



Building A Better Long Beach

October 19, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and adopt a resolution for a Replacement Housing Plan for 1463 Cota Avenue. (West Long Beach Industrial – District 1)

DISCUSSION

One of the goals of the West Long Beach Industrial Redevelopment Project Area (Project Area) is to remove nonconforming residential uses from the area and convert the land to industrial use. To this end, on July 20, 2009, the Redevelopment Agency Board authorized the purchase of a legal nonconforming property being used as a residence at 1463 Cota Avenue (Subject Property) (Exhibit A) located in the Project Area.

Under California State Law, a redevelopment agency removing housing units occupied by low- and moderate-income households must prepare a relocation plan that demonstrates the availability of housing for displaced households. The plan also describes the assistance that will be provided to displaced residents, including monetary compensation for moving and related expenses and for replacement housing. The relocation plan must also adopt a replacement housing plan that discusses how these housing units will be replaced within the community.

Attached is a resolution that adopts the Replacement Housing Plan prepared for the Subject Property. The Replacement Housing Plan contains the following items:

- The number of dwelling units housing persons and families of low- or moderate-income to be removed and replaced by construction or rehabilitation;
- The general location of housing to be rehabilitated, developed, or constructed pursuant to California Health and Safety Code 33413;
- An adequate means of financing such rehabilitation, development, or construction;

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- The timetable for meeting the relocation, rehabilitation, and replacement housing objectives; and
- A finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution.

A Relocation Plan has also been prepared describing the assistance that will be provided to displaced residents, including monetary compensation for moving and related expenses, and for replacement housing. A summary of the current status of the Agency's replacement housing obligations is provided as part of the Replacement Housing Plan. As required by law, both the Relocation Plan and the Replacement Housing Plan have been available for public review and comment for the past three weeks at the Main Library and at the Redevelopment Agency. Its availability has been noticed in the Long Beach Press-Telegram and Gazette Newspapers.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'C. Beck', with a stylized flourish at the end.

CRAIG BECK
EXECUTIVE DIRECTOR

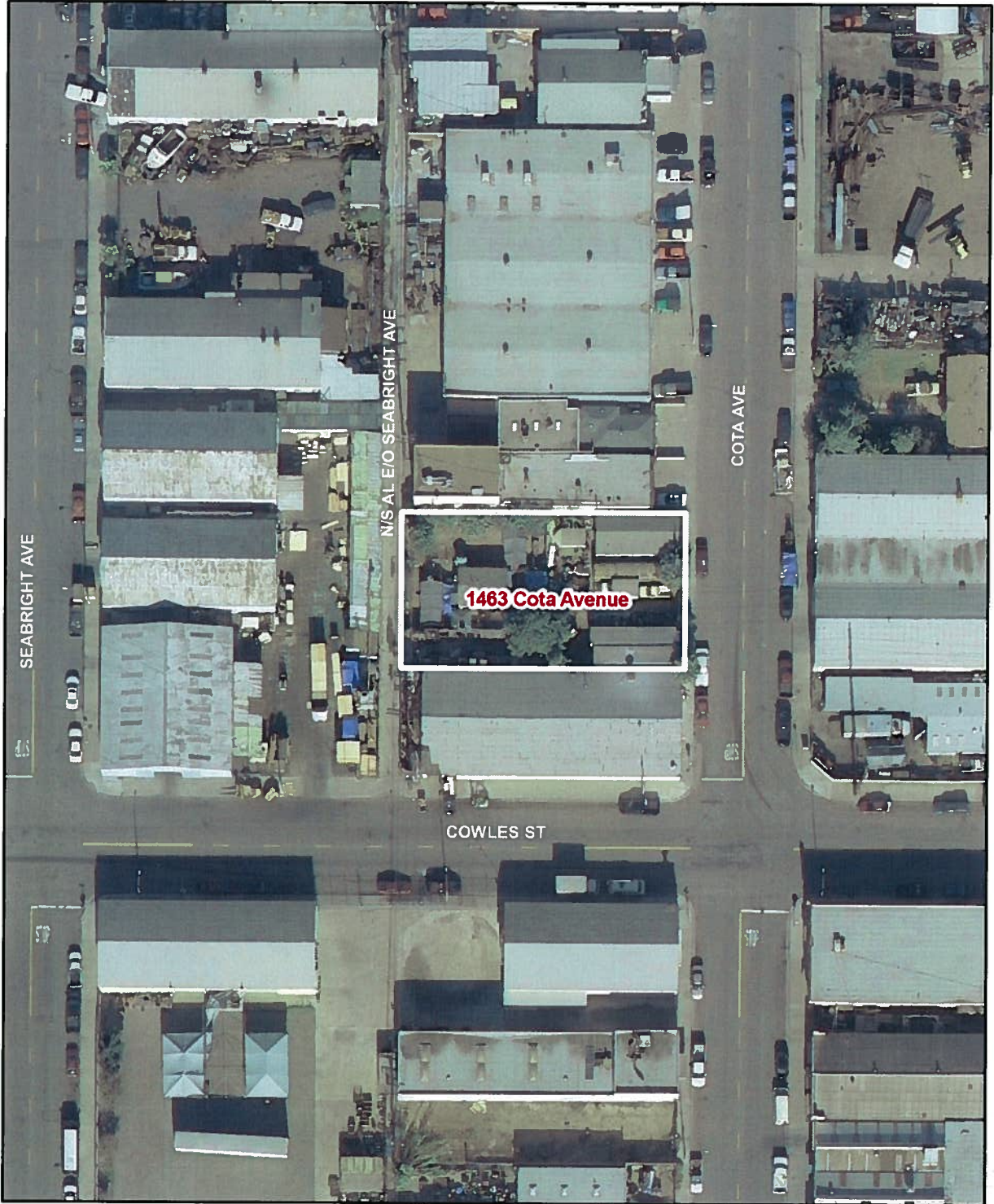
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Attachments: Exhibit A – Site Map
Redevelopment Agency Resolution
Replacement Housing Plan

