton is a diverse community where tomorrow’s contributors pursue their dreams in an attractive and safe environment abundant with opportunities for educational and economic advancement.”

Background

In accordance with the Supreme Court's ruling on December 29, 2011, upholding the constitutionality of AB 1X 26, the Redevelopment Agency for the City of Colton dissolved as of February 1, 2012 along with all other Redevelopment Agencies within the State of California. The elimination of redevelopment represents the end to the City's most powerful economic development tool for job creation and affordable housing.

Pursuant to the implementation of AB 1X 26, the City, as the Successor Agency to the former Redevelopment Agency, will provide basic administrative support in the dissolution process. An appointed, seven-member, Oversight Board will oversee the payment of all existing obligations, the liquidation of all current assets of the Agency, and disposition of all proceeds and unencumbered funds to various state taxing entities.

On January 30, 2012, the City of Colton selected the Colton Housing Authority as the entity to assume the housing assets and functions from the dissolved Redevelopment Agency for the City of Colton, as provided by AB 1X 26. Although AB 1X 26 is ambiguous about the extent of the "rights, powers, duties and obligations" pertaining to housing functions, responsibilities may include some or all of the following: the provision of production, inclusionary or replacement affordable housing units.

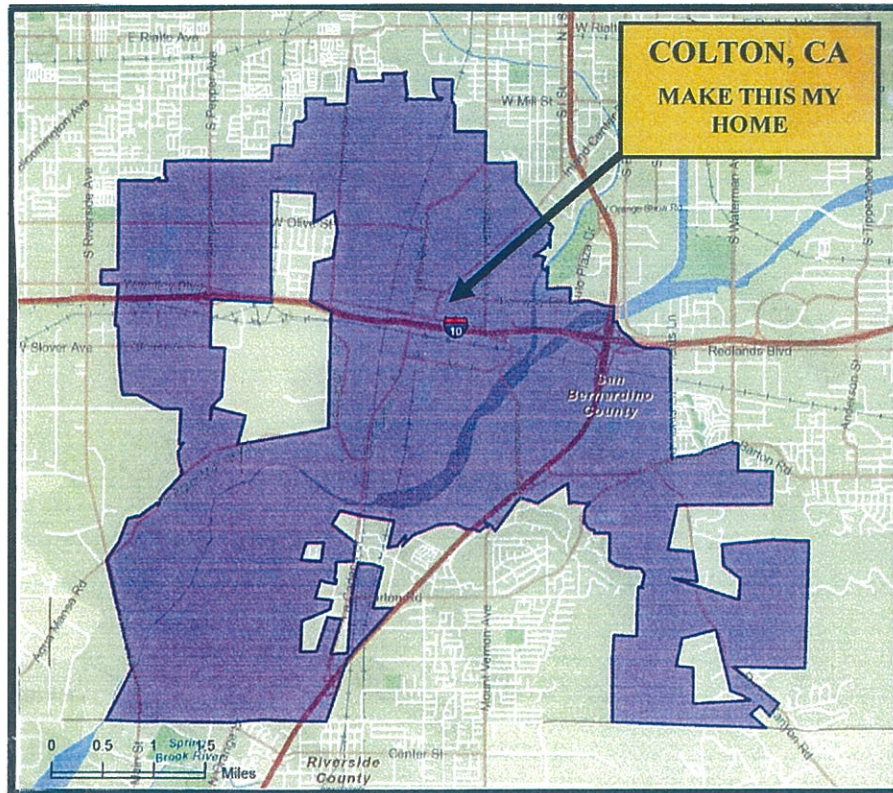
The City of Colton will implement its "Go Forward Strategy," moving forward the goals for facilitating the development of many needed projects, including the City's priority of a senior housing complex, and other affordable housing, without the tools of traditional tax increment-based redevelopment.

The City will be focused on the high quality of living, education, job creation, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure for development that is sustainable over time. Colton will be a destination for visitors and a home for anyone seeking a sense of community and a high quality of life.

A key element of Colton's "Go Forward Strategy" is to **Focus on Success**.

Purpose Statement

“**Location, location, location**” is the mantra of business, residential and commercial real estate. Selecting the right location may be the most important decision that a business or resident makes. The City of Colton is located at the junction of interstates 10 and 215, the “crossroads of the Inland Empire”; strategically located to serve the larger Southern California marketplace. With a current population over 52,154 and a proactive government, the City is targeting the expansion of job opportunities, residential and business growth, in spite of a challenging economy.



