

RESOLUTION NO. C –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ADOPTING A HOUSING ACTION PLAN FOR FISCAL YEARS 2005 - 2009 TO ADDRESS THE HOUSING NEEDS OF RESIDENTS OF THE CITY OF LONG BEACH, APPROVING THE DESIGNATION OF THE WASHINGTON SCHOOL, CENTRAL AND NORTH LONG BEACH KING SCHOOL FOCUS AREAS, AND AUTHORIZING ADMINISTRATION OF THE HOUSING ACTION PLAN BY THE LONG BEACH HOUSING DEVELOPMENT COMPANY

The City Council of the City of Long Beach resolves as follows:

Section 1. The City Council does hereby find, determine and resolve as follows:

A. Pursuant to Government Code §65302 et seq., the City Council of the City of Long Beach on April 17, 2001 adopted a Housing Element as part of its General Plan, which sets forth the City's policies and goals including: 1) conserving and improving existing affordable housing; 2) providing adequate sites for new housing; 3) assisting in the development of affordable housing; 4) removing governmental constraints to housing development; and 5) promoting equal housing opportunities for Long Beach's population; and

B. By action of the City Council pursuant to Chapter 2 of the California Community Redevelopment Law (California Health & Safety Code §33000 et seq.), the City of Long Beach established The Long Beach Housing Development Company (the "Company") to plan, perform and assist in the provision of housing and other projects in the City for the purpose of increasing, improving, and preserving the community's supply of housing affordable to and occupied by

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1 low and moderate income households; and

2 C. The Company and the Redevelopment Agency of the City of
3 Long Beach, at a joint meeting held on November 19, 2003, approved and adopted
4 the proposed Housing Action Plan and agreed to recommend that the City Council
5 adopt the proposed Housing Action Plan to effectively allocate redevelopment
6 housing set-aside and federal HOME funds between the Washington School,
7 Central and North Long Beach/King School Focus Areas to assist in implementation
8 of the Housing Element of the General Plan.

9 Sec. 2. The City Council of the City of Long Beach hereby formally approves
10 and adopts the Housing Action Plan for fiscal years 2005 - 2009, a copy of which is
11 attached hereto and incorporated herein by this reference.

12 Sec. 3. The City Council hereby formally authorizes the Company to
13 administer the Housing Action Plan by directing the expenditure of redevelopment housing
14 set-aside and HOME funds in accordance therewith and to take any and all action
15 necessary or appropriate to implement the Housing Action Plan.

16 Sec. 4. This resolution shall take effect immediately upon its adoption by the
17 City Council, and the City Clerk shall certify the votes adopting this resolution.

18 I hereby certify that the foregoing resolution was adopted by the City Council

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of the City of Long Beach at its meeting on _____, 2004, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

DRAFT

**CITY OF LONG BEACH
HOUSING ACTION PLAN**

FY 2005-2009

May 2004



**CITY OF LONG BEACH
DEPARTMENT OF COMMUNITY DEVELOPMENT
HOUSING SERVICES BUREAU
110 PINE AVENUE, SUITE 1200
LONG BEACH, CA 90802**



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I. INTRODUCTION

A. DIRECTOR'S MESSAGE

Over the last several years, the City of Long Beach has invested millions of dollars in its neighborhoods, especially in our lower-income neighborhoods. Because of that investment, many of our citizens enjoy a better quality of life. The City's Single-Family and Multifamily Rehabilitation Loan Programs have been responsible for the rehabilitation of about 5,000 housing units in Long Beach. Using federal and redevelopment funds, over 200 new affordable units have been developed, 75 units acquired and rehabilitated, and 2,030 households assisted in becoming new homeowners over the past decade. The City also continues to invest in infrastructure improvements and social service programs. But in spite of these investments, it is apparent that the quality of some of our neighborhoods has been in decline. Many would say that certain of our neighborhoods are deteriorating, and that this deterioration may expand to impact our more stable neighborhoods.

Many residents do not understand the severity of the affordable housing crisis in Long Beach. Many think that if we provide affordable housing, the poor people would come. The reality is that there are many poor people who are already here in Long Beach. In fact, Long Beach ranks 10th in the nation in terms of the percentage of our population earning less than the poverty level. On the other hand, many think that if we do not build it, the poor people would go away and find a place somewhere else. However, if nothing is done to address the housing crisis, the problems we face will get worse – housing units will be more overcrowded and neighborhoods will deteriorate much faster. It is our responsibility to assist in providing safe, decent and affordable housing to this population. Otherwise, the effects of not doing so will be evident in our neighborhoods.

The City must adopt a strategy to reverse this trend. Such a strategy will require addressing the needs of a large percentage of our population that is very low-income and living in crowded substandard conditions, and at the same time, supporting our strong middle-class neighborhoods.

The City has very limited resources to tackle a seemingly insurmountable task. But if our resources are utilized in a carefully planned and focused fashion, real change can be expected over a period of time. And that's the reason we developed a Housing Action Plan, a plan that can serve as the framework for the allocation of scarce housing resources, with the end in view of maximizing the utilization of these resources to benefit as many of our residents who have the



greatest housing need, and at the same time, revitalize and stabilize our neighborhoods.

Our plan is to concentrate on a few neighborhoods first where actual needs can be identified and remediation brought to bear with the proper resources. Cooperation and coordination between City departments, other public agencies and the community will be critical. Strict code enforcement, police cooperation, and creative solutions will be essential.

We cannot ignore the neighborhood and housing issues facing us. We need to envision a future we can create for ourselves. And we must adopt a strategy to create that future.

We are pleased to present the FY 2005-2009 Long Beach Housing Action Plan, which outlines the City's strategy to meet these challenges.

Sincerely,

Melanie Fallon
Director of Community Development
City of Long Beach



B. HOUSING ACTION PLAN ORGANIZATION

The Long Beach Housing Action Plan contains the following six chapters:

1. *Introduction.* This chapter explains the purpose and organization of the report, describes consistency with other City housing plans, and outlines the next steps in program implementation.
2. *Housing Needs.* This chapter provides an overview of the City's most pressing housing needs.
3. *City Housing Policies.* This chapter presents the City's housing Mission Statement, and guiding principles for expenditure of housing funds.
4. *Housing Resources.* This chapter summarizes the various existing and potential resources available to achieve the City's housing assistance goals.
5. *Housing Production.* This chapter sets forth the City's 5-year plan for addressing affordable housing needs.
6. *Focus Neighborhoods.* This chapter identifies the first three focus neighborhoods for investment.

C. CONSISTENCY WITH RELATED CITY PLANS

The Housing Action Plan (HAP) builds upon the policies contained in two key City planning documents adopted by City Council: the 2000-2005 Housing Element and the Long Beach 2010 Strategic Plan.

The 2000-2005 Housing Element is a component of the Long Beach General Plan. The Housing Element is a comprehensive document that sets forth the City's housing goals, policies and programs to address identified housing needs, including regional growth needs adopted by the Southern California Association of Governments (SCAG). The State Department of Housing and Community Development (HCD) has certified the City's Housing Element as in-compliance with State housing element law.

The 2010 Strategic Plan identifies the restoration of neighborhoods as the center of community life and the most important step Long Beach can undertake to build toward a positive future in the 21st century. The Strategic Plan provides the foundation for development of both the Housing Element and HAP, and sets forth the following principles:



- *Build a strong network of healthy neighborhoods in Long Beach*
- *Strengthen community leadership, collaboration and stewardship and increase public participation*
- *Create healthy neighborhoods where diversity is celebrated, arts and cultural programs flourish, services are accessible, and all people have tools to improve the quality of their lives*
- *Support neighborhood efforts to create beauty and pride by removing blight and providing high-quality and well-maintained public infrastructure, parks and public facilities in each neighborhood*
- *Improve the quality and availability of neighborhood housing by addressing declining homeownership, deteriorating neighborhood and increasing overcrowding*

D. NEXT STEPS

Upon City Council's adoption of the 2005-2009 Housing Action Plan with three neighborhood Focus Areas, the Department of Community Development (CD) will undertake the following steps towards implementation of the Plan:

1. **Detailed assessment of each Focus Area's housing and community development needs.** This initial step will involve field surveys to document existing land uses, housing occupancy and conditions, infrastructure needs, open space and community resources in each of the Focus Areas.
2. **Identification of City and neighborhood resources to address needs.** Upon documentation of Focus Area needs and priorities, CD will evaluate resources available to match these needs with appropriate programs and projects. Resources and activities from other City departments will also be identified, such as code enforcement initiatives, and planned park and school facilities.
3. **Coordination of plans with other City departments and the Long Beach Unified School District (LBUSD).** As a means of addressing the broader community development needs within each Focus Area, CD will work with other City departments and LBUSD to provide coordinated neighborhood improvements. Through this coordination of resources, a comprehensive Implementation Plan will be developed for each area.



4. **Community outreach regarding proposed Plan.** An interdepartmental City staff team will share the proposed Implementation Plan with neighborhood organizations in each Focus Area. Based on input received from the community stakeholders, the Implementation Plans for each neighborhood will be finalized.

5. **Implementation of the Plan.** Housing Action Plan activities will be undertaken both Citywide and within the neighborhood Focus Areas. CD will continually monitor progress in implementation, and report to Council on an annual basis. Adjustments will be made as necessary to ensure achievement of the two primary goals of the HAP:
 - *Maximize investment towards providing quality affordable housing to as many City residents with the greatest housing needs as possible*
 - *Revitalize and stabilize Long Beach neighborhoods*



II. HOUSING NEEDS

The Housing Action Plan serves as the framework for the allocation of scarce resources to address the most critical housing needs in the community. To help understand the nature and extent of housing needs in Long Beach, this section provides an overview of these needs as they relate to:

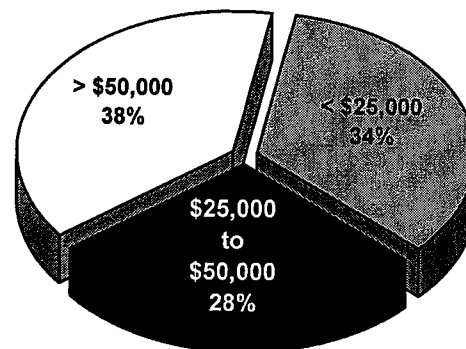
- Household Income and Affordability
- Housing Supply and Demand Factors
- Other Housing Issues

A. HOUSEHOLD INCOME AND AFFORDABILITY

1. Household Income

Income is a key determinant of how much a household can afford to spend on housing. In Long Beach, a growing concern is the increasing gap between income and housing affordability. As of the 2000 Census, households in Long Beach earned a median household income of \$37,270 – well below the \$42,189 median income for Los Angeles County. As shown in Exhibit 1, one-third of Long Beach households earned less than \$25,000, and nearly two-thirds earned less than \$50,000.

Exhibit 1: Household Income



Total Households: 163,088

Source: U.S. Census 2000

Many of the workers who make up the diverse fabric of Long Beach earn very limited incomes, and are faced with overcrowding or overpaying for housing to live in the community. Occupations earning less than \$25,000 annually in Long Beach include people we interact with daily, such as:

- Fast food workers
- Retail salespersons
- Security officers
- Nurse's aides
- Social workers
- School aides
- Janitors



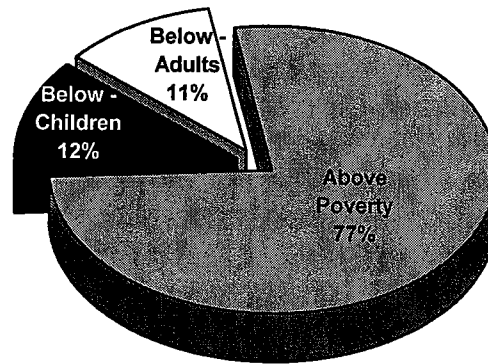
Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. The 2000 poverty threshold for a family of four was \$17,463. Long Beach has been ranked 10th in the United States in terms of the proportion of the population living below the poverty level (Source: U.S. Census).

The 2000 Census identifies 23% of Long Beach residents as living in poverty, a significant increase from the 17% poverty rate in 1995. Half of the approximately 103,000 City residents in poverty are children, translating to more than 55,000 children in poverty.

Where do households in poverty live? Exhibit 3, which follows, illustrates the percent of the population in poverty by census tract in the City. The two darkest areas illustrate census tracts where more than 25% of the population is in poverty, primarily concentrated in the Downtown, Central and Westside areas of Long Beach, as well as in scattered areas in North Long Beach.

Exhibit 2: Population in Poverty
(% Above or Below Poverty Line)

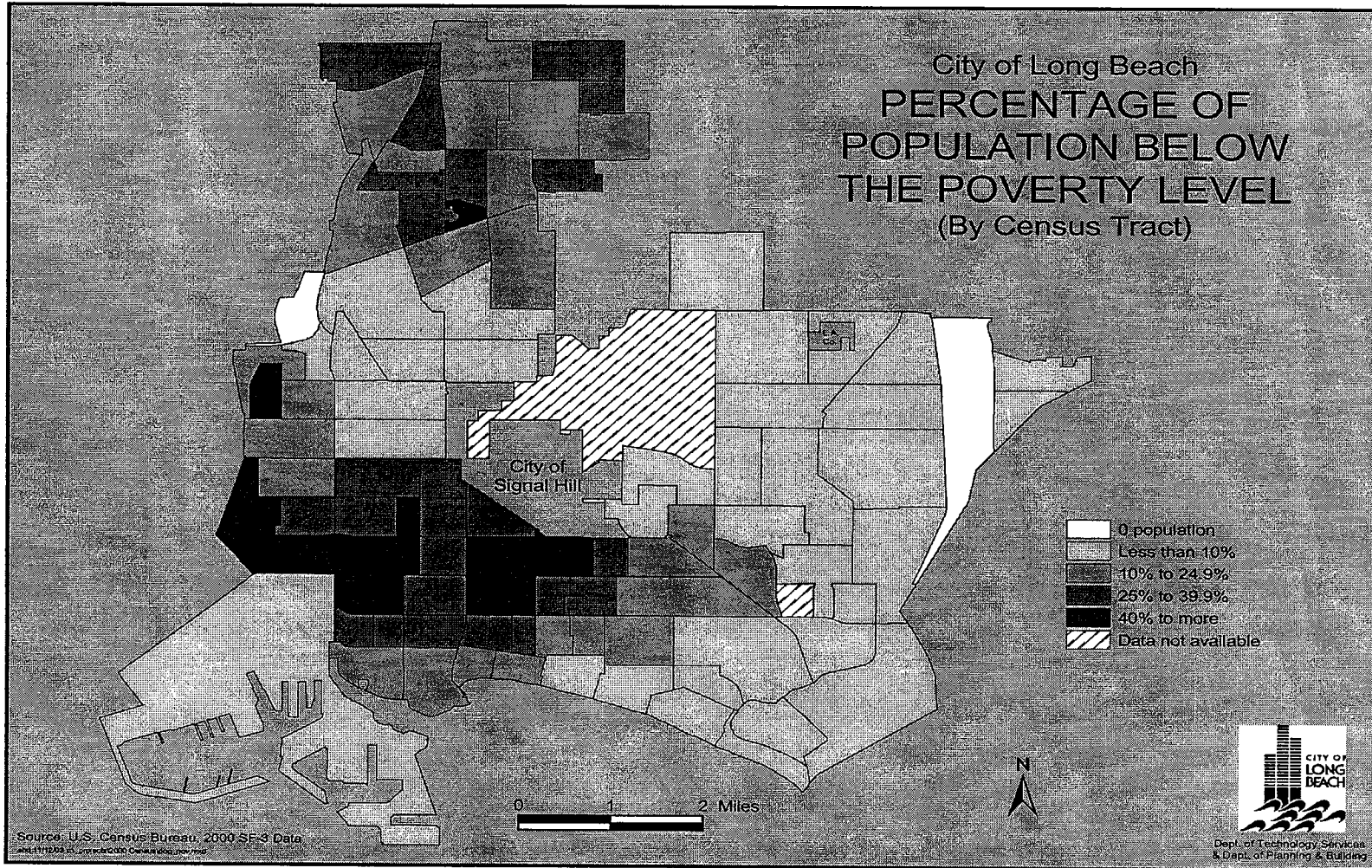


Total Population: 461,552

Source: U.S. Census 2000



EXHIBIT 3

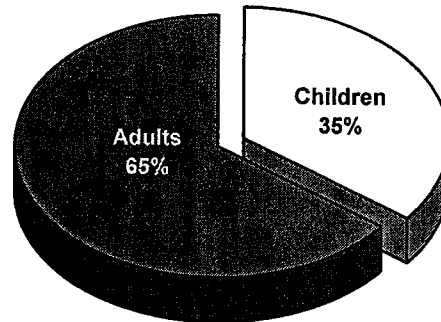




Homelessness

The 2003 Long Beach Homeless Count and Assessment Survey conducted by the Health and Human Services Department identifies 5,845 homeless individuals in the City. Of these, over one-third are children under the age of 18 (Exhibit 4). The majority of the City's homeless population reside "on the street", such as in parks, sidewalks, abandoned buildings and riverbeds. Less than one-quarter of the homeless counted were in an emergency shelter or transitional housing facility.

