

**CITY OF LONG BEACH**

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 1, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Adoption of the Housing Action Plan for Fiscal Years 2005-2009
(Citywide)

DISCUSSION

In order to systematically address the critical housing needs of the City of Long Beach, the Department of Community Development recommends the adoption of a Housing Action Plan (HAP) for Fiscal Years 2005-2009. The draft of the Housing Action Plan is attached. The HAP will serve as the framework for the allocation of scarce City housing resources.

Mission Statement

The Department of Community Development's mission in assisted housing is to provide safe and livable neighborhoods in Long Beach. This mission is accomplished by promoting, developing and preserving decent, safe and affordable housing through the use of available resources such as tax increment, federal capital resources, bonding authority, tax credits, and other funds from the public and private sectors.

Over-Arching Goals

- To maximize investment towards providing quality affordable housing to as many Long Beach residents as possible with a clear and pronounced effect of revitalizing and stabilizing Long Beach neighborhoods.
- To ensure that the tax increment set-aside housing obligation is funded to the fullest extent feasible.
- To ensure that projects assisted with housing resources address the Department's guiding principles for housing, which are:
 - To provide and preserve safe, decent and affordable housing for Long Beach households with the greatest need.
 - To address severe overcrowding in Long Beach neighborhoods.

- To address substandard conditions.
- To encourage owner occupancy.
- To enhance neighborhood stability.

Neighborhood Focus Areas

In order to most effectively direct its resources and have a clear and pronounced effect in addressing the City's housing needs, the City should concentrate its efforts on a few selected neighborhoods in various stages of need. Based on the existence of severe renter overcrowding, severe renter overpayment, high poverty levels, high absentee ownership, concentrated building code violations, high crime rates, indicators of neighborhood transition, geographic distribution, and existence of other City investment and programs, staff recommends the designation of the following focus areas:

1. Washington School Focus Area
*Anaheim Street – Pacific Coast Highway/Magnolia Avenue –
Long Beach Blvd*

The Washington School Focus Area encompasses a population of approximately 9,200 residents, and 2,300 housing units. This area contains one of the highest concentration of rental units in the City, with 93% of all occupied units utilized as rentals, compared to 59% Citywide. The housing stock is characterized primarily by small to medium sized apartment buildings (less than 20 units) built in the 1950s and 1960s with off-site property management. More than half of the single-family homes are renter-occupied. While the apartments in this area are typified by small unit sizes, households average 4.1 persons per unit, contributing to significant unit overcrowding. In fact, 47% of the renter-occupied housing is considered severely overcrowded, compared to 20% severe renter overcrowding Citywide. Over half (51%) of neighborhood residents earn incomes that fall below the poverty level, compared to 23% Citywide. The 2000 census documents 57% of renters in this Focus Area pay more than 30% of their income for housing, with one-third of renters spending more than half of their income on rents.

2. Central Focus Area
*Pacific Coast Highway – Willow Street/Pacific Avenue – Western
boundary of Signal Hill*

The Central Focus Area is geographically the largest of the three focus areas and encompasses a population of 18,700 and housing stock of 5,100 units. Three-quarters of the occupied housing in this area is used as rentals. With two-thirds of the housing comprised of multi-family, primarily apartment units, and an average household size of 4.0 persons, household overcrowding is a significant issue: 54 percent of renter households are overcrowded and 36 percent are

severely overcrowded. Population densities in the area west of Long Beach Boulevard are among the highest in the City.

3. North Long Beach King School Focus Area

Artesia Freeway – Greenleaf Blvd (North City limits)/ Delta Avenue – Long Beach Freeway

The North Long Beach King School Focus Area lies within the northwestern most corner of the City, isolated from the remainder of the City by the 91 and 710 freeways, which form the area's southern and eastern boundaries. The City of Compton abuts the area's northern and western borders, with Compton Community College located immediately to the west.

This Focus Area consists of approximately 2,080 dwelling units and is home to 8,235 residents. Unlike the other two focus areas, single-family homes comprise more than half of the housing in the area, along with over 200 mobile homes concentrated in one large mobilehome park. While the area does contain a mix of small-to-large multi-family properties, the overall housing and population density is well below that of the other two predominately multi-family focus areas. The age of the housing in this North Long Beach neighborhood is also much more recent than the other two areas, with the majority of the housing stock built post WWII. However, with over 50 percent renter-occupancy in this area and one-third of the single-family homes used as rentals, this high level of absentee ownership contributes to deterioration of the neighborhood.

Upon final adoption of the focus areas by the City Council, detailed implementation plans specific to each neighborhood will be developed to meet the unique needs of each area. The Department of Community Development will coordinate work in these focus areas with various departments in the City, including: Planning and Building, Police, Public Works, Fire and the affected Council District offices. The Long Beach Unified School District (LBUSD) will also be included. Design of specific implementation plans will involve the following steps:

1. Assessment of areas' housing needs
2. Assessment of City and neighborhood resources to address needs
3. Coordination of plans with other City departments and LBUSD
4. Community outreach regarding proposed plan
5. Implementation of the plan

Allocation Plan

The City's housing resources under the administration of the Housing Services Bureau, (i.e., redevelopment housing set-aside and federal HOME funds), will be allocated as follows:

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- 65 percent of resources over a five-year period will be dedicated to the three focus areas;
- 50 percent of these funds will be allocated to homeownership programs and 50 percent to rental programs;
- Population to be served will be in accordance with the requirements of federal legislation, State redevelopment law, the City's Housing Element, and other statutory and funding regulations.