The City of Colton is proud of our growing role as a center for new business and employment opportunities in the County of San Bernardino. A comprehensive transportation network, available undeveloped land, a skilled, ready-to-work labor pool and a viable partnership between business, City and County government contributes vitality to an already established commerce. A growing presence of retail, warehouse industrial and manufacturing are indicative of the City’s commitment to economic growth. Available sites and a “can-do” attitude toward economic development make Colton attractive for successful relocation and for new enterprise.

The purpose of Colton’s “Go Forward Strategy” is to move forward the City’s stated goals which are to:

- (1) Attain Financial Viability and Stability;
- (2) Focus on Public Safety;
- (3) Ensure Economic Development; and
- (4) Maintain Infrastructure and Service Levels.

These goals work toward the betterment in the quality of life for the citizens and businesses of Colton. To that end, a number of significant pro-active efforts have already been underway for the past two years:

- Colton is working closely with local employers and its Chamber of Commerce, through business retention programs; thus protecting past investments and ensuring economic development.
- Colton is working with local property owners and businesses for expansion opportunities and attraction of new businesses to the community through an aggressive marketing program.
- Colton is laying the ground work and planning for its future, moving forward to finalize specific plans and other economic development opportunities throughout the City during these challenging economic times.
- Colton is encouraging development to maximize public entry-way “gateway” improvements that include landscaping, entry features, signage, street furniture, public art and other design features for the beautification into the City as part of the draft General Plan Update.
- Colton is participating in the planning and implementation of regional improvements in the Inland Empire through collaboration and partnerships such as the future beautification of the Interstate 10 Corridor with Caltrans, and the Colton Crossing Project with San Bernardino Associated Governments.
- Colton continues to maintain service levels and infrastructure improvements throughout its community as exemplified by our sidewalk repair program. Colton is working hard to improve its neighborhoods with the Safe Routes to School Program as well.
- Colton continues to make job creation and retention a priority, though the entire Inland Empire is suffering with a high unemployment rate, by utilizing the tools of the San Bernardino Valley Enterprise Zone Program, and partnering with various County programs such as the Workforce Development Department programs.
- Colton continues to enhance the Civic Center for easily accessible and business friendly City services.

The City of Colton has prepared this “Go Forward Strategy” in making Colton the **“location, location, location”** for business attraction, retention, expansion and affordable housing.

As the City moves forward, Colton will continue to utilize proven economic development and revitalization concepts, in the most efficient and effective way, toward achieving its goals. Economic development establishes the foundation to achieve healthy economics in order to improve the quality of life, and build a sustainable community.

Historically, Colton has worked hard to make our City one of the best places in Southern California to work, live and enjoy life—and that single goal remains true today. Colton is a community full of opportunity; Colton is **Focused on Success**.

“Focus on Success” Overview

Colton’s “Go Forward Strategy” is a living document that establishes direction for the City’s short and long-term economic development. The document supports the stated goals of the City as it pursues a fiscal healthy government, key development within the City, job opportunities for its citizens, community ownership and pride, and a better place to live and work. Its Focus is on Success, adding to the overall Quality of Life for the community.

Colton’s “Go Forward Strategy” is organized into Goals, Strategies, and Implementation Actions.

Goals of the City are broad statements regarding the City’s priorities:

- (1) Attain Financial Viability and Stability;
- (2) Focus on Public Safety;
- (3) Ensure Economic Development; and
- (4) Maintain Infrastructure and Service Levels.

Strategies are methods for achieving the Goals.

Implementation Actions include specific initiatives that the City will undertake to enact the Strategies and achieve its Goals.

To achieve the stated Strategies, City staff will continue to establish relationships, build networks, and identify resources to meet the needs of property owners, residents, developers and businesses. Creative financing, identifying resources, and leveraging assets from both the public and private sector is critical to attract new businesses, facilitate enterprise development, and assist existing businesses with expansion. Staff will need to be key facilitators in creating public-private partnerships and coordinating activities and communication between different agencies and levels of government.

The Strategies and Implementation Actions coincide and complement the City’s current General Plan, the updated draft General Plan, the City’s draft Housing Element, the City’s adopted Legislative Policy, the Capital Improvement Plan, the City of Colton’s Financial Policies, and the City’s Budget.