Exhibit 4: Homeless Population



Total Homeless: 5,845

Source: Long Beach Homeless Count and Assessment Survey, 2003

With nearly one-quarter of the City's population in poverty, Long Beach has a substantial portion of its population at-risk of becoming homeless. Many of these persons can become homeless because of social structural issues such as increase in rent, loss of job, and rising health care costs. In addition, personal experiences such as domestic violence, physical disabilities, mental illness, and substance abuse can cause members of a low-income household to become homeless.

2. Housing Affordability

Renter Affordability

Average monthly market rents in Long Beach for a modest two-bedroom, two-bath unit run around \$1,000 in 2003. The generally accepted standard for housing affordability is that households should not spend more than 30% of their incomes on rent and utilities. Thus, in order to afford a monthly rent of \$1,000, a household needs to earn at least \$40,000 per year, or \$19.23 per hour.

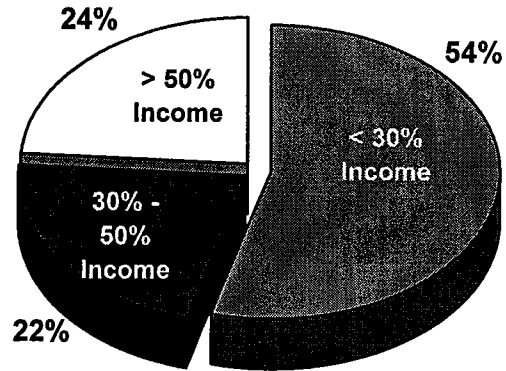
The minimum wage in California is not enough to pay average rents in Long Beach. At \$6.75 per hour, two full-time minimum wage workers would each need to work approximately 58 hours per week to afford \$1,000 in rent.



Renter Overpayment

The 2000 Census documents renter overpayment in Long Beach. As illustrated in Exhibit 5, 46% of renters were spending 30% or more of their incomes on housing (42,126 households). Approximately one-quarter of all renters experienced severe renter overpayment, defined as spending more than half of income on shelter. Renters faced with severe overpayment have limited income remaining for other living expenses such as food, clothing, transportation, and health care, making such households particularly vulnerable to homelessness.

Exhibit 5: Percent of Income Paid for Rent



Source: U.S. Census 2000

Table 1 provides a more detailed review of the types of Long Beach households experiencing severe overpayment. As would be expected, extremely low-income renters (earning 0-30% of Median Family Income [MFI]) were most impacted, with approximately two-thirds spending more than half their incomes on rent. Low-income renters (earning 31%-50% of MFI) were also significantly impacted, with 30% severely overpaying for rent. Among extremely low-income renters, small and large families and "other" households (unrelated persons living together) were most affected by overpayment, whereas among low-income renters, other households and seniors were most impacted.

**Table 1
Severe Renter Overpayment by Household Type**

Income Level	Elderly	Small Family	Large Family	Other	Total
Extremely Low (<30% MFI)	54%	75%	67%	67%	68%
Low (31-50% MFI)	36%	28%	13%	45%	30%
Moderate (51-80% MFI)	17%	4%	1%	11%	7%
Middle/Upper (>80% MFI)	5%	<1%	<1%	1%	1%

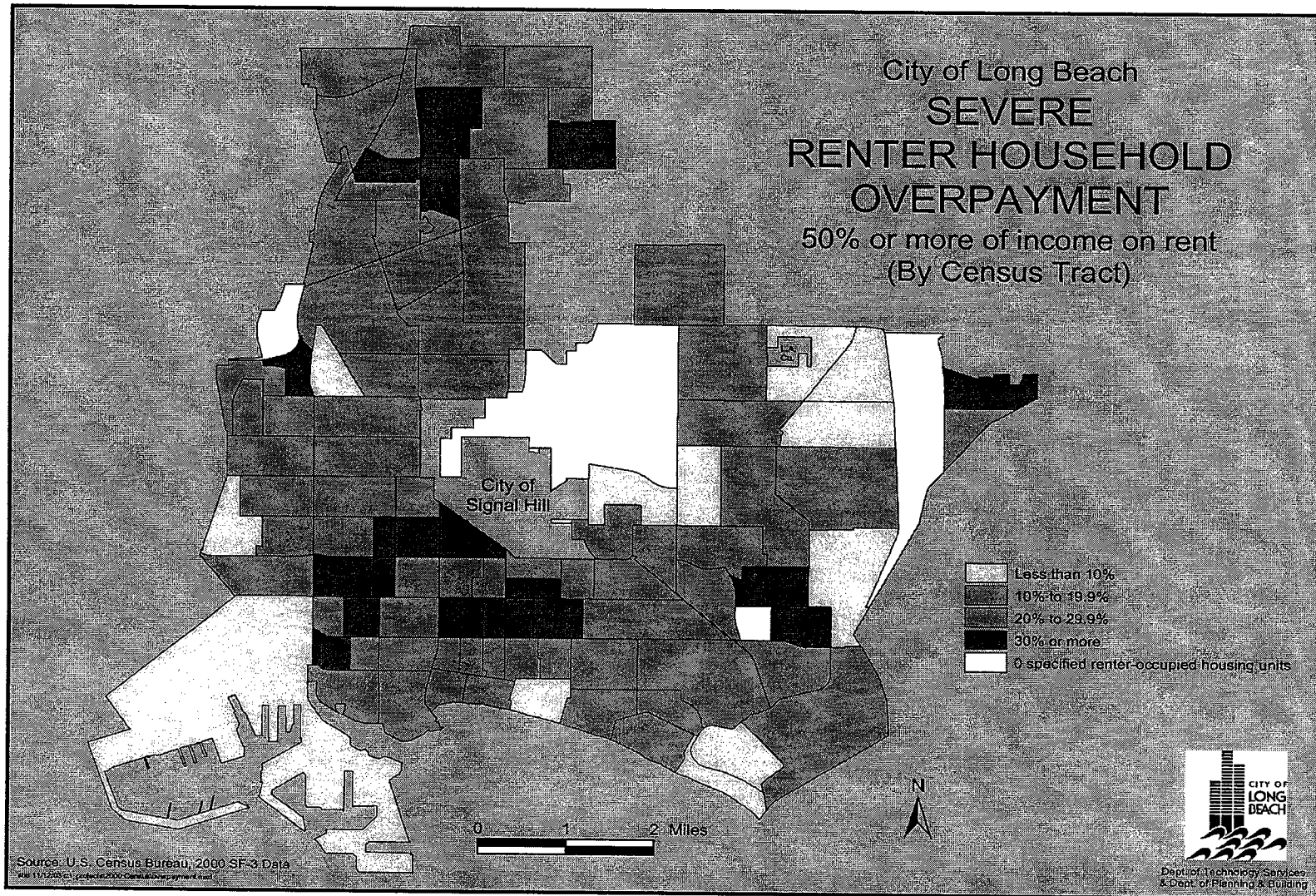
Source: HUD, CHAS Data Book, 2000.



Exhibit 6 illustrates severe renter overpayment by census tract. Many neighborhoods in Downtown and Central Long Beach which evidenced a high incidence of severe renter overpayment (>30% households spending half their incomes on rent) were also identified in Exhibit 3 as areas of high poverty. In addition, several neighborhoods in North Long Beach as well as other pockets throughout the City (CSULB area, Windward Village mobilehome park) exhibited similarly high levels of severe renter cost burden.



Exhibit 6





Homeowner Affordability

Similar to most communities throughout Southern California, for-sale housing prices in Long Beach have continued their upward trend from the late 1990s. Table 2 presents median single-family and condominium sales prices by Long Beach zip code (refer to Exhibit 7 for a map of zip code boundaries). During December 2003, over 330 single-family homes were sold in the City, commanding a median sales price of \$362,000.¹ Home prices in most areas of the City reflected a minimum 20-30% price increase from the prior year's sales.

Table 2
Median Home and Condominium Sales Prices: December 2003

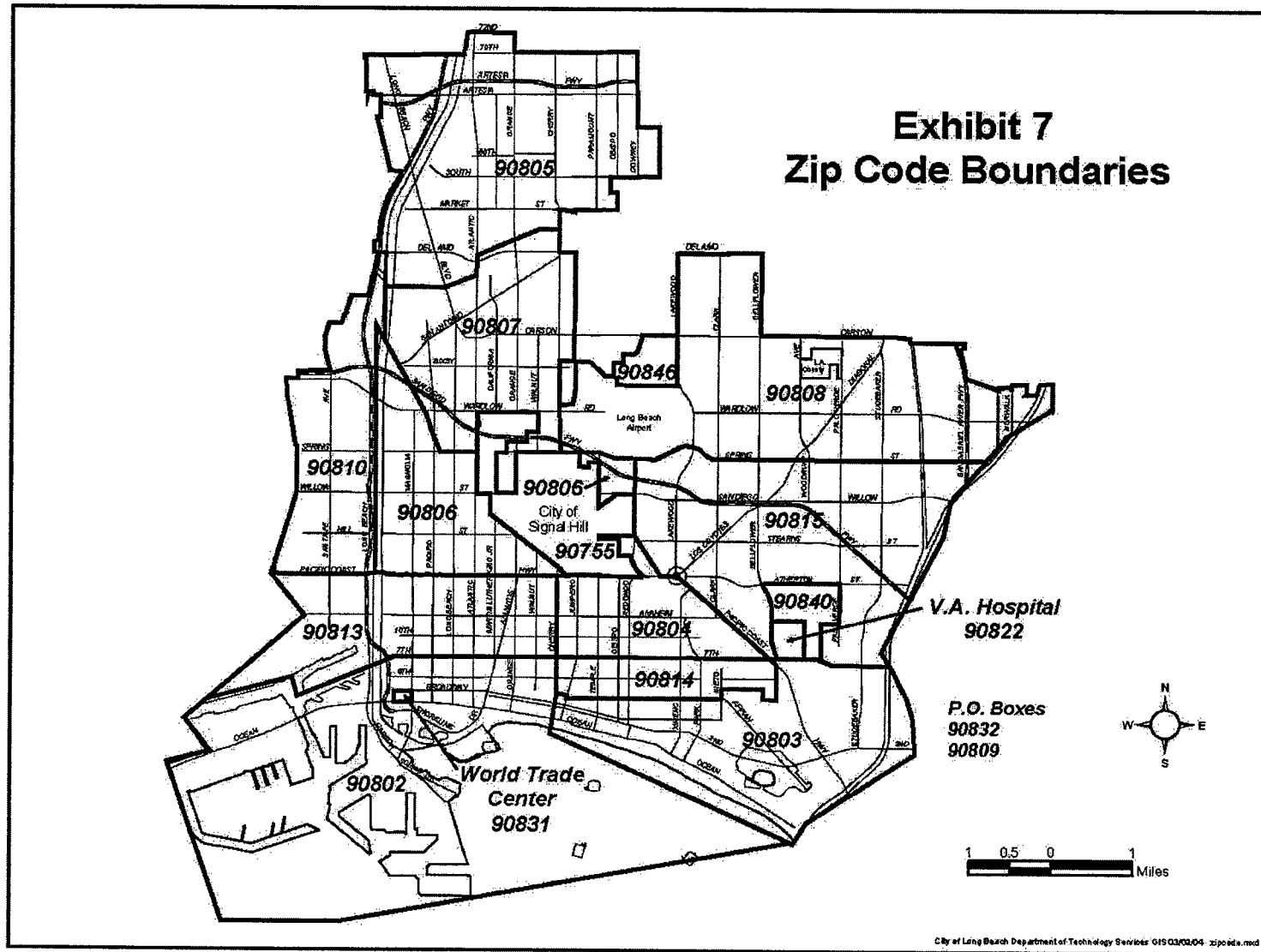
Zip Code	No. of Homes Sold	Median Home Price	% Change from 12/02	Home Price per sq. ft.	No. of Condos Sold	Median Condo Price	% Change from 12/02
90802	2	\$270,000	-17.2%	\$305	49	\$228,000	34.9%
90803	22	\$683,000	24.1%	\$436	23	\$335,000	36.2%
90804	14	\$285,000	0.7%	\$313	19	\$240,000	42.0%
90805	84	\$266,000	32.8%	\$247	9	\$110,000	12.2%
90806	23	\$298,000	38.3%	\$270	1	\$177,000	-15.1%
90807	38	\$418,000	13.9%	\$299	9	\$254,000	93.1%
90808	50	\$395,000	19.0%	\$312	1	\$286,000	N/A
90810	24	\$268,000	25.9%	\$264	6	\$86,000	-37.5%
90813	16	\$244,000	52.5%	\$226	8	\$151,000	12.0%
90814	12	\$603,000	40.2%	\$368	9	\$234,000	17.3%
90815	47	\$420,000	21.4%	\$307	9	\$226,000	-7.8%

Source: Data Quick Real Estate News, January 22, 2004

¹ Southern California Home Sale Activity for December 2003, as printed in 1/04 *LA Times*, using the medians listed for 11 representative Long Beach city zip codes.



Exhibit 7





Assuming a 5% downpayment, 6% interest and 30-year term, the monthly mortgage payment necessary to purchase the median priced (\$362,000) Long Beach home is \$2,062, or approximately \$2,500 once taxes and insurance are included. A household would need to earn at least \$90,000 per year to support this mortgage, assuming they pay no greater than 33% of household income for housing.

Less than 20% of Long Beach households earn the level of income necessary to purchase the median priced home, placing single-family homeownership out of reach for many professionals, including:

- Firefighters
- Police Officers
- Teachers
- Engineers
- Civic Employees

Condominiums are a popular housing choice due to their relative affordability compared to single-family homes. As illustrated in Table 2, nearly 30% of Long Beach's housing sales during December 2003 were for condominiums, totaling approximately 150 units. With a Citywide median sales price of \$230,000, the necessary income to support the associated mortgage is brought down to approximately \$58,000. Approximately one-third of the City's households earn sufficient income to purchase the median priced condominium in Long Beach, making condominiums a more viable option for the City's homeownership assistance programs.