**Exhibit A
Site Map**



1463 Cota Avenue



RESOLUTION NO. R.A.

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF LONG BEACH, CALIFORNIA, ADOPTING A
REPLACEMENT HOUSING PLAN FOR THE 1463 COTA AVENUE
PROJECT

WHEREAS, the Redevelopment Agency of the City of Long Beach, California
("Agency"), is negotiating the redevelopment of property located at 1463 Cota Avenue
(the "Project"); and

WHEREAS, the Project will result in displacement of existing housing units; and

WHEREAS, California Health and Safety Code Section 33413.5 requires that the
Agency adopt a housing replacement plan for the Project;

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach,
California, resolves as follows:

The Agency hereby adopts the Replacement Housing Plan for the Project, which
is attached as Exhibit "A" to this resolution.

APPROVED AND ADOPTED by the Redevelopment Agency of the City of
Long Beach, California this _____ day of _____, 2009.

APPROVED:

Executive Director/Secretary

Chair



REPLACEMENT HOUSING PLAN

1463 COTA AVENUE PROPERTY

Prepared for

CITY OF LONG BEACH REDEVELOPMENT AGENCY

By

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SEPTEMBER 25, 2009

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I. INTRODUCTION

The ***Redevelopment Agency of the City of Long Beach*** (the Agency) is proposing to acquire one improved land parcel at 1463 Cota Avenue in Long Beach for the purpose of future commercial and industrial development (the Project). It has been determined that there is one residential 'Very Low' income unit to be razed for the Project to proceed.

Section 33413.5 of the ***California Redevelopment Law*** (Health and Safety Code, Section 33000 et seq.) requires a redevelopment agency to adopt a replacement housing plan whenever the agency executes an agreement for acquisition of real property, or an agreement for the disposition and development of property which would lead to the destruction or removal of dwelling units from the low and moderate income housing market. The plan should identify the impacts that a particular redevelopment project will have on the community's supply of low and moderate income housing and detail the measures that the agency will take to ensure that the appropriate replacement housing is produced within the state-mandated, four-year time limit. Agencies have two options for pursuing replacement housing either pursuant to Section 33413(a) of the California Redevelopment Law or Section 33413(f).

Section 33413(a) of the California Redevelopment Law requires that whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, which is subject to a written agreement with a redevelopment agency or where financial assistance has been provided, the agency shall within four years of the destruction or removal; rehabilitate, develop, or construct, or *cause* to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units at affordable housing cost within the redevelopment project area *or* within the "*territorial jurisdiction*" of the agency.