Goal #1: Attain Financial Viability and Stability

Like many California cities, the City of Colton has experienced fiscal challenges in recent years, with costs outpacing revenues during the ongoing economic downturn. Declines in property and sales taxes, the rising cost of living, the elimination of redevelopment, and the State's budgetary deficit, have all affected the City's General fund. However, thanks to a conservative fiscal policy, the City has managed to weather these concerns better than most California jurisdictions. The strategies below are presented to maintain and strengthen the City's fiscal position, and allow continued provision of high quality municipal services.



Strategies

1. Retain, expand, and attract retail sales tax revenue-generating businesses to Colton.

Market analysis indicate a strong demand exists for stores with apparel, electronics, home furnishings, clothing, shoes, sporting goods, health & personal care, office supply and full service restaurants.* Currently, Colton residents leave the City to purchase these items for the most part, leading to a significant amount of retail "leakage". New region-serving retail stores in Colton would help recapture some of these lost sales. Existing shopping centers could be enhanced through improvements in design and tenant mix. Large vacant buildings, such as the former Moss Bros and K-mart sites, could be repositioned to accommodate 2 to 3 retailers. These steps would help fill vacancies, meet the evolving needs of retailers, and improve local shopping opportunities in Colton. Regional retailers would attract shoppers from outside the City, diversify the local economy, and generate additional sales tax revenue to the City.

*(Source: Retail MarketPlace Profile, ESRI Business Analyst Online)

2. Expand and attract property tax revenue-generating development such as industrial manufacturing.

Within the Agua Mansa Commerce Center, there are plans to construct 650,000 square feet of "spec" industrial space at Agua Mansa Road and Riverside Avenue. Once a tenant has been identified, the developer will begin construction. The currently-identified building improvements have an estimated value of \$30 million. As reported by the County of San Bernardino and other trade publications, manufacturing industrial spaces are also increasingly in demand. Manufacturers located in Los Angeles and Orange Counties do not have the room (land) to expand their operations. They are beginning to look into the Inland Empire for expansion growth and opportunities. Manufacturers create numerous job opportunities within the local economy.

3. Consider the fiscal impact of land use decisions during planning initiatives such as in the City's General Plan.

Land use planning decisions have fiscal impacts on the City, affecting revenues from sales tax, property tax, and other sources, as well as the demand on municipal services. The City should conduct fiscal impact analyses of major land use plans to consider the effects on these programs on municipal finances.

4. Leverage new development to generate service fees for the City, and ensure that these fees are commensurate with the cost to entitle and approve projects.

New residential, industrial and commercial development generates fees that allow the City to continue providing high-quality services. Fees should be set to a level that allows cost-recovery, while remaining competitive with neighboring jurisdictions.

5. Ensure that new development covers the associated operating and capital costs it generates.

New residential, industrial and commercial development generates costs to the City in the form of needed infrastructure improvements and greater demands on local services. The City should assure that these costs are effectively addressed so that development "pays its own way," while remaining sensitive to financial feasibility considerations and development costs for the new or expanding business.

6. Maintain an operating reserve consistent with the City's reserve policy.

The City's conservative fiscal policy, including its operating reserve, has allowed Colton to weather the economic downturn better than most California jurisdictions. The City should maintain its goal of a 10% reserve against General Fund expenditures.

Implementation Actions

- A. Pursue additional region-serving retailers to Colton; particularly, those that generate high levels of taxable sales.
- B. Actively identify and implement opportunities to maximize sales tax-generating uses on commercially zoned infill properties by working with property owners, developers and industry trades to assemble larger, more usable sites and successfully create opportunities for more sales tax-generating uses.
- C. Identify and communicate with Colton's top 25 sales tax producers; maintaining relationships with these firms help retain their presence in Colton. Honor these businesses at an annual event.
- D. Continue to apply for regional, state, and federal grants for capital projects and downtown revitalization.
- E. Review and establish a development fee schedule at a level that allows cost-recovery revenue for City service expenditures.
- F. Continue to maintain the goal of a General Fund reserve of 10% of General Fund expenditures.

Goal #2: Focus on Public Safety

Colton is a community with true small town heart and has always been a tight knit family-oriented community. Generations have raised their families here, and many remain today. The City is small enough that many residents call you by name, yet big enough that its citizens enjoy the conveniences of a much larger city.