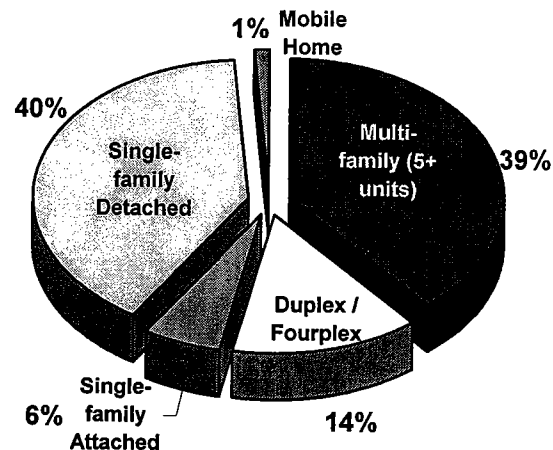


this increase in supply of predominately luxury units, market strategists anticipate units to be readily absorbed, and average to above average rent trends to be sustained in Long Beach throughout 2004.³

2. Housing Type and Tenure

The 2000 Census documents a total of 171,632 housing units in Long Beach. With limited housing development activity over the past decade, the mix of housing has remained relatively stable, comprised predominately of single-family detached homes (40%) and multi-family units (39%), followed by duplexes/triplexes/fourplexes (14%), single-family attached units such as townhomes and condominiums (6%), and mobile home units (1%).

Exhibit 10: Housing Unit Mix



Total Housing Units: 171,632

Source: U.S. Census 2000

Contrary to public perception, owner-occupancy rates have also remained stable over the past two decades. During 1980, 1990 and 2000, the Census documents that 41% of Long Beach households were homeowners, with 59% renters. And while a significant number of the City's single-family homes are used as rentals, the proportion of single-family rentals actually declined between 1990 and 2000 from 24% to 23%.

³ Los Angeles County, California Apartment Market Outlook, September 2003.



3. Vacancy Rates

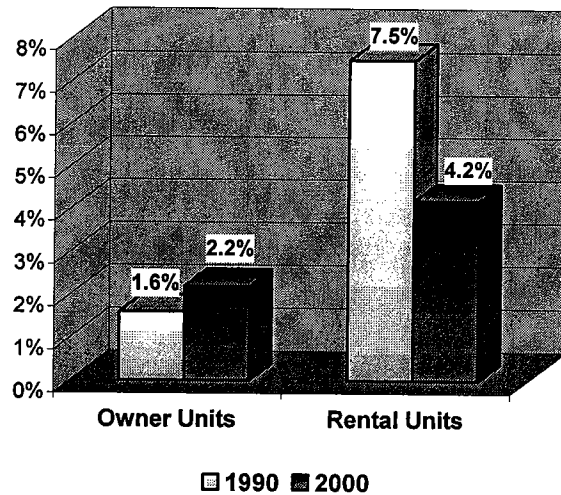
Residential vacancy rates are a good indicator of how well the current supply of housing is meeting the demand for various types of units. In general, a healthy housing market is expected to maintain a 5% vacancy factor for rental units and a 2% vacancy factor for ownership units.

Exhibit 11 depicts rental and ownership vacancy rates in Long Beach in both 1990 and 2000. In 1990, rental vacancies were at 7.5%, indicating an adequate supply of rentals to allow mobility. However, with only limited increases in rental housing and continued population pressures, rental vacancies had dropped to 4.2% by 2000. According to California Apartment Market Outlook, rental vacancies had fallen to 3.7% in the South Bay in early 2003, and are projected to drop to the low- to mid- 3% range by the end of 2004.⁴ These less

than optimal vacancy rates can lead to increased competition for rental units, placing upward pressure on rents and potentially leading to households spending more than they can afford. Low vacancy rates can also contribute to overcrowding, as households “double-up” to afford scarce units.

Less dramatic changes were evidenced in the vacancy rates for ownership units. While the 1990 ownership vacancy rate of 1.6% was slightly below optimum, vacancies had increased to a healthy 2.2% by 2000. With the continued escalation in the real estate market prices since 2000 and limited increases in supply, it is likely homeowner vacancies are also declining.

Exhibit 11: Housing Vacancy Rate



Source: U.S. Census 1990 and 2000

⁴ Los Angeles County, California Apartment Market Outlook, September 2003.

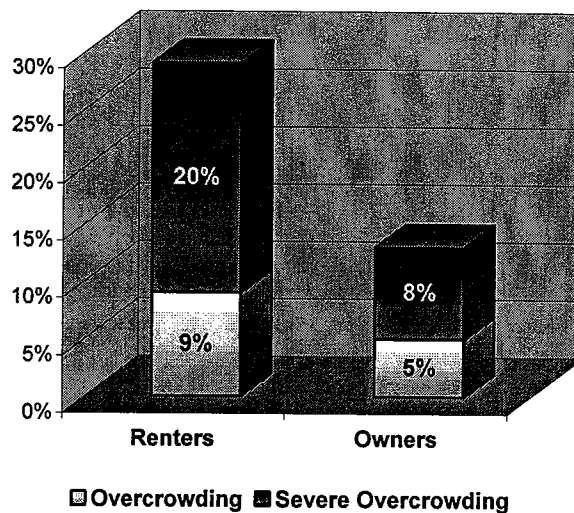


4. Household Overcrowding

Overcrowding is a significant issue in Long Beach. While the Census considers units with more than one person per room to be overcrowded, 1.01 occupancy is common in today's urban environment and poses little threat to the stability of communities or longevity of properly managed housing. However, housing occupancy in excess of 1.5 persons per room, called "severe overcrowding" can significantly affect community health and housing viability.

The 2000 Census documents the presence of severe overcrowding in 8% of homeowner households and 20% of renter households in Long Beach (Exhibit 12). Although these rates of overcrowding are fairly comparable to Los Angeles County as a whole, certain neighborhoods in the City experience extreme rates of overcrowding. As illustrated in Exhibit 13, numerous census tracts in Downtown, Central and North Long Beach are characterized by over one-third of renter households living in severely overcrowded housing.

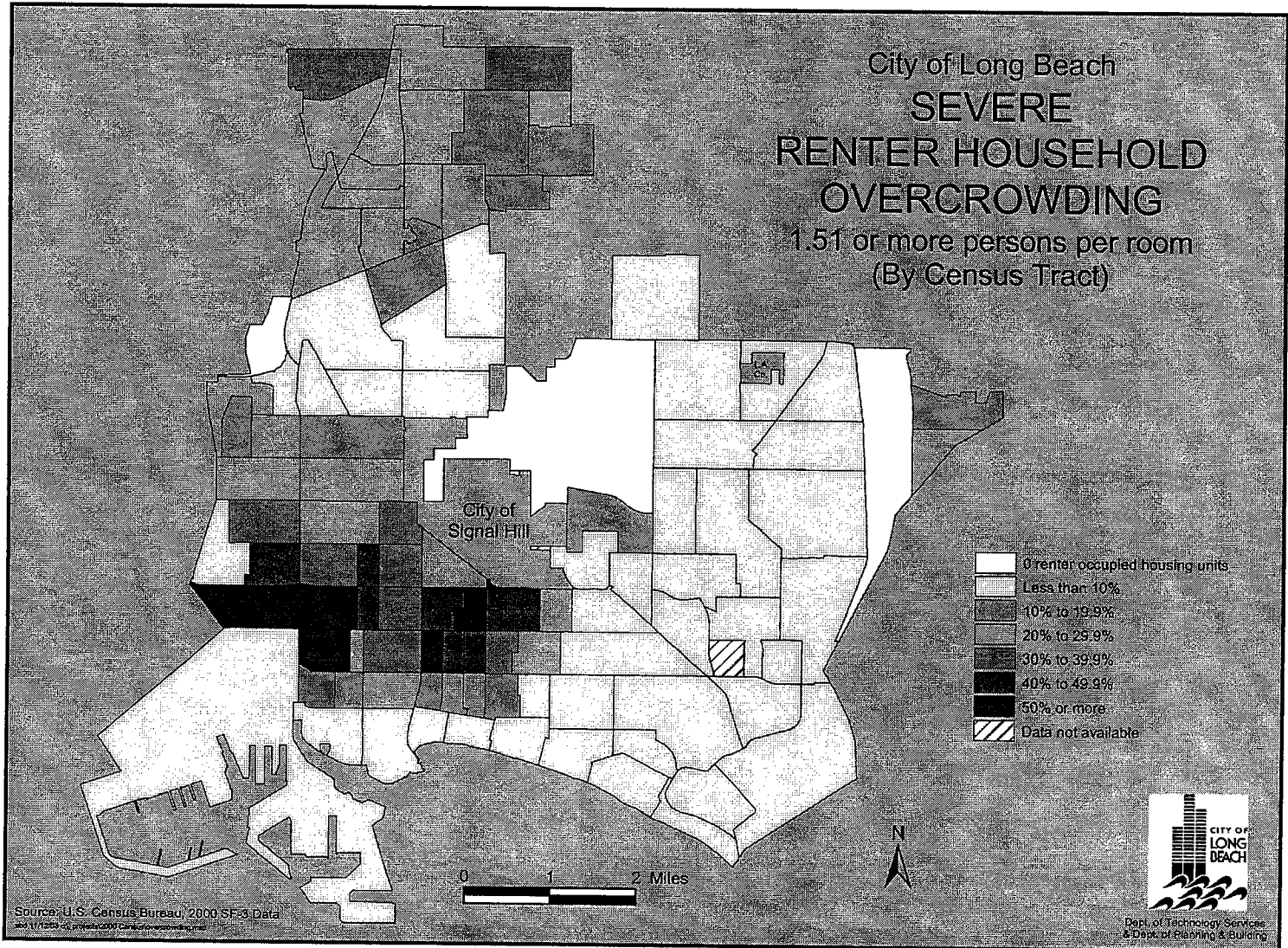
Exhibit 12: Household Overcrowding



Source: U.S. Census 2000



Exhibit 13

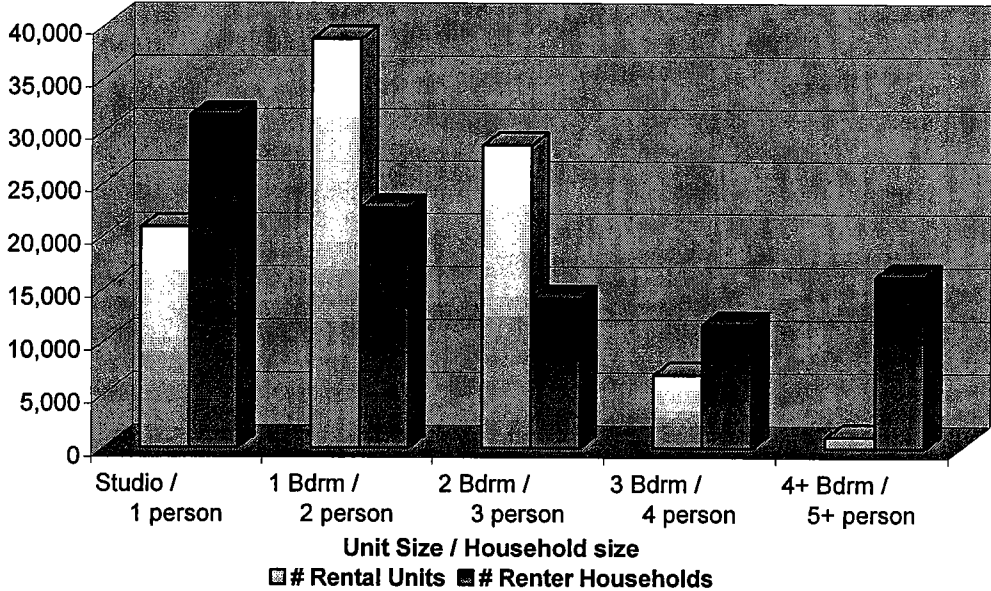




One of the key demographic trends impacting housing needs in Long Beach is the City’s transition from a majority white homeowner population comprised of smaller households to an increasing number of Hispanic and Asian renter households with large families. The City’s existing rental housing stock of primarily older, small units are of inadequate size to house this population, contributing to significant unit overcrowding and deterioration.

Exhibit 14 highlights this mismatch between the need for larger rental units and the City’s supply of predominately studio and one-bedroom units. Using State Redevelopment definitions of “household size appropriate for the unit” as number of bedrooms plus one, Long Beach has only 1,063 rental units (4+ bedrooms) to accommodate 16,191 large renter households (5+ members). Even adding in three-bedroom rentals results in less than 8,000 larger rental units – less than half that needed to adequately house the City’s large renter population. This imbalance between supply and demand contributes to 86% of large renter households living in overcrowded housing.

Exhibit 14: Renters – Unit Size vs. Household Size
(Supply vs. Demand)



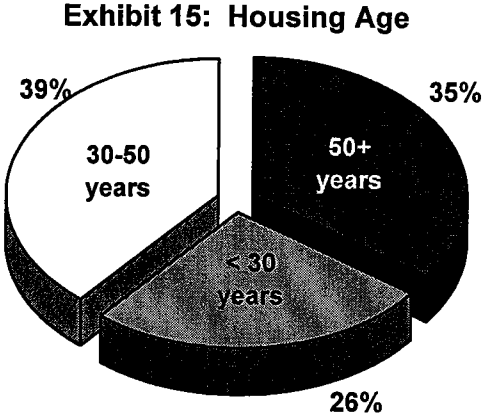
Source: U.S. Census 2000



5. Housing Age and Condition

The age of a community’s housing stock can be an indicator of overall housing conditions. Typically, housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. Housing over 50 years in age may require total building replacement if not well maintained.

Exhibit 15 summarizes the age distribution of Long Beach’s housing stock. As of 2000, 74% of the City’s 170,000+ housing units were over 30 years old, with 35% of units older than 50 years. The prevalence of housing built prior to 1950 is also of concern because of lead-based paint hazards. According to the City’s Consolidated Plan, Long Beach has 66,000 units that may likely contain lead-based paint.



Total Housing Units: 171,632

Source: U.S. Census 2000

While comprehensive information on housing stock conditions in Long Beach is not available, several sources of information provide indicators of housing conditions. The 1995 American Housing Survey asked households to rate the condition of their building, and based on this subjective survey, an estimate of 3,100 occupied dwelling units in the City had severe physical problems. Casual observation suggests widespread deterioration in many low-income single and multi-family neighborhoods, and Long Beach officials note that 750 inspections for substandard conditions are performed annually. City code enforcement staff are unanimous in their view that housing and neighborhood quality in lower income areas is declining.⁵

⁵ Source: Long Beach Housing Assessment, Gary Squier, April 2001.



C. OTHER HOUSING ISSUES

In addition to household income and affordability, and supply and demand factors, several other housing issues have been identified in Long Beach which impact housing needs.

1. Owner-Occupancy and Neighborhood Stability

A high proportion of Long Beach single-family neighborhoods exhibit both high levels of absentee ownership and signs of instability: unkempt yards, building deterioration, graffiti, and gang and drug activity. According to the 2000 Census, 23% of single-family detached homes in the City were absentee-owned.