As the dwelling units proposed to be razed would be removed *after* January 1, 2002, 100% of the *replacement* dwelling units shall be available at affordable housing cost to, and occupied by, persons in the *same*, or a *lower* income category ('Very Low', 'Lower',

and 'Moderate') as the persons displaced from those units destroyed or otherwise removed from the municipal inventory.

Notwithstanding Section 33413(a), Section 33413(f), states that an agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units *if* the replacement units meet both of the following criteria:

- (1) The total *number* of bedrooms in the replacement dwelling units *equals* or *exceeds* the number of bedrooms in the units destroyed or otherwise removed; and,
- (2) The replacement units are affordable to *no less than* the same income level of the households as those units destroyed or otherwise removed.

Further, the units must be within the "agency's jurisdiction", in "standard condition", and originally were to be designed to remain affordable to 'Very Low', 'Lower' and 'Moderate' income households, proportionately, for no less than the longest feasible time, as determined by the agency, however in no event was that period of time to be less than the period of the land use controls established in the pertinent redevelopment plan(s), *unless* a longer period was applicable under the Health & Safety Code §33413(c).

Pursuant to the passage of Assembly Bill No. 637, however, "affordable" units provided by an Agency *post-January 1st, 2002* are required to have affordability covenants for minimum, fixed-time periods *irrespective* of the life of any one Project Area or Agency (and the term of applicability of the land use controls): Specifically, Section 33413(c) established those time limits at 45 years for *ownership* units and 55 years for *rental* housing.

This **Replacement Housing Plan** (the Plan) has been prepared by the Agency as a result of proposed redevelopment of properties located in the Westside Redevelopment Area and to determine the impact of, and be in compliance with the requirements for, replacement housing contemplated under the California Redevelopment Law.

This Plan describes the following:

- 1) The proposed Project;
- 2) The general location of units for 'Very Low', 'Lower' and 'Moderate' income persons which will, or may be removed or destroyed as a result of the Project;
- 3) The general location and intentions for the development of replacement housing;
- 4) The means of financing such development of replacement housing;
- 5) The schedule for the construction of replacement housing; and,
- 6) The time period for which these units will remain affordable.

II. PROJECT DESCRIPTION AND LOCATION

PROJECT DESCRIPTION

As noted previously, the Agency is proposing to acquire one land parcel for future commercial development to serve the community of Long Beach and to remove residential element from the mainly industrial use on the Westside. As proposed, this Project will require the acquisition and clearance of one improved parcel and one residential unit accommodating 'Very Low' income individuals and/or family.

As a result of this proposed Project – and, it's removal of the "Very Low to Moderate" income housing within the community – a replacement housing plan is required under state law.

PROJECT LOCATION

The City of Long Beach is located in the County of Los Angeles, situated approximately 30 miles south of Downtown Los Angeles. The Project area is on the Westside and easily accessible by I-710 Long Beach Freeway and I-405 San Diego Freeway (see **Figure 1**).

The specific Project site is located within the Westside Industrial District of the City of Long Beach and is generally bounded by West 16th Street on the north, Seabright Avenue on the west, Cota Avenue on the east and West Cowles Street on the south. Area detail is shown in **Figure 2**.

Regional and site-specific maps are to be found on the following pages.

