



Affordable Housing and Homelessness Prevention

Revenue Sources and Program Recommendations

August 21, 2018

Background: An Ongoing Conversation



Presentations

- Study Session on Homelessness (Oct 4, 2016)
- Revenue Tools and Incentives for the Production of Affordable and Workforce Housing (March 13, 2018)



Memos

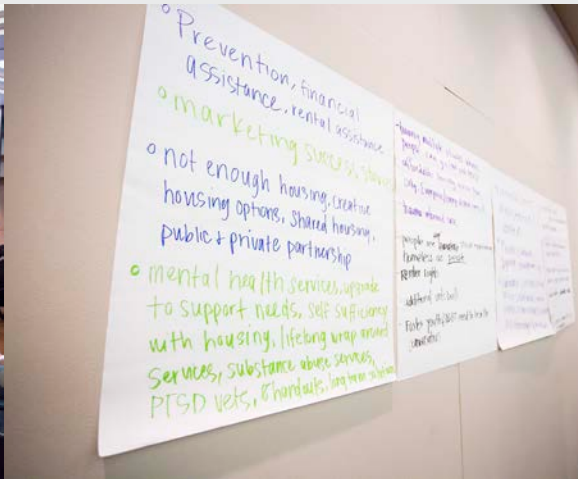
- State of Homelessness in Long Beach (March 9, 2017)
- Short-Term Rentals (June 1, 2017)
- Shipping Container Construction (Aug 2, 2017)
- Local Bond Measure for Affordable Housing (Sept 25, 2017)
- Report on Citywide Rental Rates (Sept 26, 2017)
- Update on Housing Report Policy Items (Oct 23, 2017)
- Document Recording Fee for Affordable Housing (Dec 1, 2017)
- City Strategy for Addressing Homelessness and Community QoL (Dec 18, 2017)

Background: An Ongoing Conversation



Everyone Home Long Beach Taskforce

- Taskforce has met three of four times
- Will develop recommendations and report back in late Fall 2018



Background: An Ongoing Conversation



Agenda Item 18-0168: “Revenue Options for Homeless” (July 24, 2018)

- Sponsors: Councilmembers Rex Richardson, Lena Gonzalez, Dee Andrews, Al Austin
- Council requested a report from staff on:
 - Gaps in prevention and services
 - Costs and opportunities to address these needs
 - Potential funding strategy and implementation timeline
 - Other Efforts: Permanent Shelter, Motel Conversion, Source of Income Discrimination Policy



Gaps in Prevention and Strategies



Affordable Housing Availability

- Construction of more affordable housing
- Preservation of existing affordable housing
- Tenant Protections

Prevention Services

- Workforce development
- Housing Services
- Family support and domestic violence prevention
- Physical and mental health, substance use care

Homeless Services

- Continuum of Care and Outreach Services
- Rapid Response Team
- HEART Teams, Quality of Life Teams
- Year Round Shelter





Opportunities to Address Needs

State Homelessness Emergency Aid Program



- \$500 million in new State funding within FY 2018-19 State Budget
 - A result of advocacy by Big 11 Mayors
- Eligible Activities:
 - Emergency housing vouchers
 - Rapid rehousing
 - Emergency shelter construction
 - Providing temporary shelters, among other activities

Source	Long Beach Allocation
Funding to Big 11 Mayor Cities	\$2,869,833
May Revise funding to Continuums of Care	\$8,000,000
Additional legislative funding to Continuums of Care	\$1,387,420
Total <u>One-Time</u> Funding	\$12,257,253

General Obligation Bond (Housing Construction)



- Funding for affordable housing
- Supported by increase in property taxes or other local special tax
- Requires a two-thirds majority vote of the electorate
- Cannot be spent on operations/homeless service provision

Rate (Assessed Value of Property)	Approx Annual Cost per \$500,000 Home	Total Bond Revenue: 29 Years	Principal (Available to Spend)
0.020%	\$100	\$313,200,000	\$207,235,306
0.025%	\$125	\$391,500,000	\$259,044,133
0.05%	\$250	\$783,000,000	\$518,088,265

Parcel Tax (Homelessness)



- Based on fee per parcel, not valuation of property
- Parcel fee may vary by type of parcels
- Can exempt classes or types of property
- Can include sunset provision and/or an annual CPI adjustment
- Requires a two-thirds majority vote
- Can be spent on operations