Single-family rental neighborhoods are notorious for the management challenges they create for property owners. Individual owners lack control over the practices of adjacent owners, absentee owners may not maintain their properties, deteriorating properties are harder to rent so landlord's tenant standards begin to slip, "bad" tenants scare away good tenants and the neighborhood starts to earn a bad reputation. This same process affects future owner-occupancy, as most families looking to buy a home avoid tough neighborhoods with a bad reputation. The only buyers in declining single-family neighborhoods with low owner occupancy may be investors taking advantage of depressed prices and high demand from renters. The result of this series of management and market decisions is that after a tipping point of absentee ownership is surpassed, single-family neighborhoods can spiral into rapid decline.

Cities can help reverse neighborhood decline by using code enforcement to make it unattractive for exploitative single-family landlords to operate in a given neighborhood, by providing incentives to homebuyers to purchase in the neighborhood, by assisting existing owner-occupants with property improvement loans, and by providing no incentives (loans, rent subsidies) to owners who would rent single-family homes. These housing strategies can be coupled with other community development efforts such as street maintenance, school programs and community-based policing, as well as community services such as childcare and after school programs to help stabilize neighborhoods.

2. Assisted Housing At-Risk of Conversion to Market

The City's Housing Element documents a total of 4,245 rental units located in Long Beach that have been assisted under federal, state, or local programs, including density bonus and local redevelopment or direct assistance programs. These assisted units are restricted for rent to lower-income households. However, restricted units may lose their affordability controls and revert to market-rate units under these situations: (1) prepayment provisions of HUD-insured mortgage loans; (2) expiration of Section 8 contracts; (3) expiration of



restrictions on mortgage revenue bonds issued by the locality; or (4) expiration of restrictions from other funding sources.

The primary concern is with FHA-insured project-based Section 8 developments whose Section 8 contracts have or will soon expire. In many communities, these project-based Section 8 projects are being converted to tenant based Section 8 voucher projects. After these conversions take place, as tenants leave, the valuable Section 8 housing resource is lost. This recently occurred in Long Beach's 594-unit Springdale Apartments, which is using tax-exempt bond financing and vouchers to convert from Section 8 housing to upper income occupancy. The Long Beach 2000-2005 Housing Element identifies four projects totaling 386 units eligible for conversion to market within the next 10 years: Del Amo Gardens, Scherer Park, Casitas Del Mar and Pacific Coast Villa. Another 884 units are under non-profit ownership, and though less vulnerable, may also be at risk. These projects are New Hope Home, Plymouth West, American Gold Star Manor, and Baptist Gardens.

The issuance of vouchers by the Long Beach Housing Authority to previously project-based Section 8 developments results in the loss of affordable units. As current tenants leave, they take their vouchers with them, and are replaced by market rent tenants. In addition, the Long Beach Housing Authority today is facing a decrease in the availability of ongoing subsidy to current Section 8 voucher-holders due to changes in federal regulations. An alternative solution is to work with existing or prospective owners to preserve the project-based Section 8 contracts, rather than facilitating the conversion to vouchers.

3. 8-10 Unit Apartments

During the 1980's, the proliferation of 8-10 unit apartment buildings in single-family areas in Long Beach led to neighborhood deterioration. Approximately 345 8-10 unit buildings exist in Long Beach. The problem is that small buildings are difficult to manage. They are often held by distant investors who are not professional managers and do not invest in long-term maintenance. There is no requirement for on-site management and tenant selection standards are low. The result is that 15-year old buildings are physically blighted and are often the location of social problems such as gang and drug activity.

In 1996, the Long Beach 8-10 Unit Task Force developed an action plan to address this problem. Recommendations included (1) neighborhood outreach and organization to build Neighborhood Improvement Strategy (NIS) - type partnerships with residents and the City, (2) neighborhood clean up and beautification, (3) property management training and encouragement of on-site managers, and (4) City support for minor rehabilitation. A recommended demonstration project would have purchased a vacant lot as open space for two adjoining 8-10 unit apartments.



One apartment building was purchased to serve as a pilot project and converted eight rental units to four ownership units. It turned out to be a successful yet very costly demonstration project. Another experiment, the Junipero Childcare Center, has proven successful. It involved the purchase and rehabilitation of a home that was wedged between two 10-unit apartment buildings. The home was sold to a family on condition that they operate a home-based childcare center. The result is visible physical improvement to the neighborhood, an owner-occupied unit, and childcare services for neighborhood families.

4. Single Room Occupancy Hotels

Long Beach has several hotel and motel buildings functioning as single room occupancy housing that have a blighting effect upon the surrounding community through their operation or appearance. Many have required significant use of public safety resources over the years. While originally intended as temporary lodgings, these motels have become “de-facto” permanent housing units. However, they are not being managed as “permanent” housing and oftentimes, are neighborhood nuisances.

Single-room occupancy hotels (SROs) contain small rooms, usually between 80 to 250 square feet. Rooms typically have a sink and closet, and share a bathroom, shower, and kitchen with other rooms. Residential hotel units may be affordable to low-income persons without the need for government subsidy. With subsidies, these units can be made affordable to very low-income households. Formerly homeless persons often find SROs an affordable entry point into the housing market.

Similar to many communities, SROs historically existed in and around Downtown Long Beach, providing affordable shelter to low-income individuals and wage earners re-settling in the area. However, as the characteristics of the Downtown area changed, so did the tenancy in these hotels, many functioning more as transient motels serving the down-and-out and catering to illicit activities. Many of these older SROs have been lost due to deterioration, hotel conversions, and demolition. In addition, the City’s Zoning Ordinance does not currently provide for residential uses in most commercial districts.

The City is currently considering revisions to its Zoning Ordinance to allow conversion of motel/hotel uses to special needs residential uses on certain commercial corridors, such as along Anaheim Street, Pacific Coast Highway, and other arterials. The City is also considering one or two pilot projects that will convert motel buildings into SROs. The goal is to have better managed and maintained properties without the numerous problems found in transient motel/hotel uses.



III. CITY HOUSING POLICIES

A. MISSION STATEMENT

The Department of Community Development has developed the following Housing Action Plan mission statement to help provide direction for the use of affordable housing funds in the City:

- *To provide safe and livable neighborhoods in Long Beach by promoting, developing and preserving decent, safe and affordable housing through use of available resources such as tax increment, federal capital resources, bonding authority, tax credits, and other funds from the public and private sector.*

B. HOUSING ACTION PLAN GOALS

The Housing Action Plan is designed to serve as the framework for the allocation of scarce affordable housing resources in the City. The two primary goals for the use of these resources are:

- *To maximize investment towards providing quality affordable housing to as many City residents with the greatest housing needs as possible.*
- *To revitalize and stabilize Long Beach neighborhoods.*

C. GUIDING PRINCIPLES FOR HOUSING ASSISTANCE

In meeting its goals, the Housing Action Plan is guided by the following five principles. These principles are developed in response to identified housing needs, and reinforce the principles of the 2010 Long Beach Strategic Plan.

- *Provide and preserve safe, decent and affordable housing for Long Beach households with the greatest need*
- *Address severe overcrowding in Long Beach neighborhoods*
- *Address substandard conditions*
- *Encourage owner-occupancy*
- *Enhance neighborhood stability*



IV. HOUSING RESOURCES

Developing affordable housing, particularly for very low and low-income households requires deep financial subsidies. Layers of funding from various sources are often needed to make an affordable housing project financially feasible. Long Beach has access to a variety of existing and potential funding sources to support affordable housing activities, including programs from local, state, federal and private resources. The City and The Long Beach Housing Development Company, a non-profit created by the City, work with developers to secure various sources of outside funds to leverage local resources and maximize the number of households assisted.

For purposes of resource allocation and housing production goals, the Housing Action Plan focuses on the two primary existing affordable housing funding sources under direct City control - redevelopment housing set-aside funds and HOME funds. These funds must be spent on the appropriate income levels based on the needs of the community, as defined by the City's regional housing needs contained in the Housing Element. In addition, the use of funds for senior citizen housing projects is limited to no more than the proportion that seniors age 65+ represent in the City's total population as reported in the most recent Census.

A. EXISTING RESOURCES

1. Redevelopment Set-Aside

The City's primary source of funding for affordable housing is redevelopment housing set-aside funds for low- and moderate-income housing development. State law requires Long Beach's Redevelopment Agency (RDA) to set-aside 20% of tax increment revenue generated from redevelopment projects for activities that increase, improve, or preserve the supply of affordable housing.

Recent changes to Redevelopment Law have added more stringent requirements to the use of redevelopment housing set-aside⁶. Affordable housing developed with redevelopment housing funds must remain affordable to the targeted income group for at least 55 years for rental housing and 45 years for ownership housing.

⁶ AB 637, Effective January 2002.



2. HOME Investment Partnerships (HOME)

Long Beach also receives an annual entitlement under the federal HOME program. The HOME Program provides federal funding for the development and rehabilitation of rental and ownership housing for low-income households. Funds can be used for activities such as site acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance.

For Fiscal Years 2005–2009, the City of Long Beach anticipates approximately \$69 million to implement the Housing Action Plan. This amount is anticipated from redevelopment housing set-aside revenues, HOME funds and program income, minus an allowance for administration, as shown in Table 3 below.

Table 3
Revenue Projections (\$000)
Fiscal Years 2005-2009

	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>TOTAL</u>
Housing Set-aside (1)	\$9,531	\$10,059	\$10,444	\$10,813	\$11,190	\$52,037
Program Income	\$500	\$250	\$250	\$250	\$250	\$1,500
Less Administration (2)	(\$2,006)	(\$2,062)	(\$2,139)	(\$2,213)	(\$2,288)	(\$10,707)
Subtotal	\$8,025	\$8,247	\$8,555	\$8,850	\$9,152	\$42,830
HOME (3)	\$5,388	\$5,000	\$5,000	\$5,000	\$5,000	\$25,388
Program Income	\$1,000	\$750	\$750	\$750	\$750	\$4,000
Less Administration (2)	(\$639)	(\$575)	(\$575)	(\$575)	(\$575)	(\$2,939)
Subtotal	\$5,749	\$5,175	\$5,175	\$5,175	\$5,175	\$26,449
TOTAL	\$13,774	\$13,422	\$13,730	\$14,025	\$14,327	\$69,279

(1) Based on Keyser Marston Associates' projections as of 10/7/03.

(2) Administration cost is assumed at 20% of set-aside and 10% of HOME.

(3) FY04-05 is actual; assumed at \$5 million annually thereafter.

B. POTENTIAL ADDITIONAL RESOURCES

Additional funds may become available to the City as federal and state agencies offer competitive grants. In addition, the City is in the process of reviewing the establishment of a Housing Trust Fund to be funded by revenue sources not traditionally received by the City. If adopted, the Housing Trust Fund will become an additional revenue source for affordable housing.



Staff will make every attempt to maximize leveraging of City funds through partnerships with public and private agencies and technical assistance to housing developers in obtaining financing from the following sources:

- Low Income Housing Tax Credits
- Tax Exempt Mortgage Revenue Bonds
- Fannie Mae/ Freddie Mac
- California Housing Finance Agency Funds
- State Housing and Community Development Funds
- Federal Housing and Urban Development Funds
- City of Industry Funds
- Federal Home Loan Bank Affordable Housing Program
- Developer Equity
- Foundations



V. HOUSING PRODUCTION

A. HOUSING PROGRAMS SUMMARY

Housing and neighborhood conservation and preservation is an important means to improve the quality of life for our residents. As an older, highly urbanized, and densely populated community, Long Beach is confronted with a range of community development issues, particularly in older neighborhoods where housing conditions, public improvements, and community facilities have begun to deteriorate over time. Programs to enhance neighborhood stability, particularly in focus neighborhoods in critical need of assistance, are at the foundation of the Housing Action Plan. Increasing homeownership is another major goal of the City to achieve both neighborhood stability and affordable ownership opportunities for modest income households. Programs to expand and preserve affordable rental housing are also critical to addressing populations most in need, and to stem trends of increasing renter overcrowding and overpayment.

The housing programs presented in the following section implement policies contained in the City's Strategic Plan and Housing Element, and represent activities undertaken by the City to address owner and renter housing needs, and enhance the quality of life in Long Beach neighborhoods. Any of the programs listed below can be used in the neighborhood focus areas. New programs may be developed to meet the specific needs of focus areas.

OWNERSHIP PROGRAMS

Long Beach implements several programs to increase homeownership opportunities to low- and moderate-income households through The Long Beach Housing Development Company (LBHDC). These include programs to assist homebuyers in purchasing their first homes, new construction programs, and programs aimed at maintaining and improving the ownership housing stock. Program guidelines are reviewed periodically and may be revised to address prevailing market conditions and funding regulations.

1. First-time Homebuyer Assistance

Purpose: To assist qualified first-time homebuyers purchase homes in Long Beach.

Target Population: Low- or moderate-income households who live or work in Long Beach.



Program Description: Downpayment or second mortgage assistance to qualified first-time homebuyers up to a maximum of \$50,000 towards the purchase price of a single-family unit, a townhome, a condominium or a duplex. The loan may be forgiven if the owner continues to live in the home for at least 45 years. If the property is sold or transferred prior to the 45th year, the LBHDC receives a share in the equity of the home, in addition to the principal loan amount and accrued interest.

2. New Construction

Purpose: To assist in the development of new for-sale housing available to qualified first-time homebuyers.

Target Population: Low- or moderate-income households who live or work in Long Beach.

Program Description: Assistance to housing developers in the construction of affordable for-sale ownership housing, up to a maximum of \$200,000 per unit. LBHDC assistance usually takes the form of low-interest loans that convert to silent second mortgages to the ultimate buyers.

3. Acquisition and Rehabilitation

Purpose: Acquisition and rehabilitation of homes for sale to qualified first-time homebuyers in Long Beach.

Target population: Low- or moderate-income households who live or work in Long Beach.

Program Description: Acquisition and rehabilitation of multi-family and single-family homes, most of which are acquired from the City through HUD's "Homes to Local Government Program." The LBHDC acquires buildings and either (1) rehabilitates the units and sells them to low- and moderate-income households or to another non-profit organization with affordability restrictions in place, or (2) resells to a developer who will rehabilitate and resell the units to low- and moderate-income households. The maximum cost per unit under this program is \$100,000.

4. Owner-Occupied Rehabilitation Program

Purpose: To provide low-interest rehabilitation loans to qualified owner-occupants of single-family homes in Long Beach.



Target Population: Low- or moderate-income households who live in Long Beach.

Program Description: Low-interest loans to qualified homeowners to make improvements and repairs to their homes, up to a maximum of \$35,000 per unit at an interest rate of 3%. Payment on the loans may be deferred until the home is sold or transferred, depending upon the borrower's total housing cost. Proceeds can be used to correct code deficiencies, repair damage, and improve the building or grounds.

5. Mobile Home Rehabilitation Program

Purpose: To provide low-interest rehabilitation loans to qualified owners of mobile homes in Long Beach.

Target Population: Low-income households who live in Long Beach.

Program Description: Rehabilitation loans to qualified mobile home owners to correct deficiencies, up to a maximum of \$5,000 per unit. Eligible corrective work includes weatherizing and energy conservation, exterior painting, roofing, vector control, and the repair of major systems (e.g., heating, air conditioning, plumbing, electrical, etc.).

RENTAL PROGRAMS

The City and the LBHDC implement two primary programs targeted towards production of very low- and low-income rental housing – multi-family acquisition and/or rehabilitation, and affordable new construction. Priority in funding is granted to projects, which serve special needs populations, or include amenities such as childcare centers, public open space, or community centers.

1. Acquisition and/or Rehabilitation

Purpose: To assist housing developers in acquiring and/or rehabilitating affordable rental housing in Long Beach.

Target Population: Very low- or low-income households.