Colton has been the meeting place not only of railways and roadways but also of peoples from different cultures and backgrounds who traveled the roadways in search of a better way of life. Each day is a “New Day” in Colton, as its residents endeavor to enrich the community by preserving the City’s historic qualities while continuing to move forward towards future goals. Our community embraces the opportunity to work together towards the betterment in the quality of life, with clean and safe neighborhoods, for its citizens and businesses.



Strategies

1. **Continue to provide and improve high-quality services and facilities for the community, including recreational and cultural amenities.**

Colton continues to strive for well-maintained streets, modern community facilities and parks, public libraries, and well-managed City government, which all contribute to the quality of life in Colton. These factors make Colton an attractive and safe place to live, work, visit, and invest. The City should continue its commitment to the maintenance, improvement, and expand community facilities, including the development of a regional park. Support from other public and private institutions can assist in achieving these goals.

2. **Ensure that new development covers the associated costs for public safety services including code enforcement, graffiti removal, police and fire personnel.**

New development generates costs to the City in the form of greater demands on local services which include code enforcement, graffiti removal, police and fire personnel. The City should assure that these costs are effectively addressed so that development “pays its own way,” while remaining sensitive to development financial feasibility costs.

3. **Encourage development to install, or replace, public infrastructure improvements for the safety and welfare of Colton’s residents.**

New development should install, or upgrade, public infrastructure as part of their conditions of approval. The City should implement a policy so that development either constructs the public improvements, or “pays their fair share.”

4. Expand, attract and cluster healthcare industries for higher paying occupational opportunities and for the health & safety of the Colton community.

The Health Care industry was identified as a key focus in a recent survey conducted jointly by the Counties of San Bernardino and Riverside. Health Care firms which participated in the survey reported a total current employment of 34,467 for the Inland Empire, and jobs were projected to grow at a relatively faster pace in San Bernardino County (2.3% 12-month growth; 366 new jobs) with a total combined County job growth of almost 700 new jobs at the end of 2011. This growth will continue in the years to come according to State reports. An array of additional and affordable health care providers is needed to serve the health and welfare of Colton's community.

(Source: *Health Care Employer Survey Results* prepared by the San Bernardino and Riverside Counties Economic and Workforce Development Agencies.)

5. Continue to work with the local school district to support Colton's high quality public education system, and provide shared facilities planning for the safety of Colton's students.

The City should work closely with the Colton Unified School District in facilities planning, and collaborating on public infrastructure, creating safe routes to schools, when appropriate. For the safety of Colton's students, installation of public infrastructure such as sidewalks, cross-walk signalization, and street lighting, should be priority in facilities planning. Furthermore, efforts should be made to phase school development in time with new housing development to avoid overcrowding at existing schools.

6. Strive for a sustainable City by promoting public transit and non-auto transportation options, both transit- and safe pedestrian-oriented development.

Cities throughout the nation and region are recognizing the importance of sustainability measures as a way to reduce environmental impacts and signal a progressive attitude to employers and residents. These measures also help improve the local quality of life by reducing energy consumption and congestion, enhancing the streetscape, and offering various transportation alternatives for residents. The revitalization of Colton's downtown could exemplify these features providing a safe and walk-able downtown.

7. Work closely with the community when planning major new development projects.

The City should continue to engage the local community in planning initiatives such as the City's General Plan and any specific plans. In addition, the City should encourage developers to pro-actively involve the Colton community in planning major projects. These efforts help address local needs, community safety, identify concerns at the early stages of the process, and can help build support for a project or plan.

8. Seek funding opportunities through grants for public infrastructure improvements and upgrades for the safety of Colton's residents.

The City has utilized Community Development Block Grant (CDBG) funding, Economic Development Administration (EDA) federal grant funding, and other

various state funding sources, such as Safe Routes to Schools Funds, to improve and upgrade sidewalks, install handicap ramps, increase pedestrian lighting and enhance landscaping, for the public safety of Colton's residents. Working with the City's lobbyist, these efforts should continue, and additional funding opportunities should be aggressively sought.