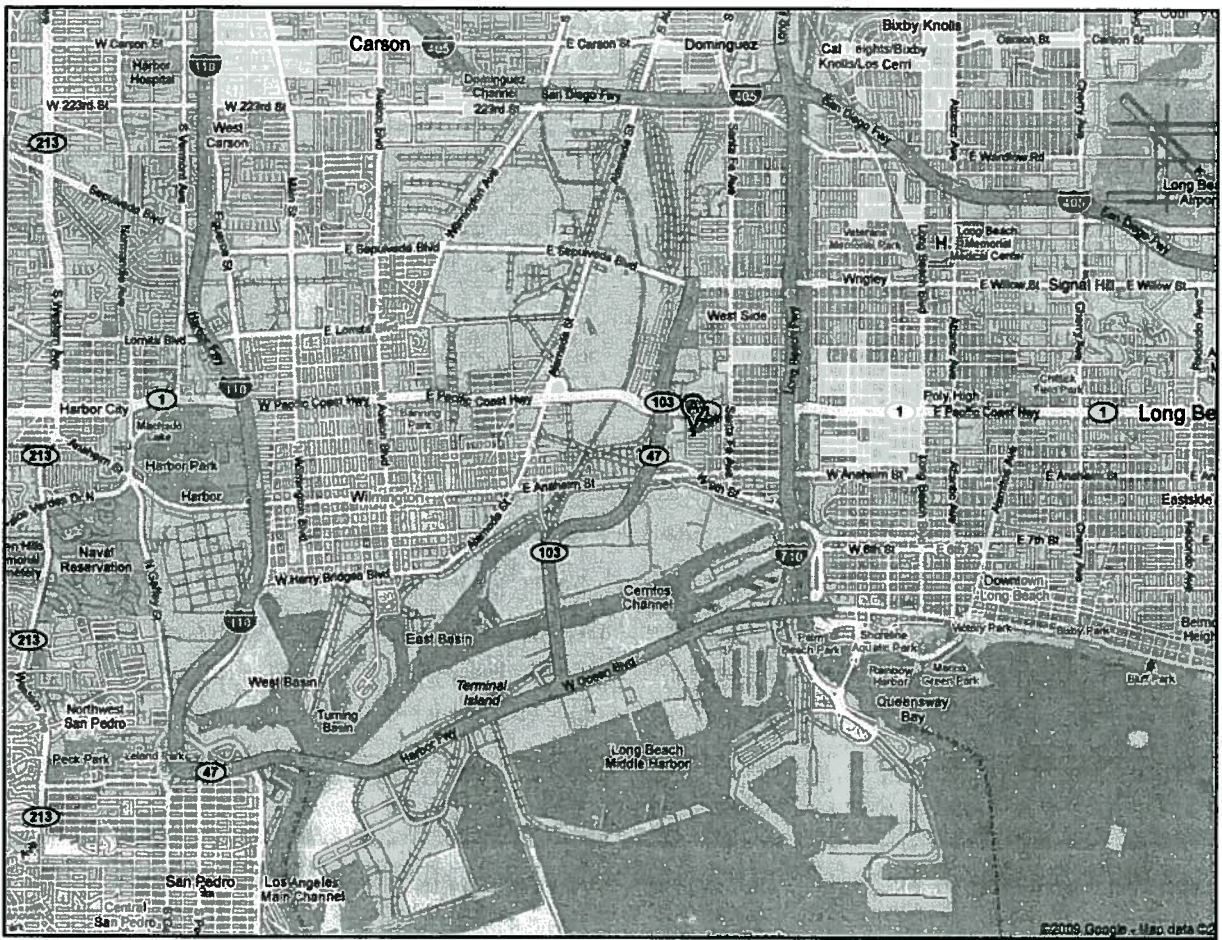


Figure 1: Regional Project Location

III. UNITS TO BE REPLACED

SURVEY METHODOLOGY

One single-family dwelling will be removed from the Agency's affordable housing stock for the Project. The one-bedroom unit is occupied by a 'Very Low' income household. Demographic, and other information obtained from public sources was reviewed and analyzed (e.g., the Federal Department of Housing and Urban Development [HUD] and the Year 2000 Decennial Census) in assessing the demographic characteristics of the prospective Project area.

REPLACEMENT HOUSING REQUIREMENTS

Pursuant to the provisions of California Redevelopment Law (See: Section I. INTRODUCTION), the Agency is required to make available 100% of the required replacement units at an affordable housing cost to households *in the same, or a lower income category* (i.e., 'Very Low', 'Lower' and 'Moderate' income standard) as those households which would be displaced.

INCOME CLASSIFICATION BY HUD STANDARD

California Health & Safety Code Sections 50079.5 and 50105 provide that the 'Extremely Low', 'Very Low', 'Lower' and, 'Moderate' income limits established by the United States Department of Housing and Urban Development (HUD) are the state limits for those same income categories.

Sections 50079.5 and 50105 direct the State Department of Housing & Community Development (HCD) to publish the income limits. HUD released new income limits in April 2009 and these limits are currently in place for the current calendar year. Accordingly, H&CD filed with the Office of Administrative Law, amendments to Section 6932 of Title 25 of the California Code of Regulations. The amendments contained the currently applicable HUD income limits, prepared by H&CD pursuant to Health and Safety Code Section 50093.

Table 1, following, provides the latest annual definition of those Federal, State-adopted income categories, for Los Angeles County (Issued: April 2, 2009), to define and determine housing eligibility, by income level, for certain programs; which limits will be utilized in this Replacement Housing Plan for determining which units, by bedroom count, will be required to be made available for households in the 'Very Low', 'Lower' and 'Moderate' income categories.