Program Description: Assistance to housing developers in the acquisition and/or rehabilitation of affordable rental housing. LBHDC assistance may be up to a maximum of \$135,000 per unit and takes the form of a land write-down, construction loan or predevelopment loan. All assisted units must be deed-restricted for occupancy by very low and low-income families or seniors for a minimum of 55 years. The LBHDC enforces occupancy standards and



periodically monitors property maintenance. The borrowers must give preference to displaced tenants and those referred through the Homeless Continuum of Care.

2. New Construction

Purpose: To assist housing developers in the construction of new affordable rental housing in Long Beach.

Target Population: Very low- or low-income households.

Program Description: Assistance to housing developers in the construction of affordable rental housing. LBHDC assistance may be up to a maximum of \$150,000 per unit and generally takes the form of a land write-down, construction loan or predevelopment loan. All assisted units must be deed-restricted for occupancy by very low and low-income families or seniors for a minimum of 55 years. The LBHDC will enforce occupancy standards and monitor property maintenance. The borrowers must give preference to displaced tenants and those referred through the Homeless Continuum of Care. The LBHDC assists developers in seeking out other sources of funding, including HOME, CDBG, state, federal, and City of Industry funds. In many cases, the LBHDC assists other non-profits to provide affordable housing for special needs groups.

B. PROPOSED 5-YEAR ALLOCATION

Based on the programs described above, the City proposes to allocate available revenues between ownership and rental programs and use the funds to benefit very low-, low- and moderate-income households, as deemed most appropriate. The goal of the HAP's allocation of resources is to benefit as many residents with the greatest housing needs as possible, while revitalizing and stabilizing neighborhoods. Table 4 depicts the proposed 5-year allocation of funds, broken down by program and target population by income level. It also shows the anticipated number of units to be produced, based on an estimated cost per unit derived from recent developments and current market conditions.

The proposed allocation takes into consideration recent legislation that requires affordable housing funds to be spent in proportion to the City's regional housing needs as defined in the Housing Element, which for Long Beach translates to a funding allocation of 43% towards very low-income, 26% towards low-income, and 31% towards moderate-income households. In addition, the law limits the use of funds for senior citizen housing projects to no more than the proportion seniors age 65+ represent in the community, or 9% in Long Beach.



Table 4
Housing Programs Allocation (\$000)
Fiscal Years 2005-2009

TARGET POPULATION/ PROGRAM	Cost Per Unit	Very Low Income		Low Income		Moderate Income		Total	
		Amount	Units	Amount	Units	Amount	Units	Amount	Units
OWNERSHIP PROGRAMS									
First-Time Homebuyer Assistance	\$50			\$500	10	\$4,500	90	\$5,000	100
Rehabilitation	\$35	\$1,225	35	\$8,575	245	\$2,450	70	\$12,250	350
Acquisition / Rehabilitation	\$100	\$500	5	\$1,300	13	\$200	2	\$2,000	20
New Construction	\$200			\$4,575	23	\$10,675	53	\$15,250	76
Subtotal		\$1,725	40	\$14,950	291	\$17,825	215	\$34,500	546
RENTAL PROGRAMS									
Acquisition / Rehabilitation	\$135	\$16,000	119	\$1,250	9			\$17,250	128
New Construction	\$150	\$12,000	80	\$5,250	35			\$17,250	115
Subtotal		\$28,000	199	\$6,500	44	\$0	0	\$34,500	243
TOTAL		\$29,725	239	\$21,450	335	\$17,825	215	\$69,000	789
Required Percentage		43%		26%		31%		100%	
Recommended Percentage		43%		31%		26%		100%	



VI. NEIGHBORHOOD FOCUS AREAS

In order to most effectively direct its limited resources to address Long Beach's five priority housing issues – housing affordability, overcrowding, substandard housing, owner-occupancy and neighborhood stability – the Housing Action Plan proposes spending at least 65% of the City's resources within focus neighborhoods in critical need of assistance. The goal of this approach is to achieve *measurable* improvement in the quality of life in these neighborhoods through the focused investment of resources.

In addition to housing needs, as a means of addressing the broader community development needs of each "Focus Area" neighborhood, the City envisions a comprehensive approach to neighborhood improvement involving the following City departments and public entities:

- Department of Community Development
- Department of Planning and Building
- Department of Parks, Recreation and Marine
- Police Department
- Department of Public Works
- Department of Health and Human Services
- City Prosecutor
- Long Beach Unified School District

The Department of Community Development, in conjunction with representatives from the City Council, Planning and Code Enforcement, have identified the following three Focus Area neighborhoods for initial investment under the Housing Action Plan (refer to Exhibits 16, 17 and 18 for neighborhood locations):

- **Washington School Focus Area**
Anaheim Street – Pacific Coast Highway/Magnolia Avenue – Long Beach Blvd.
- **Central Focus Area**
Pacific Coast Highway – Willow Street/Pacific Avenue – Western boundary of Signal Hill
- **North Long Beach King School Focus Area**
Artesia Freeway – Greenleaf Blvd (North City limits)/ Delta Avenue - Long Beach Freeway

These three neighborhoods are in various stages of transition where concentrated public investment in housing and neighborhood improvements are seen as essential to reverse their decline. After extensive review of neighborhood conditions throughout the City, these particular neighborhoods were selected based on the following criteria:



- Severe renter overpayment
- Severe renter overcrowding
- High poverty levels
- High absentee ownership
- Concentrated building code violations
- High crime rates
- Geographic distribution
- Existence of other investment/programs

The following provides a summary of the demographic, housing and neighborhood conditions within each of the three neighborhood Focus Areas. A summary table highlighting key demographic and housing characteristics in each area is included in Appendix A. A more in-depth discussion of each area is included in the Neighborhood Analysis report included in Appendix B of the HAP.

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 concentrations 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 (with less than 20 units) built in the 1950s and 1960s with off-site property management. Over half the single-family homes in this area are renter-occupied.

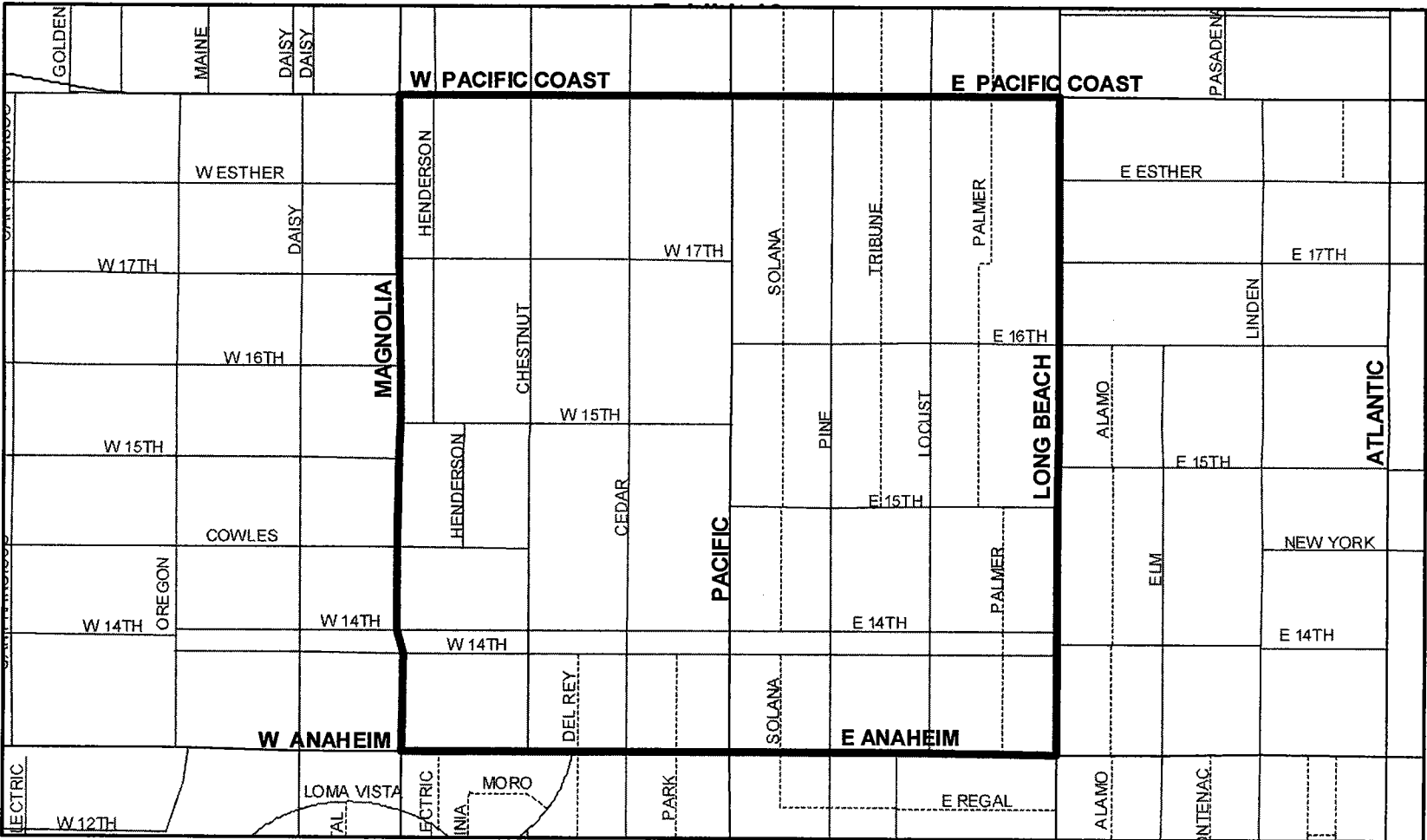
Washington School neighborhood residents reflect a range of ethnicities: 77% Hispanic, 10% African American, 6% Asian, and 4% White, among others. With 42% of the population under 18 years of age (compared to 29% Citywide), this area is characterized by a large number of families with children. And while 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.

Residents in this neighborhood earn very low incomes, with a 1999 median household income of \$19,800 in contrast to a Citywide median of \$37,270. Over half (51%) of neighborhood residents earn incomes that fall below the poverty level, compared to 23% poverty level households Citywide. Low resident incomes combined with relatively high housing costs result in high levels of household overpayment. The 2000 census documents 57% of renters in this Focus Area overpay for housing costs (> 30% income on rent), with one-third of renters spending more than half their income on rents.



Several important community development projects are currently planned for the Washington School neighborhood, which will bring needed resources to the area and aid in neighborhood stabilization. The County of Los Angeles has conveyed a two-acre site on Chestnut and 14th Street (former County health clinic) to the City for park use. The City has also submitted a grant to the State to purchase 0.35 acre of adjacent properties for the creation of "Seaside Park." The City is also assisting in the development of Pacific Apartments, a 42-unit affordable apartment complex for large families that will include a large recreation room, computer/study room, outdoor tot-lot, picnic area, and mini-soccer field.

This Focus Area falls entirely within the Washington School Neighborhood Improvement Strategy Area (NIS) and within the Central Long Beach Redevelopment Project Area.



CITY OF LONG BEACH

*City of Long Beach
Housing Services Bureau
Washington School Focus Area*

Major Street
 Street
 Alley

0 500 1000 Feet

N

abd 5/1/04 c:\projects\Community Development\housing plan area.apr



2. Central Focus Area

Pacific Coast Highway – Willow Street/Pacific Avenue – Western boundary of Signal Hill

The Central Area 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% of renter households are overcrowded, and 36% are severely overcrowded. Population densities in the area west of Long Beach Boulevard are among the highest in the City.

The predominant ethnic groups are: Hispanic (53%), African American (20%), and Asian (19%). The Area contains a significant number of families with children, with 41% of the population under 18 years of age. The majority of households earn very low incomes, with 39% of the population earning incomes below the poverty level.

The Central Area housing stock is quite old and deteriorating. Over half the parcels in this area contain units built prior to 1925, with the vast majority of all units built prior to 1950. The area is comprised of a diverse mix of single and multi-family housing, often located adjacent to one another without adequate buffering. Single-family homes comprise one-third of the housing in this area, with nearly half of these homes utilized as rentals. Despite the deteriorated condition of large segments of the housing stock, rents are high, resulting in 58% of renters overpaying for housing, with one-third severely overpaying and spending more than half their incomes on rent. (Citywide, 46% of renters overpay, with 23% severely overpaying).

The Central Focus Area falls almost entirely within the Central NIS Area with the exception of the South Wrigley neighborhood located west of Long Beach Boulevard. The Central Long Beach Redevelopment Project Area encompasses the western half of the Focus Area (west of Atlantic), and east along Pacific Coast Highway.

2A. Central Focus Area – Western Subarea

Pacific Coast Highway – Hill Street/Pacific Avenue – Atlantic Avenue

While the Central Focus Area exhibits significant housing and community development needs, the large geography of this area may dilute the impact of neighborhood revitalization activities. Therefore, the City feels it would be more effective to initially focus activities in a smaller area, and gradually expand to encompass the entire Focus Area. Based on review of census data and



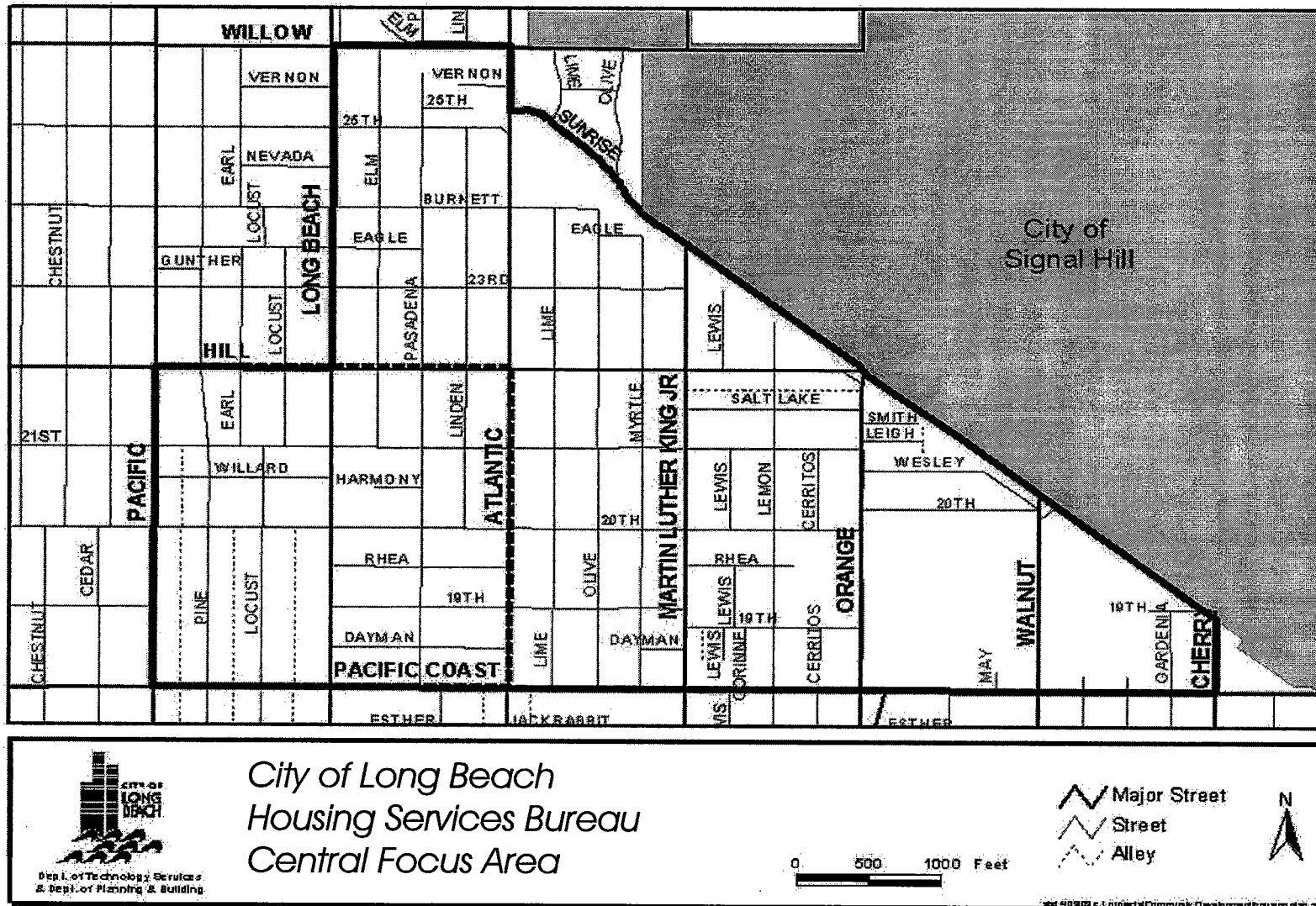
discussions with the City Councilwoman representing the area, staff recommends focusing activities for the first several years of the HAP in the southwestern quadrant, west of Atlantic Avenue and south of Hill Street.