Implementation Actions

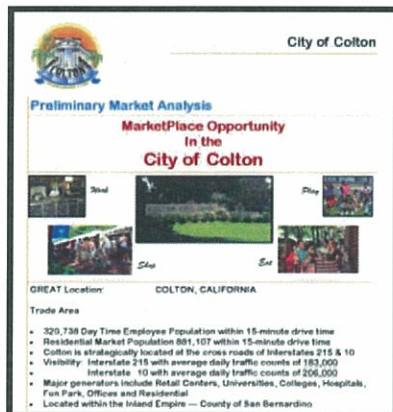
- A. Continue to commit resources to the maintenance, improvement, and expansion of community facilities that improve the safety and quality of life in Colton.
- B. Work with new development to install, or replace, public infrastructure (streets, curb, gutter, sidewalks and landscaping), for the safety and welfare of Colton's residents and assure that new development covers the cost demands on local services.
- C. Work with Arrowhead Regional Medical Center and local health care providers to identify their expanding occupational and placement needs, which can be met by the local educational institutions such as Summit Career College, Four-D College and others.
- D. Work with Arrowhead Regional Medical Center to identify and attract health care providers that are affordable to Colton's community that are not already in the City.
- E. Work closely with the Colton Unified School District in facilities planning, and collaborating on public infrastructure, creating safe routes to schools.
- F. Promote that developers initiate public participation early in the development process to identify safety issues and neighborhood concerns.
- G. Work with private and other public entities in identifying funding sources for the purchase of a site for the development of a regional park.
- H. Continue to support efforts to expand and increase public transit service for local employees; and for the development of safe, walkable neighborhoods.
- I. Continue to apply and use state and federal grant funds for infrastructure improvements with the highest priority on the safety of Colton's residents, and aggressively seek other grant funding opportunities. Work with City's lobbyist in securing grant opportunities.

Goal #3: Ensure Economic Development

Colton's Go Forward Strategy utilizes the approaches of Economic Development. Economic Development is a concerted effort to facilitate and influence the direction of private sector investment toward opportunities that can lead to sustained economic growth. Sustained economic growth can provide sufficient incomes for the local labor force, profitable business opportunities for employers and tax revenues for maintaining an infrastructure to support this continued growth. There is no alternative to private sector investment as the engine for economic growth, but there are many initiatives that support to encourage investments where the community feels they are needed the most.

Economic Development is simply the creation of wealth by which both community and private sector benefit. There are three approaches used to enhance local economic development. They are:

- Business Retention and Expansion for existing businesses
- Business/Development Attraction for new businesses
- Business Creation – encourage the growth of new start-up businesses



Strategies

1. **Increase Tax Base** – increase property and sales tax revenues to support, maintain, and improve local infrastructure such as road, parks, libraries, and emergency services.
2. **Job Development** – create opportunities for better wages, benefits, and job advancement for the local community.
3. **Development Process** – a clear development process helps businesses make a decisive decision to locate within the community.
4. **Business Retention** – businesses that feel appreciated, in turn, are more likely to stay in town, contributing to the local economy.

5. **Economic Diversification** – a diversified economic base helps expand the local economy.
6. **Self-Sufficiency/Sustainability** – creation of a stronger economic base means public services are less dependent on intergovernmental influences and alliances.
7. **Productive Use of Property** – property used for its “highest and best use” maximizes the value of that property.
8. **Chamber of Commerce** – work with the Colton Chamber of Commerce in promoting economic development within the City that includes creating marketing materials for business expansion, retention and attraction.
9. **Development Opportunities** – work with real estate brokers, property owners and developers to facilitate and create partnership opportunities for new development of retail, commercial, industrial, office, entertainment and affordable housing projects.
10. **Quality of Life** – the generation of more local tax dollars and job opportunities raises the economic tide for the entire community, including the overall standard of living for Colton’s residents.
9. **Local Consumption/Buying** – an increase in local shopping and consumption of goods sustains local businesses.
10. **Enhance shopping opportunities for comparison goods in Colton** - Local access to goods allows residents to shop in the City, supporting taxable sales and limiting the need to travel to neighboring communities for their retail needs.
11. **Broaden Colton’s dining and entertainment options** - Colton has a limited number of higher-end dining options, including higher-end, family-oriented restaurants. High-quality restaurants, including regional and national chains and independent operators, can offer evening entertainment for the community, attractive dining options for business travelers and meetings, and can generate foot traffic at new and existing retail centers. Given the right site, a well-targeted restaurant could flourish in the Colton marketplace.