TABLE 1. HUD ANNUAL INCOME LIMITS BY CATEGORY – LOS ANGELES COUNTY (2009)					
AREA FOUR-PERSON MEDIAN INCOME: \$62,100					
Family Size	Extremely Low Income	Very Low Income	Lower Income	Median Income	Moderate Income
One Person	\$16,650	\$27,750	\$44,400	\$43,450	\$52,150
Two Person	\$19,050	\$31,700	\$50,750	\$49,700	\$59,600
Three Person	\$21,400	\$35,700	\$57,100	\$55,900	\$67,050
Four Person	\$23,800	\$39,650	\$63,450	\$62,100	\$74,500
Five Person	\$25,700	\$42,800	\$68,550	\$67,050	\$80,450
Six Person	\$27,600	\$46,000	\$73,600	\$72,050	\$86,400
Seven Person	\$29,500	\$49,150	\$78,700	\$77,000	\$92,400
Eight Person	\$31,400	\$52,350	\$83,750	\$81,950	\$98,350

As described in **Table 2**, following, the Agency has previously created, or has planned for the creation of the following *net* number of affordable housing units/bedrooms.

TABLE 2. AFFORDABLE HOUSING PROJECTS

/BANKED DWELLING UNITS & BEDROOMS (NET, SEPTEMBER 2009)

Unit Size	'Very Low' Income Units/Bedrooms	'Lower' Income Units/Bedrooms	'Moderate' Income Units/Bedrooms	Total Net Surplus Units/Bedrooms
Net Banked Units/Bedrooms	514/1560	916/2147	129/327	1559/4034

IV. LOCATION OF REPLACEMENT HOUSING

The Agency has several options available to provide replacement housing to ameliorate the impact of the Project, including acquisition, rehabilitation, new construction, and the allocation of “banked” dwelling units from prior development activity. As described in Table 3, below, the implementation of the proposed Project will result in the removal of a total of one “affordable” residential dwelling unit with the applicable bedroom-room counts and income affordability level as indicated.

TABLE 3. UNITS TO BE REMOVED BY 1463 COTA AVENUE PROJECT (PROPOSED) BY BEDROOM COUNT AND HUD INCOME CATEGORY –				
Unit Size	‘Very Low’ Income Units/Bedrooms	‘Lower’ Income Units/Bedrooms	‘Moderate’ Income Units/Bedrooms	Total Units/Bedrooms to be Removed
One Bedroom	1/1	0/0	0/0	1/1
Total Units and Bedrooms Removed	1/1	0/0	0/0	1/1

The Agency’s previously funded affordable housing projects provide surplus dwelling units and bedrooms that can be allocated by the Agency for future housing obligations. The Agency has a sufficient number of “banked” dwelling units/bedrooms to satisfy the required ‘Very Low’ income replacement housing obligation for the Project. Assuming an assignment of the Agency’s replacement obligation identified for the subject project to the aforementioned “bank” of housing Table 4, following, assigns that allocation to the appropriate income category and shows the net balance of affordable housing accruing to the Agency.

TABLE 4. 1463 COTA AVENUE PROJECT – ASSIGNMENT OF UNITS, BY INCOME AND BEDROOM COUNT, TO BE DEMOLISHED AND NET SURPLUS OF BANKED UNITS/BEDROOMS

Unit Size	'Very Low' Income Units/Bedrooms	'Lower' Income Units/Bedrooms	'Moderate' Income Units/Bedrooms	Net Surplus Units/Bedrooms
"Banked" Units/Bedrooms	514/1560	916/2147	129/327	1559/4034
Project Units/Bedrooms	(1/1)	(0/0)	(0/0)	(1/1)
Net Surplus Units/Bedrooms	513/1559	916/2147	129/327	1558/4033

V. FINANCING REPLACEMENT HOUSING

The Redevelopment Plans for the various Agency redevelopment project areas authorize the Agency to finance its activities with assistance from actual sources, including the County of Los Angeles, State of California, United States Government, property tax increment (T.I.) funds, interest income, Agency bonds, or other available sources.