This western subarea encompasses a population of approximately 7,200 residents, representing approximately 40% of the entire Central Focus Area, and 2,000 housing units. Review of 2000 census data for this subarea exhibits a concentration of housing needs greater than the Central Focus Area as a whole - higher poverty levels (46% vs. 39%), greater proportion of renters (84% vs. 77%), greater levels of severe renter overpayment (42% vs. 34%), and greater incidence of severe renter overcrowding (38% vs. 36%). This data validates the initial focusing of resources within the western subarea of the Central Focus Area, consistent with HAP goals to assist as many City residents with the greatest housing needs as possible.

The City's Housing Services Bureau and LBHDC have already established a presence in this neighborhood through several ownership developments along Atlantic Avenue – the 15-unit Atlantic Villas townhomes, the 40 single-family homes and childcare center at Renaissance Walk, and two Habitat for Humanity homes. Additional planned LBHDC-sponsored housing includes: Atlantic Avenue housing Phases III and IV (acquisition of 2 blocks across from Renaissance Walk for affordable development); and 88–93 units of mixed income ownership housing on the east side of Long Beach Boulevard to be developed in two phases. Other significant public investments in this area include business façade improvement along Atlantic Avenue and the development of Renaissance Square, a community-serving facility, as well as the opening of a much-needed supermarket on Long Beach Boulevard and 20th Street.



Exhibit 17





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 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 is home to 8,235 residents and consists of 2,080 dwelling units. 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% renter-occupancy and one-third of the single-family homes used as rentals, this high level of absentee ownership contributes to neighborhood deterioration.

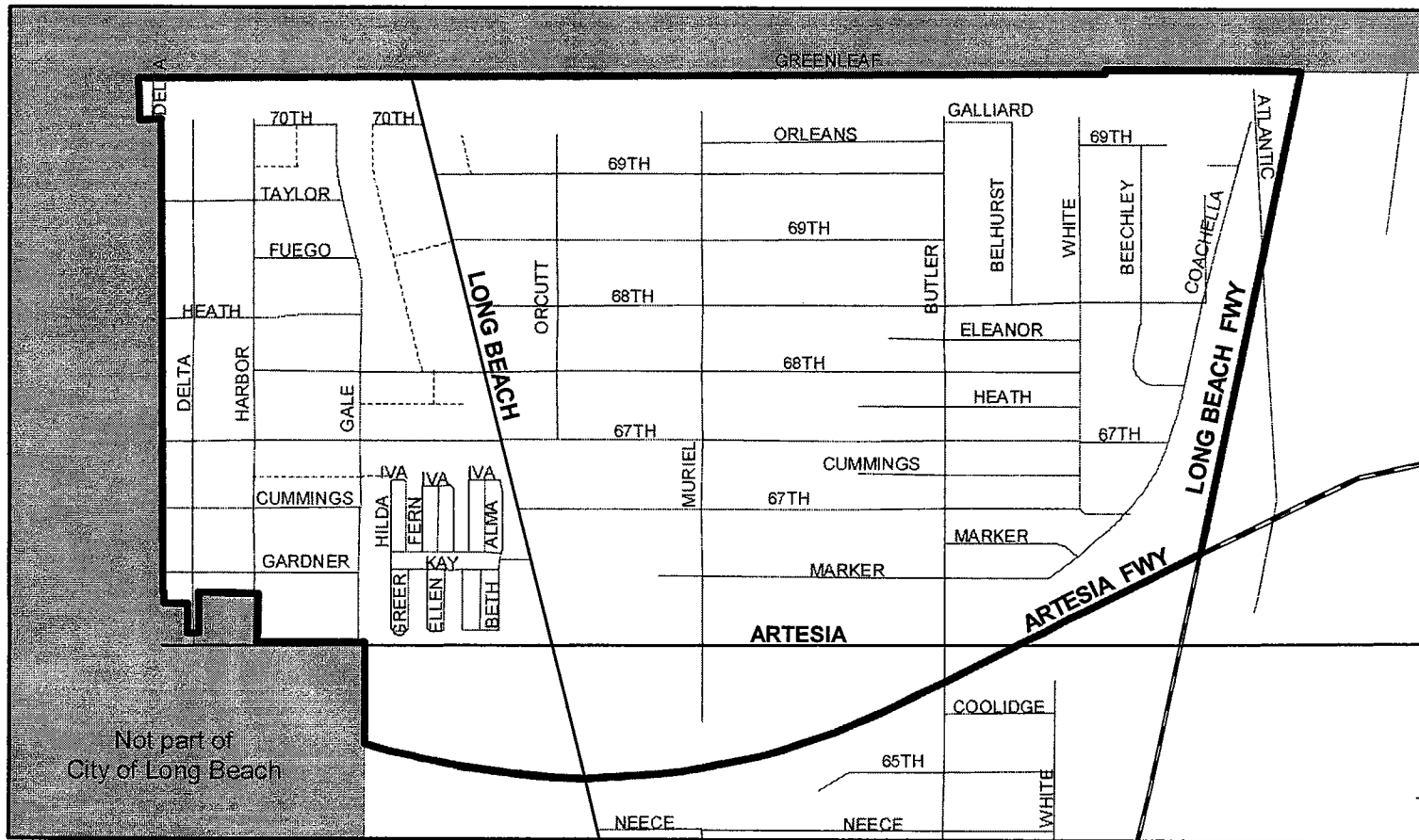
North Long Beach Focus Area residents are ethnically diverse: 62% Hispanic, 24% African American, 6% Asian and 4% White. With an average household size of 4.2 persons per unit, and 42% of the population under the age of 18, this area is characterized by a significant number of large families with children. Many census blocks average 5 or more persons per household, among the highest average household size in the City. The area's modest single-family homes are typically 2- to 3-bedroom units, and inadequately sized to house the large households prevalent in this area. This is evidenced by 60% of renter households that reside in overcrowded conditions, with 37% living in severely overcrowded conditions.

Median household incomes within 3 of the area's 4 census block groups range from \$23,000 to \$33,000, with a median income of \$51,000 in the 4th block group located immediately west of the 710 freeway. Nearly one-third of the population falls below the poverty level. High rental rates in the area relative to incomes result in 56% of renters overpaying for housing, and 30% spending more than half their incomes towards rents.

The majority of this Focus Area falls within the North Long Beach/King School NIS Area, with the exception of the area located west of Long Beach Boulevard. The North Long Beach Redevelopment Project Area encompasses the entire Focus Area.



Exhibit 18



Dept. of Technology Services
& Dept. of Planning & Building

City of Long Beach
Housing Services Bureau
North Long Beach King School
Focus Area

- Major Street
- Street
- Alley



0 500 1000 Feet

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LONG BEACH HOUSING ACTION PLAN
Demographic and Housing Profile Summary Table
Citywide and Focus Areas

APPENDIX A

	City of Long Beach	Washington School Focus Area	Central Focus Area	Central Focus Area - Western SubArea	North Long Beach King School Focus Area
Total Population	461,552	9,234	18,737	7,204	8,235
Age					
Under 18 years	134,639 29.2%	3,871 41.9%	7,737 41.3%	2,848 39.5%	3,432 41.7%
18-64 years	284,981 61.7%	5,180 56.1%	10,266 54.8%	4,210 58.5%	4,529 55.0%
65 years and over	41,902 9.1%	183 2.0%	734 3.9%	146 2.0%	274 3.3%
Ethnicity/Race					
Hispanic	165,092 35.8%	7,115 77.1%	9,929 53.0%	4,534 62.9%	5,128 62%
White	152,899 33.1%	366 4.0%	627 3.3%	252 3.5%	365 4%
Black	66,836 14.5%	954 10.3%	3,830 20.4%	1,353 18.8%	2,010 24%
American Indian	1,772 0.4%	40 0.4%	44 0.2%	17 0.2%	21 <1%
Asian	54,937 11.9%	518 5.6%	3,512 18.7%	783 10.9%	284 3%
Pacific Islander	5,392 1.2%	130 1.4%	299 1.6%	121 1.7%	228 3%
Other	1,013 0.2%	11 0.1%	17 0.1%	3 <0.1%	9 <1%
2 or more races	13,581 2.9%	100 1.1%	479 2.6%	141 2.0%	120 1%
Housing					
Housing Units	171,632	2,332	5,085	2,008	2,080
Single-family units	69,014	184	1,653	557	1,040
% Single-family rentals	23%	53%	43%	40%	31%
Owner Occupied Households*	66,928 41.0%	158 7%	1,072 23.0%	298 16%	909 47%
Renter Occupied Households*	96,160 59.0%	1,976 93%	3,604 77.0%	1,534 84%	1,044 53%
Vacant	8,544 (5.0%)	198 (8.5%)	409 (8.0%)	176 (8.8%)	127 (6.1%)
Total Households	163,088	2,134	4,676		1,953
Ave. Household Size	2.77	4.1	4	3.9	4.2
Total Renter Overcrowding	29%	63%	54%	58%	60%
Severe Renter Overcrowding	20%	47%	36%	38%	37%
Total Renter Overpayment	46%	57%	58%	61%	56%
Severe Renter Overpayment	23%	34%	34%	42%	30%
Median Asking Rent**	\$639	\$441 - \$503	\$425-\$638	\$440-\$566	\$525-\$850
Median Household Income **	\$37,270	\$19,800	\$15,745 - \$29,076	\$15,745-\$29,076	\$26,953 -\$50,506
% Persons under Poverty Level	23%	51%	39%	46%	31%

Source: U.S. Census 2000

Notes:

* % owner-occupied + % renter-occupied households = 100% total households. Excludes unoccupied vacant units.

** Median rent and income represents range for all block groups in each Focus Area.

APPENDIX B

NEIGHBORHOOD FOCUS AREA ANALYSIS

LONG BEACH HOUSING ACTION PLAN

Neighborhood Focus Area Analysis

**Washington School Focus Area
Central Focus Area
North Long Beach King School Focus Area**

May 2004

Prepared by
Housing Services Bureau
Department of Community Development
With Assistance from Karen Warner Associates

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I. BACKGROUND

Over the 100+ years since the City's incorporation, Long Beach has grown to nearly half a million residents and over 170,000 housing units, rendering it the fifth largest City in the State. With this growth has come significant change in the City's population, including ethnicity, age, family structure and special needs populations, all of which have important implications for the community's housing needs. And while the residential real estate market is strong in many parts of Long Beach, most new private sector construction is not addressing the community's most pressing housing needs, and skips over the City's most impoverished neighborhoods entirely.

One of the most important demographic trends impacting housing needs is the City's transition from a majority white homeowner population comprised of smaller households to an increasing number of Hispanic and Asian renter households with large families. The City's existing housing stock of primarily older, small units are of inadequate size to house this population, resulting in significant unit overcrowding and deterioration. This population is predominately lower income, and is significantly impacted by escalating market rents, which have recently spread to even Long Beach's traditionally more affordable neighborhoods.

In addition to the mismatch between housing needs and supply, the City faces another critical housing issue related to housing deterioration in many low-income single and multi-family neighborhoods. The high degree of absentee ownership in many neighborhoods contributes both to unit deterioration, and overall neighborhood instability. And with more than one-third of the City's housing more than 50 years old, diligence in monitoring and maintenance of the housing stock is critical to preventing the proliferation of substandard conditions.

In summary, a high proportion of Long Beach's existing lower income renters and homeowners face extremely high housing costs relative to income, are overcrowded, endure unsafe housing conditions and live in unsafe neighborhoods. In order to address these priority housing issues, the Community Development Department has adopted the following five guiding principles in which to concentrate its resources and focus its efforts:

Housing resources will be used to address severe overcrowding in Long Beach neighborhoods.

Findings: One in five Long Beach renter households live in severely overcrowded conditions. This problem is exacerbated by the fact that over 60% of the existing rental housing stock consists of single or one-bedroom apartments and that the majority of the City's population growth is in large families.

Housing resources will be used to provide and preserve safe, decent and affordable housing for Long Beach households with the greatest need.

Findings: About 23% of city renters pay 50% to 60% and more of their income for even the smallest apartment. Each month, over 20,000 Long Beach families must choose between rent, food, medicine and clothes for their children.

Housing resources will be used to enhance neighborhood stability.

Findings: Absentee ownership, substandard conditions, a lack of affordable housing, insufficient code enforcement, and overcrowding have caused a severe deterioration and an instability and decline in the health of Long Beach neighborhoods.

Housing resources will be used to address substandard conditions.

Findings: Three-quarters of the City's housing stock is more than 30 years old, the age when buildings typically begin to show signs of deterioration and require reinvestment. Housing conditions are continuing to deteriorate in spite of the City's considerable code initiatives. Absentee ownership has contributed to substandard conditions of housing and destabilized Long Beach neighborhoods due to lack of maintenance or consistent maintenance.

Housing resources will be used to encourage owner occupancy.

Findings: With a homeownership rate of 41%, a minority of the City's households are homeowners. In Long Beach, absentee ownership of single-family homes and small apartment buildings appears to be a significant contributing factor to the decline of surrounding neighborhoods.

In order to most effectively direct its resources to address these five problem areas, the Housing Action Plan proposes spending at least 65% of the City's housing resources within designated Neighborhood Focus Areas in critical need of assistance. Three initial Neighborhood Focus Areas have been identified for investment. The following analysis describes current demographic, housing and neighborhood conditions in each of these areas designed to assist in understanding the nature and magnitude of need. Upon final selection of the Focus Neighborhoods, detailed Housing Action Plans will be developed to meet the unique needs of each area and address the City's five housing priorities.