Implementation Actions

Business Retention, Expansion and Development Attraction

- A. Partner with the Colton Chamber of Commerce to organize and implement a marketing campaign to promote business attraction, retention and expansion; and to encourage residents to shop in the City of Colton.
- B. Continue to improve and refine the City's Development Process as the key to our "Focus on Success."
- C. Assemble and promote a City Business Package that highlights the benefits of locating in the City of Colton. The benefits include a qualified workforce, low business fees and taxes, excellent municipal services, a well-run City government, and the generally high quality of life in the City. The package will also contain local and county government contacts.
- D. Create an electronic Newsletter that provides information regarding economic trends and that highlights business development. In addition, the Newsletter will contain information on events, seminars, educational, training, and business development resources County-wide.
- E. Continue to create marketing materials to support business attraction with information regarding population, household income, education, employment trends, traffic counts, and marketplace sales leakage/opportunities.
- F. Continue to collaborate with the existing network of business services in the City and County of San Bernardino, and direct new firms to these services through informational materials contained in the City Business Package. Business services include, but not limited to, the Colton Chamber of Commerce, the San Bernardino Valley Enterprise Zone, San Bernardino County Workforce Development Department and the Workforce Investment Board, Inland Empire Small Business Development Center, and Service Corps of Retired Executives (SCORE).
- G. Continue to market the San Bernardino Valley Enterprise Zone as an incentive for businesses to locate within the City of Colton.
- H. Encourage the development of underused properties or older office/industrial facilities as low-cost flex-space to attract start-up firms.

- I. Continue to partner with commercial and industrial real estate brokers and property managers to provide marketing and property information to potential businesses looking to locate in the City, and provide a clear understanding of the City's entitlement process.
- J. Work with Colton's Development Services Department to provide a clear understanding of the City's entitlement process.
- K. Work with existing property owners interested in issuing Request for Proposals, to businesses and developers, for the development of their sites.
- L. Maintain ongoing communications with local venture capital groups, financial assistance program providers, and local banks to encourage investment in the community for new businesses seeking to expand or relocate to the City of Colton.
- M. Continue to seek and apply for State and Federal grants for downtown revitalization and affordable housing opportunities.
- N. Continue to maintain ongoing communications with existing businesses both small and large.
- O. Continue to monitor leasing activity among retail, industrial, and office uses to fill or avoid vacancies.
- P. Encourage and facilitate partnerships between Arrowhead Regional Medical Center and the development community for the "clustering" of new medical offices, nurses housing, and commercial developments.
- Q. Market the significant food processing/manufacturing industry cluster in the City to other food processors, packagers and distributors.
- R. Engage retail brokers and other industry specialists to identify tenants for new and existing shopping centers in Colton.
- S. Continue to track retail and industrial development trends through conferences, industry publications, and communication with industry representatives, such as brokers, developers and site selectors.
- T. Monitor and support State and Federal legislation that would enhance or expand tools to communities; including the assemblage of property and local long-term funding sources, which can be used to address revitalization and development needs.
- U. Identify viable and appropriate financing alternatives such as Infrastructure Financing Districts, Business Improvement Districts, Landscape Maintenance Districts, Mello-Roos Community Facility Districts, Conduit Revenue Bond Financing (e.g., Industrial Development Revenue Bonds, and Housing Revenue Bonds), Tax-exempt 63-20 Bond (lease-to-own) Financing, Mortgage Revenue Bonds, General Obligation Bonds, Reimbursement Agreements, and Sales Tax Rebate/Sharing Agreements.

Affordable Housing Development

The Colton Housing Authority has been selected as the entity to assume the housing assets and functions from the dissolved Redevelopment Agency for the City of Colton. A “*Senior Housing Absorption Study*” dated June 7, 2011, was completed by Apt Market Research. The results of the Study identified the number of potential units which can be built for a senior housing project(s) within the City of Colton. The Study also identified the former Colton Palms site as the best location for a senior housing project. The City is currently in an Exclusive Negotiation Agreement with a housing developer. The City and developer started planning efforts for the design of an affordable senior housing project adjacent to City Hall and its relationship to a future Civic Center complex, as well as a catalyst for Downtown Revitalization. New funding sources need to be identified to complete the proposed housing project.