Parcel Fee (Residential)	Parcel Fee (Commercial)	Est. New Revenue*
\$50	\$0.0366 / sq ft	\$13.8 million
\$100	\$0.0732 / sq ft	\$27.5 million
\$120	\$0.0878 / sq ft	\$33.1 million
\$150	\$0.1098 / sq ft	\$41.4 million

*Projection is based on the 2008 Measure I assumptions (Not passed)



REVENUE SOURCE	CURRENT RATE	EST. REVENUE / INCREASE
Utility User Tax	5%	1% / \$7.7 million
Transient Occupancy Tax	12% (Overall) 15% (Downtown)	1% / \$1.4 million
Admissions Tax	None	4% / \$351,000 (Avalon) 5% / \$2.03 million (Santa Cruz)
Parking Tax (City Lots)	None	10% / \$1.7 million
Real Property Transfer Tax	\$1.10 per \$1,000	\$1.10 / \$1.7 million



Implementation Timeline



Next Available Elections:

- March 3, 2020
 - Tax proposal language finalized before September 18, 2019, the last day to post the notice for the First Public Hearing (G.C. 34458)
- November 3, 2020
 - Language finalized before May 20, 2020

City Clerk recommends having all material prepared at least one to two months prior to deadline





Other Efforts

Housing Choice Voucher Anti-Discrimination Ordinance



- Aprox: 650 sqft
Features and Amenities:
- 1 Bedroom
- 1 Bathroom
- Upstairs Unit
- Gas Stove / Oven Included
- New Hardwood Flooring
- Tile flooring in the kitchen and bathroom
- Laundry On-Site
- 1 Carport Space Included
- Utilities included: Water and Sewage
No pets allowed at this time
This property is not accepting Section 8 or any 3rd party housing programs at that time.

TOMORROW, AUG 02
Morning Afternoon Evening
Your name
Phone
Email
+ ADD A MESSAGE
Send tour request

Nice 1-Bedroom Apartment - Very nice large upstairs one bedroom one bath, new carpet, ceramic tile in kitchen and bathroom, lots of closet space, large kitchen, small enclosed sunroom in the front with a small shared balcony, nice four-unit property close to transportation. No pets.
Rent: \$1,100.00 Deposit: \$1,100.00 No Section 8
To View: All units are shown by appointment only. Please call the office to set the next available appointment. Please be advised your preferred viewing date/time is not a guarantee; however, we will try our best to accommodate your request.

Screenshots from Zillow rental posts in Long Beach (July 30, 2018)

no emails
Showings will be by appointment only.
The qualification are:
A credit score above 650
No evictions
No section 8
No pets
Proof of income 2x the rent
(RLNE4252622)

- Nearly 700 people in Long Beach have Housing Choice Vouchers (Section 8) but cannot access housing
- Many exceed the 180 days limit to find the housing and lose their voucher
- Apartment ads often read “No Section 8”, reducing available housing
- Staff researching ordinances in other cities that preclude discrimination based on source of income
- Also reviewing current federal restrictions



- Identifying Permanent Shelter locations for 100-125 beds
- State HEAP funding to assist with purchase
- Tenant Improvements funded by a \$3.4 million grant from LA County
- LA County will fund ongoing operations through Measure H funding
- Locations only possible through cooperation of Council and community

Nuisance Motel Conversion



- Pilot program to reduce nuisance criminal activity in motels through Compliance Plans developed by Interdepartmental Compliance Team
- Six high activity motels were selected based on calls for service and crime incidents
- Continuing to analyze Amortization cost and process
- Exploring partnership with LA County to purchase and convert nuisance motels to Permanent Supported Housing



Safe Parking Program (Proposed)



- Moves individuals off street, connects to services, and transitions into permanent housing
- Requires a nonprofit partner to operate and identification of a suitable location
- Proposed 12 Month Pilot Program:
 - 20 parking spaces
 - Porta-potties and enhanced refuse collection service
 - Case Management and Housing Plan
- Total Estimated Cost: \$220,942



Safe parking at St Mary's Episcopal Church in Los Angeles.
(Photo by Hans Gutknecht, Los Angeles Daily News/SCNG)



Tenant Protections Policy

- Report in October 2018



Short-Term Rentals Policy

- Report in November 2018



Inclusionary Housing Policy

- Update in December 2018



Affordable Housing Strategy

- Ongoing



- Review measures passed or proposed in other cities
- Review structures for broad-based outreach to partners and the community
- Tie in strategies with the Everyone Home Taskforce Recommendations
- Develop a list of potential funding categories and highest need based on outreach
- Educate community on the need and what can be accomplished
- Set aside resources for this effort
 - \$50,000 initial funding recommended

Thank you