II. NEIGHBORHOOD FOCUS AREAS

The Long Beach Department of Community Development, in conjunction with representatives from the City Council, Planning and Code Enforcement, have identified the following three Focus Area neighborhoods for initial investment under the Housing Action Plan (HAP):

- **Washington School Focus Area**
Anaheim Street – Pacific Coast Highway/Magnolia Avenue – Long Beach Blvd.
- **Central Focus Area**
Pacific Coast Highway – Willow Street/Pacific Avenue – Western boundary of Signal Hill
- **North Long Beach King School Focus Area**
Artesia Freeway – Greenleaf Blvd (North City limits)/ Delta Avenue - Long Beach Freeway

These three neighborhoods are in various stages of transition where concentrated public investment in housing and neighborhood improvements is essential to reverse their decline. After extensive review of neighborhood conditions throughout the City, these particular three neighborhoods were selected based on the following criteria:

- Severe renter overpayment
- Severe renter overcrowding
- High poverty levels
- High absentee ownership
- Concentrated building code violations
- High crime rates
- Geographic distribution
- Existence of other investment/programs

The following sections provide an overview of the demographic, household and housing stock characteristics in each Focus Area derived from the 2000 census, as summarized in Appendix A of the HAP. An analysis of the following neighborhood indicators for each Focus Area is also presented:

- Residential Real Estate Activity
- Market Rents
- Residential Development
- Code Enforcement Violations
- Police Activity
- Adequacy of Park Space

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 concentrations 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. Over half the single-family homes in this area are renter-occupied.

Washington School neighborhood residents reflect a range of ethnicities: 77% Hispanic, 10% African American, 6% Asian, and 4% White, among others. With 42% of the population under 18 years of age (compared to 29% Citywide), this area is characterized by a large number of families with children. And 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.

Residents in this neighborhood earn very low incomes, with a 1999 median household income of \$19,800 in contrast to a Citywide median of \$37,270. Over half (51%) of neighborhood residents earn incomes that fall below the poverty level, compared to 23% poverty level households Citywide. Low resident incomes combined with relatively high housing costs result in high levels of household overpayment. The 2000 census documents 57% of renters in this Focus Area overpay for housing costs (> 30% income on rent), with one-third of renters spending more than half their income on rents.

Residential Real Estate Activity

Review of residential sales in the Washington School Focus Area during calendar year 2003 reveals 48 completed sales: 9 single-family homes, 11 condominium units, 7 duplex/triples/fourplex buildings, and 7 apartment buildings. Table 1 summarizes sales activity during this period.

Table 1
Washington School Focus Area
Residential Sales Prices – 2003

Unit Type	# Units Sold	Price Range	Median Price	Median Unit Size	Median Year Built
Homebuyer Units					
Single-Family	11	\$180,000- \$299,000	\$239,000	1,206 sq.ft.	1920
Condominium	11	\$109,500- \$175,000	\$155,000	827 sq.ft.	1988
Unit Type	# Buildings Sold	Price Range per Unit	Median Price per Unit	Median Unit Size	Median Year Built
Investment Properties					
Duplex – Fourplex	19	\$70,000- \$230,000	\$115,000	---	1933
Apartments	7	\$61,000- \$93,000	\$79,000	---	1924

Source: Real Quest, January 2003 -December 2003

Single-Family Homes: Eleven single-family homes sold in this predominately multi-family neighborhood during 2003, ranging in price from \$180,000 to \$299,000 and selling for a median of \$239,000. As home prices continue to escalate, re-sale activity has been active, with two-thirds of these 11 units selling only two to three years prior and realizing over 50% appreciation in price. Many of these units were likely purchased by investors to utilize as rental property, as supported by census statistics, which document that 53% of the single-family homes in this Focus Area are occupied as rentals.

Single-family homes are modest in size, averaging 1,200 square feet, and comprised of predominately 2 and 3 bedroom units. All homes sold were over 70 years in age, with 1920 reflecting the median year built.

Condominiums: Eleven condominium units were sold in the Washington School Focus Area, ranging in value from \$109,000 to \$175,000, and commanding a median price of \$155,000. Units were all within one of four complexes located on Locust, Pine or Cedar Avenues and built between 1985-1990. Three of these 11 units had previously sold within the last two years, and realized price increases of between 50% to 100% upon resale.

Duplex/Triplex/Fourplex Buildings: In addition to homebuyer activity, the Washington School Focus Area is experiencing a high level of residential investor activity as investors are buying up duplex, triplex and fourplex properties prevalent in the area. A total of 19 such properties sold during 2003, including 12 fourplexes, 5 duplexes and 2 triplexes. The median purchase price was \$115,000 per unit, with over half of these properties having previously sold since 2000 and realizing significant price appreciation of 30% to 50% and above. The majority of these properties were built between 1920-1950, with a median year built of 1933.

Apartments: Seven apartment complexes sold in the Washington School Focus Area during 2003, commanding a median price of \$79,000 per unit. Apartment buildings were small, 4-6 unit complexes, and comprised entirely of studio and 1-bedroom apartments. Three of these seven complexes had previously sold in 2002, evidencing price increases of 40-50%. Exterior inspection of many of the recently sold apartment buildings evidence limited or no signs of physical upgrading such as painting. With extremely limited rental vacancies, property upgrades are not necessary to rent units in this neighborhood, contributing to deferred building maintenance. The apartments sold were all built between 1915 and 1929, with a median year built of 1924.

Market Rents

With 90% of the housing in the Washington School Focus Area occupied by renters, the rental market consists of a mix of apartments, condominiums, duplexes and single-family homes. Table 2 presents average market rents by unit type in the greater Downtown area (zip code 90813) as collected by the Long Beach Housing Authority. As of May 2004, market rents average \$912 for a 2-bedroom apartment, \$988 for a 2-bedroom condominium, \$660 for a 2-bedroom duplex, and \$1,030 for a 2-bedroom single-family home. Comparison with Housing Authority rents from January 2002 illustrate typical rent increases of 15% and above during the 2+ year period, with particularly high increases among duplexes and single-family homes.

Table 2
Washington School Focus Area (Zip Code 90813)
Rental Housing Rates: 2002-2004

Unit Type and Bedroom Size	Jan 2002 Average Rent*	May 2004 Average Rent*	Change
<i>Apartments</i>			
Studio	\$464	\$544	+17%
1	\$641	\$716	+12%
2	\$805	\$912	+13%
3	\$1,134	\$1,268	+12%
4	\$1,198	\$1,400	+17%
<i>Condominiums/Townhomes</i>			
1	\$545	\$545	--
2	\$928	\$988	+6%
<i>Duplex</i>			
2	\$660	\$660	--
3	\$850	\$1,249	+47%
<i>House</i>			
1	\$400	\$595	+49%
2	\$940	\$1,030	+10%
3	\$891	\$1,015	+14%
4	\$1,100	\$1,700	+55%

* Rents reflect average between 1-2 bathroom units
 Source: Long Beach Housing Authority, Rent Surveys

Residential Development

The Washington School neighborhood has experienced limited development in recent years, with only six new units developed between 2002-2003. All these units were built in two-unit duplex structures. While the area's R-4 zoning provides for generous development densities to allow for recycling and intensification of underutilized properties, the area's small parcel sizes limit the development of larger multi-family projects without the consolidation of several parcels. Fortunately, the area falls within the Central Long Beach Redevelopment Project Area, providing opportunities for Redevelopment Agency assistance in site assembly.

The Long Beach Redevelopment Agency has developed a draft Strategic Guide for Development (March 2004) to define land use concepts and development strategies for the Central Redevelopment Project Area to facilitate the area's transformation. The Guide's "residential strategy" establishes the following goals and strategies:

Goals

- Increase the supply of housing stock
- Reduce overcrowding
- Preserve and upgrade existing neighborhoods
- Enrich the livability of the residential neighborhoods

Strategies

- Modify regulatory requirements to encourage residential development compatible with the neighborhoods
- Encourage moderate to high density residential development, which is compatible with the neighborhoods, along the arterials
- Encourage construction of larger residential units (with more bedrooms), more suitable to the average family size in the area
- Develop and enforce design guidelines that regulate appropriate siting and massing, relationship with adjacent structures, and quality

Consistent with these Strategic Plan goals, the City and The Long Beach Housing Development Company (LBHDC) are currently providing assistance for development of Pacific Apartments, a 42-unit affordable apartment complex to be developed at Pacific Avenue and 16th Street. The project is comprised of three and four bedroom units reserved for low- and very low-income large families, and will include a large recreation room, computer/study room, outdoor tot-lot, picnic area, and mini soccer field. Priority in tenant selection will be given to families in the neighborhood currently living in overcrowded conditions, including Cedar Avenue immediately to the west.

Code Enforcement Violations

The City estimates that about one-third of the housing in the Washington School neighborhood is in good physical condition, another third is in need of rehabilitation, and a final third is severely deteriorated and qualifies for code enforcement citations.¹ This neighborhood falls within the Washington School Neighborhood Improvement Strategy Area (NIS) where the City has conducted intensive code enforcement efforts over the past decade to improve overall neighborhood conditions. In 2003, the City stepped up code enforcement in the area with a sweep working from Magnolia Avenue east to Pacific Avenue. The City conducts monthly block clean-ups, and continues to fund a graffiti control program.

As of March 31, 2004, the City's Code Enforcement Division identified the following active cases in the Washington School neighborhood:

- Abandoned Vehicles - 7
- Property Maintenance – 10
- Substandard Buildings – 20
- Substandard Conditions – 34
- Weed Abatement – 20
- Zoning Enforcement - 9

Of the 414 residential parcels in this Focus Area, approximately 5% of the properties have current citations for substandard conditions, and 8% have citations for substandard building violations. Substandard building refers to severe code violations, which endanger the health and welfare of the occupants or public, and will result in City demolition of the structure if compliance is not achieved.

Numerous factors present in the Washington School Focus Area continue to contribute to code violations and inadequate building and property maintenance, including: the combination of extremely low vacancy rates and high level of absentee landlords; an aging housing stock; and high population densities and unit overcrowding placing additional wear and tear on the buildings and neighborhood.

Police Activity

The majority of the Washington School Focus Area falls within four police reporting districts. The LBPD handled an average 104 Part 1² crimes per

¹ City of Long Beach Tax Credit Application – Pacific Apartments, March 25, 2003.

² Part 1 crimes encompass crimes against persons and crimes against property. Crimes against persons include: murder, manslaughter, forced rape, robbery, and aggravated assault. Crimes against property

reporting district in the Washington School neighborhood in 2003, compared to the Citywide average of 68 Part 1 crimes per district.³ While Part 1 crime increased by only 2% in this area between 2002-2003 (from 417 to 429 incidents), Part 2 crimes increased by 13% from 409 to 469 incidents. In contrast, Citywide Part 1 and Part 2 crimes each declined by 4% during this same period.

The most prevalent Part 1 crimes in the Washington School neighborhood are: auto theft (23%), aggravated assault (22%), robbery (14%), and petty theft (12%). Crime levels are exacerbated by overcrowded living conditions, as well as a number of active gangs in the area.

Adequacy of Park Space

As part of the Long Beach 2002 Open Space and Recreation Element, the City prepared a map of existing park service areas, and residential neighborhoods currently underserved by park facilities.⁴ The map illustrates that the entire Washington School Focus Area falls outside the service area for any existing neighborhood, community or regional park. With high population densities and over 40% of the population under age 18, significant household overcrowding and a lack of on-site open space in most existing residential development, the Washington School Focus Area is significantly impacted by insufficient open space resources.

In recognition of these issues, several park and school projects are planned for the Washington School neighborhood, which will bring needed resources to the area and aid in neighborhood stabilization. The City's Department of Parks, Recreation and Marine has recently rebuilt 14th Street Park in the center of the neighborhood, converting it from a passive area with grass and trees to an active recreational area with playground, skate plaza and basketball court. In addition, the City has acquired a 2.4 acre site on Chestnut Avenue from the County of Los Angeles, and has submitted a grant to the State to purchase 0.35 acre of adjacent properties for the creation of "Seaside Park." The Long Beach Unified School District (LBUSD) is evaluating several sites in the Washington School neighborhood for development of a new elementary school, including potential development of a joint school/park where designated play areas will function as a public park in the evenings and on weekends.

include: residential, commercial and automobile burglary, grand and petty theft, auto and bike theft, and arson.

³ In 2003, Long Beach Police documented 18,613 Part 1 crimes Citywide. With 271 reporting districts, this translates to an average of 68 Part 1 crimes per reporting district.

⁴ The City has adopted the following service area standards: ¼ mile radius for neighborhood parks, and ½ mile radius for community and regional parks.

2. Central Focus Area

Pacific Coast Highway – Willow Street/Pacific Avenue – Western boundary of Signal Hill

The Central 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% of renter households are overcrowded, and 36% are severely overcrowded. Population densities in the area west of Long Beach Boulevard are among the highest in the City.

The predominant ethnic groups are: Hispanic (53%), African American (20%), and Asian (19%). The Area contains a significant number of families with children, with 41% of the population under 18 years of age. The majority of households earn very low incomes, with 39% of the population earning incomes below the poverty level.

The Central Area housing stock is quite old and deteriorating. Over half the parcels in this area contain units built prior to 1925, with the vast majority of all units built prior to 1950. The area is comprised of a diverse mix of single and multi-family housing, often located adjacent to one another without adequate buffering. Single-family homes comprise one-third of the housing in this area, with nearly half of these homes utilized as rentals. Despite the deteriorated condition of large segments of the housing stock, rents are high, resulting in 58% of renters overpaying for housing, with one-third severely overpaying and spending more than half their incomes on rent. (Citywide, 46% of renters overpay, with 23% severely overpaying).

Residential Real Estate Activity

Review of all residential sales in the Central Focus Area during 2003 reveals 161 completed sales: 84 single-family homes, 2 condominium units, 65 duplex/triplex/fourplex buildings, and 10 apartment buildings.

Table 3
Central Focus Area
Residential Sales Prices – 2003

Unit Type	# Units Sold	Price Range	Median Price	Median Unit Size	Median Year Built
Homebuyer Units					
Single-Family	84	\$108,000- \$315,000	\$215,000	985 sq.ft.	1922
Condominium	2	\$101,000- \$193,000	\$147,000	1,050 sq.ft.	1995
Unit Type	# Buildings Sold	Price Range per Unit	Median Price per Unit	Median Unit Size	Median Year Built
Investment Properties					
Duplex – Fourplex	65	\$62,500- \$225,000	\$121,500	---	1928
Apartments	10	\$37,000- \$121,000	\$63,000	---	1939

Source: Real Quest, January 2003-December 2003

Single-Family Homes: With 84 units sold, the Central Focus Area evidenced strong single-family sales activity in 2003, representing a 5% turnover in the single-family housing stock. One-third of these units had previously sold since 2000, realizing significant price appreciation in a two-three year period. According to local realtors, the demand for single-family homes in this area is high, with a shortage of interested sellers. While home values have increased dramatically, with a median sales value of \$215,000, home values in the Central Focus Area remain well below the \$345,000 average Citywide median⁵. Single-family homes were on average only 985 square feet in size, and less than one-third of these units contained 3 or more bedrooms, a significant need for the large families prevalent in this area. A few single-family homes did evidence recent upgrading, likely indicating owner-occupancy, as well as the results of the City's intensive code enforcement efforts in the Central NIS.

⁵ Source: Dataquick January 2003 - December 2003 residential sales by zip code. Citywide average median sales price calculated as weighted average of median prices for 11 Long Beach zip codes.

Duplex/Triplex/Fourplex Buildings: Similar to the Washington School Focus Area, with 65 duplex/triplex/fourplex buildings sold in 2003, the Central Focus Area is experiencing a high level of investor activity as investors are buying up these smaller properties. Half of these properties had post-2000 prior sales, and realized significant price appreciation of 40 to 100% and above. The purchase price in 2003 ranged from \$62,500-\$225,000 per unit, with a median price of \$121,500. The median year built was 1928.

Condominiums: With only two condominiums sold in this large Focus Area, condos represent a limited segment of the area's housing market. The sales price on these units varied significantly, from a low of \$101,000 to a high of \$193,000. The median year built of these units was 1995, and they were on average 1,050 square feet in size.