Strategies

- 1. The Colton Housing Authority has been selected as the successor housing entity from the former Redevelopment Agency.**

Pursuant to AB 1X 26, housing assets of the former Redevelopment Agency are to be transferred to the successor housing entity, the Colton Housing Authority. The Colton Housing Authority will most likely inherit the former Colton Palms site and the Mount Vernon/Colton Avenue properties.
- 2. Work with the selected developer in moving forward the affordable senior housing project on the former Colton Palms site.**

In December 2011, the City of Colton entered into an Exclusive Negotiation Agreement with Eagle Colton 55 LLC, for the replacement of 101 affordable senior housing units on the former Colton Palms site. A financing strategy is being formulated in order to move forward the replacement, affordable housing project.
- 3. Seek grant funding opportunities to plan for Downtown Revitalization that includes a new Civic Center complex and library with mixed use affordable housing, retail and commercial development opportunities, and parking.**

The City’s lobbyist continues to provide City staff with notifications from the State, or Federal government, for funding opportunities to prepare Colton’s vision for Downtown Revitalization.

4. Offer a range of housing types affordable to various income groups and Colton's workforce.

Colton, like the rest of the Inland Empire, has seen home values weaken in recent years. The 2011 median sale price of a single family home in Colton was \$120,000; while, the median priced home in the Inland Empire was \$178,744 compared to the California's \$252,000 median price*. However, the decrease in the City's home prices makes Colton competitively affordable, and will allow new buyers of moderate-income households to enter the Colton housing market and settle into the community.

*(Source: HdL 2011/12 City of Colton Property Tax Summary, and Western Riverside Council of Governments, Quarterly Report January 2012)

5. Leverage funding sources for the development of affordable housing within the West Valley Project area.

Partnerships between Arrowhead Regional Medical Center and private developers could be a catalyst in addressing housing needs of medical staff. County funds, e.g. HOME funds, and private sector dollars could be leveraged for the development of affordable housing within the West Valley Project area.

6. Promote community pride for homeowners to embrace the appearance of their neighborhoods.

Homeowners should take pride and ownership for improving the appearance of their front yard from the curb to the house; "Own the Curb."

7. Increase compliance of code violations within neighborhoods that distract from the overall quality of life.

Proactive code enforcement activities would have a positive impact on blight removal. Strategically alleviate blight; especially, graffiti, within the most visible sectors of the City; e.g. freeway entry points, major streets, etc. First impressions are very important to businesses and residents seeking a new location.

8. Seek opportunities to enhance and preserve the appearance of Colton's existing historical housing stock.

Colton has a unique historical housing stock which should be preserved and enhanced. Homeowners should be encouraged to paint, repair and enhance the façade of their homes to showcase these historical landmarks.

9. Support legislation that provides funding sources for local affordable housing projects.

Support legislation that provides for a continued, sustainable funding source for affordable housing. The City's lobbyist will be used to relay the City's position to legislators regarding the need for on-going funding for affordable housing.

Implementation Actions

- A. Prepare the Colton Housing Authority for the provision of production, inclusionary and/or replacement affordable housing units within the City of Colton.
- B. Create a funding strategy to develop an affordable senior housing project on the former Colton Palms site.

- C. Continue to seek grants to plan for Colton's Downtown Revitalization that includes a new Civic Center complex and library with neighboring mixed-use affordable housing, retail and commercial services, and parking.
- D. Identify assets purchased with low-moderate funds (by the former Redevelopment Agency) that can be sold; whereby, the proceeds can be leveraged by the Colton Housing Authority for the development of affordable housing units, or a home improvement loan program.
- E. Work with Arrowhead Regional Medical Center to identify the housing needs of medical staff and the need for additional medical offices, near and adjacent to the Medical Center.
- F. Work with developers who can develop mixed-use commercial and quality, affordable housing within the West Valley area.
- G. Research possible funding sources for housing programs to provide for the rehabilitation of the City's existing housing stock, to address code violations, and to stabilize older neighborhoods against deterioration.
- H. Promote community pride of homeownership to enhance the appearance of neighborhoods in target areas and "Own the Curb".
- I. Promote the assembly of smaller lots to create larger residential affordable housing opportunities that will attract housing developers.
- J. Continue to implement the projects and programs identified in the City's Draft Housing Element.
- K. Monitor and support State and Federal legislation that would enhance or expand tools to communities; including long-term, local funding sources, which can be used to address affordable housing needs.

Goal #4: Maintain Infrastructure and Service Levels

The City maintains a Five-Year Capital Improvement Plan (CIP) that identifies public works projects planned and funded on a rolling five-year basis.