HAP Administration

As mentioned above, the primary sources of financing for the HAP are redevelopment housing set-aside and federal HOME funds, administered by the Housing Services Bureau under the approval authority of The Long Beach Housing Development Company (LBHDC) and City Council, respectively. In addition to the City Council, expenditures of HOME funds for rehabilitation loans are also reviewed by the Neighborhood Preservation Loan Committee.

In order to efficiently administer the HAP, staff recommends that LBHDC be given full responsibility to authorize the expenditure of redevelopment set-aside and HOME funds, in accordance with the HAP.

This letter was reviewed by Deputy City Attorney Everett L. Glenn and Budget Manager Michael A. Killebrew on March 11, 2004.

TIMING CONSIDERATIONS

City Council action is requested on June 1, 2004 to incorporate recommended allocations under the Housing Action Plan into the Fiscal Year 2005 (FY 05) budget, which is currently being prepared.

FISCAL IMPACT

The housing set-aside and HOME funds to implement the Housing Action Plan will be incorporated into the Community Development Department's FY 05 budget for City Council consideration. There will be no impact on the General Fund.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1) Adopt the attached resolution approving the Housing Action Plan;
- 2) Approve the designation of three focus areas; and

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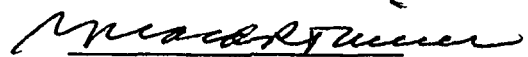
- 3) Authorize the Long Beach Housing Development Company to administer the Housing Action Plan and to direct the expenditures of housing set-aside and HOME funds in accordance with the Housing Action Plan and authorize all actions necessary to implement this particular recommendation.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

MF:EBS:ET
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Attachments: Resolution Adopting Housing Action Plan
Draft Housing Action Plan

LBHDC / NPLC
Board Member Composition
As of February 1, 2005

| LBHDC MEMBERS | Term Out Date | DISTRICT | | | | | | | | | | PROFESSION | | | | |
|------------------------|---------------------|----------|---|---|---|---|---|---|---|---|--------------|----------------|------------------------|---------|----------|-----------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Non- L.B. | Real Estate | Architect/ Engineer | Finance | Planning | Nonprofit/ Comm. Rep. |
| Pat Brown | 7/1/11 | | | X | | | | | | | | | | | X | |
| James Fortunes, A.I.A. | 7/1/06 | | | | | | | | | | X | | X | | | |
| Ivy Goolsby | 7/1/11 | | | | | | | | X | | | X | | | | |
| Richard Green | 7/1/11 | | X | | | | | | | | | | | X | | |
| Gladys Gutierrez | 7/1/11 | | | | | | | | | X | | | | | | X |
| Michael Lo Grande | 7/1/08 | | | | X | | | | | | | | | | X | |
| Perry Rector | 7/1/08 | | | | | X | | | | | | | | X | | |
| Carolyn Smith Watts | 7/1/07 | | | | | | | X | | | | | | | | X |
| Patrice Wong | 7/1/11 | X | | | | | | | | | | | | | | X |
| Sub Total | | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 3 |

| NPLC MEMBERS | Term Out Date | DISTRICT | | | | | | | | | | PROFESSION | | | | |
|----------------------|---------------------|----------|---|---|---|---|---|---|---|---|--------------|----------------|------------------------|---------|----------|-----------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Non- L.B. | Real Estate | Architect/ Engineer | Finance | Planning | Nonprofit/ Comm. Rep. |
| Carol Poling Carter | 7/1/12 | | | | | X | | | | | | | | | | X |
| Kevin Cooper | 7/1/12 | | | | X | | | | | | | X | | | | |
| Jonathan Gotz | 7/1/08 | | | | | | | | X | | | | | X | | |
| Michael McCarthy | 7/1/12 | | | | | | | | | X | | | | | | X |
| Froshanda Washington | 7/1/12 | | | | | | X | | | | | X | | | | |
| Sub Total | | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 1 | 0 | 2 | 0 | 1 | 0 | 2 |

| | | | | | | | | | | | | | | | | |
|--------------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 3 | 1 | 3 | 2 | 5 |
|--------------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF
THE LONG BEACH HOUSING DEVELOPMENT COMPANY

WHEREAS, the Board of Directors of The Long Beach Housing Development Company, a California non-profit public benefit corporation, met on August 18, 2004 in the City Council Lounge of the City of Long Beach; and

WHEREAS, there were present at the meeting a quorum of the full board;
and

WHEREAS, the matter of amending the Bylaws of the Corporation was considered and discussed, and on motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the authorized number of directors of the Corporation shall be fourteen (14) in order to consolidate the activities and affairs of the Corporation and the Neighborhood Loan Preservation Committee. Subsequently, as vacancies occur, the authorized number of directors of the Corporation shall be reduced to eleven (11) without further action on the part of the board being required.

This Resolution shall take effect on the date of consent of the City of Long Beach, as the only member of the Corporation.

I hereby certify that the foregoing Resolution was adopted by the Corporation at its meeting on August 18, 2004, by the following vote:

Ayes: Boardmembers: Patrick Brown, Jacob Ellens,
Ivy Goolsby, Richard Green,
Gladys Gutierrez, Carolyn Smith Watts,
Patrice Wong

Noes: Boardmembers: _____

Absent: Boardmembers: James Fortunes, Michael Lo Grande,
Perry Rector


Secretary

CONSENT OF MEMBER

The undersigned, CITY OF LONG BEACH, as the sole member of the corporation,
does hereby consent to the adoption of the within resolution this _____ day of
_____, 2005

CITY OF LONG BEACH, a municipal corporation

By _____

City Manager

ELG:rjr 03/15/04 (LBHDC_RES) #04-01015

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