Apartments: Discussions with local realtors indicate apartment values have risen dramatically in the Central Focus Area over the past several years. Among the ten apartment buildings that sold in 2003, the median sales price per unit had reached \$63,000, a 35% increase above the \$46,000 per unit median price for the 20 apartments sold in this area in 2001-2002. Half of the ten properties sold in 2003 had sold just two-three years earlier. Apartments are typically in smaller buildings (80% have 8 or fewer units), and predominated by studio and 1-bedroom units. The median year built was 1939, indicative of potential rehabilitation needs based on age alone.

Market Rents

In addition to apartments and duplexes, single-family homes comprise approximately 20% of the rentals in the Central Focus Area, providing a wider range of rental options for families. As illustrated in Table 4, market rents in the mid-section of Long Beach (zip code 90806) average \$923 for a 2-bedroom apartment, \$1,795 for a 3-bedroom condominium, \$930 for a 2-bedroom duplex, and \$1,050 for a 2-bedroom single-family home. Single-family home rents varied dramatically by unit size, with 3-bedroom units commanding an average \$1,430 in rents, reflecting a 35% increase above 2-bedroom rents and indicative of the demand for larger rentals in the area.

Comparison of average rent levels between January 2002 – May 2004 indicate a significant rise in apartment rents, particularly among studios (25% increase) and 3-bedroom units (42% increase). Single-family home rents have also risen dramatically, with rents on 2-bedroom homes rising by 34%.

Table 4
Central Focus Area (Zip Code 90806)
Rental Housing Rates: 2002-2004

Unit Type and Bedroom Size	Jan 2002 Average Rent*	May 2004 Average Rent*	Change
<i>Apartments</i>			
Studio	\$426	\$533	+25%
1	\$632	\$701	+11%
2	\$782	\$923	+18%
3	\$839	\$1,193	+42%
4	\$1,323	\$1,431	+8%
<i>Condominiums/Townhomes</i>			
3	\$1,545	\$1,795	+16%
<i>Duplex</i>			
2	\$850	\$930	+9%
3	\$1,217	\$1,319	+8%
<i>House</i>			
1	\$774	\$720	-7%
2	\$785	\$1,050	+34%
3	\$1,261	\$1,430	+13%
4	--	\$1,714	--

* Rents reflect average between 1-2 bathroom units
Source: Long Beach Housing Authority, Rent Surveys

Residential Development

During calendar years 2002-2003, no new residential development occurred in the Central Focus Area. The most significant residential development in this area in recent years is Renaissance Walk on Atlantic Avenue. This Redevelopment Agency and LBHDC assisted project provides 40 units of mixed-income single-family detached housing along with an on-site child care facility for 65 children. In addition, three new single-family homes were developed, two of which were affordable ownership units sponsored by Habitat for Humanity.

Neighborhoods within the Central Area are predominately designated R-1 and R-2 zones, with only small pockets of R-3 and R-4 zoning, indicating the City's desire to maintain the predominate low density character of the area. Future residential development opportunities will be focused along the major commercial corridors – Atlantic Avenue and Long Beach Boulevard. Consistent with this effort, future LBHDC sponsored housing in the Central Focus Area includes: Atlantic Avenue housing Phases III and IV (acquisition of 2 blocks across from

Renaissance Walk and adjacent Burnett Library and Elementary School for affordable development), and 58 units of mixed income ownership housing in Phase I and an additional 30-35 units in Phase II to replace dilapidated buildings and vacant lots on Long Beach Boulevard north of Pacific Coast Highway.

The Central Redevelopment Project Area encompasses the western half of the Central Focus Area (west of Atlantic), and continues east along Pacific Coast Highway. The Redevelopment Agency plays an active role in assembling sites for development, and as presented earlier, has developed a draft Strategic Guide for Development to define land use concepts and development strategies for the Central Redevelopment Project Area to facilitate the area's transformation.

Code Enforcement Violations

The City's Code Enforcement Division identified the following active cases in the Central Focus Area as of March 31, 2004:

- Abandoned Vehicles - 24
- Property Maintenance – 72
- Substandard Buildings – 31
- Substandard Conditions – 45
- Weed Abatement – 68
- Zoning Enforcement - 27

Of the 1,899 residentially zoned parcels in the Central Focus Area, 4% have active property maintenance violations. In addition, 2% of the properties have citations for substandard conditions, and 2% have citations for substandard building violations.

Since 1990, ten neighborhoods have been designated Neighborhood Improvement Strategy Areas (NIS) areas by the City Council based upon public safety issues (crime, fire and paramedic responses), social indicators (welfare recipients, household incomes, and absentee ownership), and property conditions (property maintenance/substandard building cases, graffiti, health inspections). The majority of the Central Focus Area falls within the Central NIS (with the exception of the South Wrigley neighborhood west of Long Beach Blvd.), where the City continues to conduct proactive code enforcement efforts. For the past several years, the Central NIS area has had a full time code enforcement officer whose responsibility includes completion of a block based survey to identify and remedy code violations. The high number of active code violations recorded in the Central Focus Area in part reflects the proactive work of the City to identify violations in this area. Factors that contribute to code violations include the large number of absentee landlords, the age of the housing stock, and the high population density in this area.

Police Activity

The Central Focus Area is comprised of 16 police reporting districts, and averaged 64 Part 1⁶ crimes per district in 2003, fairly comparable to the Citywide average of 68 Part 1 crimes per district. From 2002-2003, Part 1 crimes in this area decreased by 8% from 1,115 to 1,027 incidents. While both Part 1 and Part 2 crimes have been declining in the Central Area over the past several years, the area nonetheless continues to experience serious violent crimes. During 2003, seven murders were committed, with five murders in 2002.

LBPDP reports that the eastern portion of this Focus Area, and those neighborhoods, which border Signal Hill, have fewer calls for service. The Pacific Coast Highway corridor, which forms the southern edge of the Focus Area, is a highly traveled thoroughfare, with many hotels and commercial establishments. This area experiences significant police activity related to prostitution and traffic-related incidents. The most prevalent Part 1 crimes in the Central Focus Area in 2003 were: auto theft (18%), aggravated assault (18%), robbery (14%), petty theft (13%), and auto burglary (12%).

Adequacy of Park Space

Approximately half of the Central Focus Area falls within the service radius of several parks. The area east of Pasadena and south of Hill are served by Chittick Field, Martin Luther King Jr. Community Park, and California Recreation Center Neighborhood Park. The northwestern corner of this Focus Area is also served by Veterans Community Park. However, the neighborhoods within the Central Focus Area that exhibit the highest population densities (west of Pasadena Avenue) fall entirely outside the service radius for any existing neighborhood, community or regional park. This absence of local open space resources can serve to exacerbate the impacts of significant household overcrowding already present in this area.

⁶ Part 1 crimes encompass crimes against persons and crimes against property. Crimes against persons include: murder, manslaughter, forced rape, robbery, and aggravated assault. Crimes against property include: residential, commercial and automobile burglary, grand and petty theft, auto and bike theft, and arson.

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 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 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 mobile home 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% 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.

North Long Beach Focus Area residents are ethnically diverse: 62% Hispanic, 24% African American, 6% Asian and 4% White. With an average household size of 4.2 persons per unit, and 42% of the population under the age of 18, this area is characterized by a significant number of large families with children. Numerous census blocks in this Focus Area average 5 or more persons per household, among the highest average household size in the City. The modest single-family homes in this Focus Area are typically 2 to 3-bedroom units, and inadequately sized to house the large households prevalent in this area. This is evidenced by 60% of the renter households, which reside in overcrowded conditions, with 37% living in severely overcrowded conditions.

Median household incomes within 3 of the area's 4 census block groups range from \$23,000 to \$33,000, with a median income of \$51,000 in the 4th block group located immediately west of the 710 freeway. Nearly one-third of the population falls below the poverty level. High rental rates in the area relative to incomes result in 56% of renters overpaying for housing, and 30% spending more than half their incomes towards rents.

Residential Real Estate Activity

Review of 2003 residential sales in the North Long Beach King School Focus Area documents 76 completed sales: 56 single-family homes, 19 duplex/triplex/fourplexes, and 1 apartment building.

Table 5
North Long Beach King School Focus Area
Residential Sales Prices – 2003

Unit Type	# Units Sold	Price Range	Median Price	Median Unit Size	Median Year Built
Homebuyer Units					
Single-Family	56	\$173,000-\$315,000	\$235,000	1,088 sq.ft.	1948
Unit Type	# Buildings Sold	Price Range per Unit	Median Price per Unit	Median Unit Size	Median Year Built
Investment Properties					
Duplex – Fourplex	19	\$69,000-\$175,000	\$127,500	---	1950
Apartments	1	\$40,000	\$40,000	---	1955

Source: Real Quest, January 2003-December 2003

Single-Family Homes: With 56 homes sold in this area, this represents a healthy 5% turnover in the single-family housing stock. The majority of units sold were 2-bedroom (37%) and 3-bedroom (55%) units. The median sales price of \$235,000 makes this area still relatively affordable in contrast to the average Citywide median of \$345,000. Among units sold, the average year built was 1948, and the average unit size 1,088 square feet. The average parcel size was 5,750 - significantly larger than single-family parcels in the other two Focus Areas – possibly providing potential for room additions to alleviate overcrowding.

Duplex/Triplex/Fourplex Buildings: A total of 19 duplexes sold in this Focus Area in 2003. With only two of these properties evidencing post-2000 prior sales, property “flipping” by investors is not yet as prevalent as in the other Focus Areas. The median purchase price was \$127,500 per unit, and the median year built 1950.

Apartments: Given the fact that this Focus Area is comprised predominately of single-family units and mobile homes, only one apartment complex sold in this area over the past year. A six-unit building (all 1 bedrooms) built in 1955 sold for \$40,000 per unit. This property previously sold in 2001 for \$30,000 per unit, a 33% increase in value in two years.

Market Rents

Nearly half of the rental housing in this Focus Area is in single-family housing, providing rental options for large families. As depicted in Table 6, May 2004 rents for single-family housing in the North section of Long Beach (zip code 90805) average \$800 for a 1-bedroom home, \$1,123 for a 2-bedroom home, \$1,341 for a 3-bedroom home, and \$1,515 for a 4-bedroom home. Similar to the other two Focus Areas, single-family home rents have risen dramatically over the past two years, increasing 24% and 33% for 1 and 2-bedroom units respectively.

Apartment rents in North Long Beach average \$947 for a 2-bedroom unit and \$1,160 for a 3-bedroom unit, and have risen anywhere from 5%-19% over the past two years, depending on unit size.

Table 6
North Long Beach King School Focus Area (Zip Code 90805)
Rental Housing Rates: 2002-2004

Unit Type and Bedroom Size	Jan 2002 Average Rent*	May 2004 Average Rent*	Change
<i>Apartments</i>			
Studio	\$490	\$575	+17%
1	\$641	\$707	+10%
2	\$817	\$947	+16%
3	\$1,105	\$1,160	+5%
4	\$1,200	\$1,428	+19%
<i>Condominiums/Townhomes</i>			
2	\$688	\$788	+15%
<i>Duplex</i>			
1	\$553	\$666	+20%
2	\$843	\$905	+7%
3	\$1,088	\$1,112	+2%
<i>House</i>			
1	\$647	\$800	+24%
2	\$842	\$1,123	+33%
3	\$1,182	\$1,341	+13%
4	\$1,398	\$1,515	+8%

* Rents reflect average between 1-2 bathroom units
 Source: Long Beach Housing Authority, Rent Surveys

Residential Development

During calendar years 2002-2003, a total of 8 residential building permits were issued in the North Long Beach King School Focus Area. All of these permits were for new single-family home construction, and indicate a modest level of investment occurring in the neighborhood. The predominant zoning in this Focus Area is R-1 single-family, providing for preservation of the area's low density neighborhoods. Multi-family R-3 zoning is limited to locations along Long Beach and Artesia Boulevards.

The North Long Beach Redevelopment Project Area encompasses the entire Focus Area. The North Long Beach Strategic Guide for Redevelopment (2002) identifies strong market opportunities for development of new housing in the greater North Long Beach community. Within the North Long Beach King School Focus Area, the Strategic Guide identifies opportunities for single-family residential development along Long Beach Boulevard, similar to the Renaissance Walk project on Atlantic Avenue.

The Strategic Plan for Redevelopment establishes the following strategies for residential uses in North Long Beach:

- Design principles for pedestrian areas
- Strategies for improving or maintaining the quality of existing residential areas
- Conversion of certain existing commercial corridors to residential uses
- Conversion of mixed commercial and residential minor arterials into consistent residential zones
- Create opportunities for homeownership

Code Enforcement Violations

The City's Code Enforcement Division identified the following active cases in the North Long Beach King School Focus Area as of March 31, 2004:

Abandoned Vehicles - 27
Property Maintenance – 29
Substandard Buildings – 3
Substandard Conditions – 11
Weed Abatement – 37
Zoning Enforcement - 32

With 1,149 residential parcels in this Focus Area, 3% of the properties have active code violations related to inadequate property maintenance, such as broken windows, screens or fences in disrepair, etc. Identified substandard

buildings and conditions are much lower than the other two Focus Areas, with 1% of the properties with active cases. Concentrations of code violations are evidenced in the R-3 and R-2 zoned areas west of Long Beach Boulevard to Gale Avenue, and in the area's 200+ space mobile home park in particular.

Approximately two-thirds of this Focus Area falls within the North Long Beach/King School Neighborhood Improvement Strategy (NIS), which extends from Long Beach Boulevard east to the 710 freeway. The City has conducted focused code enforcement in this area over the past decade to improve overall neighborhood conditions, although this area is not currently considered an "active" NIS so that code enforcement is currently on a complaint basis.

Police Activity

The three police reporting districts that comprise this area averaged 84 Part 1 crimes in 2003, approximately 25% higher than the Citywide average of 68 Part 1 crimes per district. Between 2002-2003, Part 1 crimes increased by 8% (from 235 to 251 incidents), and Part 2 crimes increased by 13% from 200 to 227 incidents. In contrast, Part 1 and Part 2 crimes Citywide each declined by 4% during this same period. The most prevalent Part 1 crimes in the King School neighborhood in 2003 were: auto theft (31%), aggravated assault (16%), and auto burglary (15%). During calendar years 2002 and 2003, four murders were reported in the area.

Both the 91 and 710 freeways intersect this Focus Area and contribute to the relatively high level of criminal activity by providing easy access to and from the area. There are many businesses located along Artesia and Long Beach Boulevards, which serve as a target for crime in the area. Gang members from the area and neighboring cities contribute to the crime problems.

Adequacy of Park Space

The City's Open Space and Recreation Element illustrates that almost the entire North Long Beach King School Focus Area falls outside the service area for any existing neighborhood, community or regional park. The five-acre Coolidge Park is the nearest park, and is both physically and psychologically separated from this neighborhood by the Artesia Freeway. King Elementary School is located within the Focus Area, and if a joint-use agreement were reached between the City and Long Beach Unified School District, could offer 4.6 acres of recreational open space to the neighborhood. While relative population and housing densities in this area are lower than the other two Focus Areas, and the area's predominance of single-family homes offer some amount of outdoor play area, the area is characterized by a majority of large family households with children and significant unit overcrowding, thus generating significant needs for recreational open space.

III. BIBLIOGRAPHY

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4. Mark Sutton, Building Inspection Officer
5. Dale Wiersma, Principal Building Inspector
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