A CIP provides many benefits including:

- Allows for a systematic evaluation of all potential projects at the same time.
- The ability to stabilize debt and consolidate projects to reduce borrowing costs.
- Serve as a public relations and economic development tool.
- A focus on preserving a governmental entity's infrastructure while ensuring the efficient use of public funds.
- An opportunity to foster cooperation among departments and an ability to inform other units of government (County, San Bernardino Associated Governments, School Districts, etc.) of the City's priorities.

The CIP includes anything from resurfacing of streets to major projects like remodeling public facilities and buildings, retrofitting/replacing bridges to meet seismic and safety standards, bike paths and trails, traffic signals, road widening and realignment. The CIP projects respond to goals and policies in the Circulation Element of the City's General Plan, but are also used to support long-range land use plans by providing the infrastructure improvements needed.



Strategies

1. Increase homeownership within the City of Colton.

The City of Colton has a current population of 52,154. The total number of housing units in Colton is approximately 16,736 with an 8.9% vacancy. Approximately 7,843 are owner-occupied (46.9%), while 7,408 are renter-occupied (44.3%).

(Source: Housing Profile, ESRI Business Analyst Online)

2. Improve and install sidewalks, and landscaping in the public rights-of-way, around neighborhoods and schools.

The Community Development Block Grant (CDBG) program is a limited funding source available to the City of Colton for the benefit of low- and moderate income target areas. The City should continue to prioritize infrastructure projects for the health, safety and welfare of Colton residents utilizing CDBG funds wherever possible and should identify other grant opportunities.

3. Colton is an ideal location for the development of a Regional Park which would serve the Colton community and neighboring cities.

Colton is at the cross-roads of Interstates 10 and 215, which makes Colton ideal for the development of a Regional Park. A Regional Park would provide direct and indirect local employment opportunities and economic benefits. A Regional Park will be linked to the existing Santa Ana River Trail and Parkway, and could provide services such as bike hire, picnic shelters, food kiosks, restaurants; and, offer an outdoor venue for local artists, musicians and other performers.

4. Identify regional infrastructure improvements within the City of Colton and pursue joint funding sources.

The County of San Bernardino has published a draft Comprehensive Economic Development Strategy (CEDS) 2012 Five-Year Plan. The CEDS planning process and subsequent Economic Development Administration (EDA) funding allows for the identification and leveraging of resources that are necessary for the planning of regional projects, activities and events. It also provides a basis for determining a cost and benefit structure that promotes efficient use of scarce resources.

5. Use the City's Capital Improvement Plan as an economic tool that eliminates public infrastructure blight and encourages development.

The CIP typically includes the following information:

- A listing of the capital projects to be funded.
- The projects ranked in order of preference.
- The plan for financing the projects.
- A timetable for the construction or completion of the project.
- Justification for the project.

6. Create and seek funding for a City-wide Anti-Graffiti Program.

The City has limited resources for a City-wide anti-graffiti program; however, in partnership with other agencies, funds could be leveraged. A comprehensive program which includes networking with Caltrans, the County Flood District, the Railroad companies, and other entities, for graffiti removal along freeway and railroad infrastructure, overpasses, flood control channels, etc.

7. Continue to identify opportunities for infill development throughout the City.

Colton contains a number of small, low-density, underused commercial properties along Mount Vernon Avenue. Over the long term, these sites and adjacent properties should be assembled and reused to support the development of housing, and mixed-use development. The City should work with property owners and affordable housing/commercial developers to facilitate this process.

Implementation Actions

- A. Support programs that convert renters into homeowners by promoting any available homebuyer assistance program that provides down payment financial assistance to first time home buyers.
- B. Continue to promote community pride and ownership of public rights-of-way in neighborhoods.

- C. Continue to identify and apply for grants, and other public/private funding sources, for site control and the development of a Regional Park within proximity to the Santa Ana River Trail.
- D. Apply for EDA grant funding to leverage resources for regional improvement projects that serves the City of Colton.
- E. Utilize the City's Capital Improvement Plan as an economic development tool that prioritizes public infrastructure improvements for desired development.
- F. Apply for grants that fund anti-graffiti programs; and where possible, include personnel costs.
- G. Continue to use Community Development Block Grant funds for public infrastructure improvement projects within low- and moderate income neighborhoods.
- H. Continue to apply for Safe Routes to Schools funding for sidewalk improvements to and from neighboring schools.
- I. Continue to support private efforts to develop underused properties for commercial/retail and housing projects.