In the acquisition, construction and/or rehabilitation of affordable housing units the Agency has and/or may utilize a variety of funding sources to finance these activities. Sources that have and/or may be utilized include: the HOME (Home Investments Partnership Program); the Mortgage Credit Certificate (MCC) program; the Community Development Block Grant (CDBG) program; the California Housing Finance Agency (CHFA); the Federal Home Loan Bank (FHLB), including the Community Investment Program and the Federal Low Income Housing Tax Credit (LIHTC) program; and the California Community Reinvestment Corporation (CCRC) as well as redevelopment 20% set-aside funds and developer equity.

Specific funding sources for future replacement housing units will be identified as any and all sources including, but not necessarily limited to the above and will be investigated as to their (the programs) applicability, and availability for projects under consideration.

VI. NON-APPLICABILITY OF ARTICLE 34 OF THE CALIFORNIA CONSTITUTION

Article 34 of the California Constitution pertains to law applicable to any ‘. . . Public Housing Project.’ Pursuant to Article 34, Section 1, no . . . ‘Low rent housing project . . . ‘ is to be developed, constructed or acquired in *any way by any state public body* – which includes cities, counties, districts, authorities, agencies or any other subdivision or public entity of the state – until, or unless a majority of the qualified electors of the city, town or county, in which it is proposed the ‘low rent housing project’ be developed, constructed or acquired, voting upon the issue, *approve* such project by voting *in favor* at either an election held for that purpose or a special or general election.

Crucial to, and for the purposes of Article 34 the term ‘low rent housing project shall mean . . .’

‘. . . any development composed of urban or rural dwellings, apartments or other living accommodations for persons of low income, financed in whole or in part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. For the purposes of this Article only there shall be excluded from the term “low rent housing project” any such project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the Federal Government in respect to such project.’

It is herewith found, and determined that the replacement housing being developed and constructed pursuant to the activities described in this Replacement Housing Plan does not require the approval of the voters of the County of Los Angeles pursuant to Article 34 of the California Constitution. Neither ownership, nor rental housing are, or will be “low rent housing projects” either as defined at Article 34 or Section 37001 (b) of the California Health & Safety Code. All such replacement housing will be privately owned, and will *not* be exempt from real property taxes as would otherwise be the case in the event of public ownership, and will not be financed with direct, long-term financing from a public body. The Agency will *not* “develop, construct, or acquire” housing as described in Section 1 of Article 34 of the State Constitution, as it will only be providing authorized assistance, and monitoring construction by imposition of mandated, or authorized conditions.

VII. TIME TABLE FOR REPLACEMENT HOUSING

The Agency has provided, to a considerable degree to date, continuing and ongoing support in the construction and/or rehabilitation of replacement housing units sufficient to address the replacement requirements of affordable housing discussed in *this* Plan; of which the Agency anticipates utilizing a portion, thereof, as replacement for the housing units, by bedroom count, required pursuant to this Plan, for those households of 'Very Low' and 'Lower' income.

Statistics in respect of units razed, or otherwise previously removed from the Agency's housing inventory as a result of Agency action and subsequently replaced with the provision of Agency assistance and oversight are enumerated in the Agency's *Five-Year Implementation Plan*.

The Agency herewith acknowledges that replacement housing units must be affordable in the same, or *lower* income categories than those being razed or otherwise removed from the Agency's housing inventory and will ensure that this result is realized.

Further, any units developed as replacement housing units will be completed within four years and will remain income-restricted for the appropriate period as required by law.

VIII. SUMMARY

In summary, a total of one bedroom in one dwelling unit will be removed as a result of the construction of the proposed development at the 1463 Cota Avenue Project site. Based on the dwelling unit/bedrooms destroyed for the proposed Project, the Agency will utilize a portion of the banked affordable housing dwelling units/bedrooms that were previously created (with assistance from the Agency) in other construction and/or rehabilitation projects.

The Agency will satisfy its replacement housing obligation by using one of the bank of 'Very Low' to 'Moderate' income replacement bedrooms to substitute for one 'Very Low' income bedroom which would be removed by the Project. The replacement bedrooms may be located within a *fewer* number of dwelling *units* than the demolished apartments, as long as the *total number* of bedrooms within the three income categories are maintained *or* are provided in a *lower* income category.

The above actions will yield the required number of replacement dwelling units as mandated under California Redevelopment Law and the Housing and Community Development Act.

The Agency recognizes its legal and community responsibilities in this matter and has made a sincere, good faith effort to accomplish these goals. The Agency retains its option to use other approaches and strategies not discussed herein to fulfill its replacement housing obligations in a timely manner.