Date: April 4, 2023

To: Members of the City Council

From: Mayor Rex Richardson, Councilmember Megan Kerr (Chair of the

Educational Partnerships and Housing and Public Health Committees)

Subject: Long Beach Housing Promise - Advancing Cross-Sector

Partnerships to Expand Affordable Housing Opportunities for Long

Beach Students and Families

RECOMMENDATION:

Request the City Manager to work with local educational institutions including California State University Long Beach (CSULB), California State University Dominguez Hills (CSUDH), Long Beach City College (LBCC), and Long Beach Unified School District (LBUSD), as well as industry partners in Long Beach's key growth sectors, to pursue strategic partnerships and cooperation agreements that make meaningful investments to support housing production and add to Long Beach's existing housing stock, and refer to the Educational Partnerships Committee and the Housing and Public Health Committee for input and discussion.

DISCUSSION:

The Problem

During the 2023 State of the City Address, Mayor Richardson highlighted the need to address our dual housing and homelessness crisis as a central focus of his Opportunity Beach Agenda. Every day, families living in our region are feeling the effects of our severe housing shortage in Southern California and the skyrocketing cost of living. With nearly 3,300 unhoused residents in need of permanent housing, a housing stock that has only increased 4% while the City's population has increased by 10% since 1990, and more than 1 in 4 renters paying more than half of their monthly income in rent, lack of accessible housing has become one of the most urgent and significant issues facing Long Beach families.¹

Rent Burden

The City of Long Beach ranks 14th across the entire country in the proportion of tenants who are severely housing cost-burdened, with 26% of households paying more than

^{1 &}quot;Homeless Services Update: 2022 Point-in-Time Homeless Count Results" City of Long Beach, July 2022. https://www.longbeach.gov/globalassets/health/homeless-services-divsion/homeless-count/homeless-services-update---2022-point-in-time-homeless-count-results

² "Housing Element", City of Long Beach, Feb 2022. https://www.longbeach.gov/globalassets/lbds/media-library/documents/planning/housing-element-update/housing-element-final-adopted-february-2022

50% of their income in rent each month.³ Many of these households are families with children, 57% of whom suffer from rent burdens nationwide.⁴ Tenant families living in urban areas along the west coast report the highest rates of rent burden, meaning that the number of Long Beach's families who are rent burdened is likely higher than 57%.

Rent burdens and housing insecurity have serious negative impacts on child well-being, with several large-scale studies showing children in rent-burdened households suffer from worse health and educational outcomes, including higher rates of obesity and holdbacks in school.⁵ These risk factors may apply to a significant number of children in Long Beach.

Homelessness

The city's 2022 homelessness point-in-time count revealed that 68 residents experiencing homelessness were under the age of 18, accounting for 2% of the total unhoused population. There were 38 families with children identified in the homeless count, with five who reported being unsheltered. However, children and families have historically been underrepresented in point-in-time counts across the country.

LBUSD has reported 3,000 unhoused students within their student body.⁶ Decades of research has confirmed the detrimental effects of youth homelessness on students' mental health, academic performance, graduation rates, and college-attainment rates, as well as the increased likelihood that children experiencing homelessness will continue to experience homelessness into their adulthood.⁷

Beyond grade school students, students at CSULB and LBCC also suffer from comparatively higher rates of homelessness than the general population. One in eight CSULB students report experiencing homelessness at least once in the past year, and one in ten LBCC students experience homelessness or housing insecurity.^{8 9} Long Beach's educational institutions have taken bold steps to address homelessness among their students in recent years by establishing <u>safe parking for students</u>, <u>selling vacant surplus parcels</u>, and <u>expanding student housing</u>. The innovation necessary to continue

³ "Where Residents Are Most and Least Severely Housing Cost-Burdened - 2022 Edition" SmartAsset, July 2022. https://smartasset.com/data-studies/where-residents-are-most-severely-housing-cost-burdened-2022

⁴ "Rent Burden, Housing Subsidies and the Well-being of Children and Youth" National Center for Children in Poverty, Nov. 2011 https://www.nccp.org/wp-content/uploads/2020/05/text_1043.pdf

⁵ "Housing affordability and children's well-being: Evidence from the National Survey of America's Families." Harkness, J. & Newman, S. J., 2005. https://www.researchgate.net/publication/237380152 Housing Affordability and Children's Well-Being Evidence from the National Survey of America's Families#:~:text=Affordable%20housing%20has%20a%20stronger%20impact%20on %20ol der.consumption%20of%20basic%20necessities%20when%20they%20are%20young.

⁶ "Homeless Education" Long Beach Unified School District. https://www.lbschools.net/Departments/Education_Foundation/programs.cfm

⁷ "Summary of the State of Research on the Relationship Between Homelessness and Academic Achievement Among School-Aged Children and Youth" National Center for Homeless Education. https://nche.ed.gov/wp-content/uploads/2018/11/nche_research_pub.pdf

⁸ "The need for food and housing continues to increase among students" Angela Ratzlaff, LB News, Nov. 2019. <u>The need for food and housing</u> continues to increase among students | California State University Long Beach (csulb.edu)

⁹ "Homeless LBCC student finds housing through new program" Kelly Puente, LB Post, Nov. 2020, <u>I don't take any of this for granted': Homeless LBCC student finds housing through new program - News (lbpost.com)</u>

the work to solve this complex structural problem will take a collaborative approach in partnership with the City.

Housing Needs Assessment

Per the state-required Regional Housing Needs Assessment (RHNA) Goals, Long Beach needs to build at least 26,502 new housing units before 2030, or risk losing out on state grant funds and potentially local land use controls. During the last RHNA cycle, from 2013-2021, Long Beach hit its market rate goal, but came up short of its affordable housing goals, building fewer than 700 affordable units from an original goal of over 4,000 units. This cycle, the City's RHNA goal has nearly quadrupled, due to the state's incorporation of overcrowding into the housing needs assessment. However, the financial environment is likely to put a damper on private housing construction, as borrowing costs have increased significantly.

Normally, such a gap could be filled by publicly financed construction, but the city lacks a dedicated local revenue source for housing production. Since the dissolution of redevelopment agencies in 2012, cities across California, including Long Beach, have had limited resources to finance housing development efforts. Redevelopment agencies were an essential proponent of revitalizing neighborhoods and improving the quality of life by leveraging resources to support affordable housing construction.

In the absence of these historical tools to revitalize communities, cities must now pursue efforts through legislation and initiatives to secure the resources necessary to meet housing production needs. Any new revenue source would have to pass the 67% threshold at the ballot box imposed by 2010's Prop. 26, which makes raising new revenues challenging, and requires a ballot referendum for all new tax impositions for a dedicated purpose. The city's inclusionary zoning policies, which mandate 11% affordable units in new developments, will help capture some of the new private construction as affordable housing, but won't provide affordable housing in all areas of town, as it only applies to Downtown.

The Opportunity

If the private market under current financial and regulatory conditions cannot provide adequate housing, the City of Long Beach must look to innovative partnership strategies to support the financing and development of housing opportunities that Long Beach students and families deserve.

Long Beach is privileged to have CSULB, CSUDH, LBCC and LBUSD as long-standing partners.

There is no more prolific public sector housing provider in the United States than postsecondary educational institutions, who regularly finance and build publicly owned housing for their students, educators, and staff. To meet the affordable housing demands of our city, and region, Long Beach should pursue meaningful partnerships with its local educational institutions, as well as other large industries and landowners in key growth sectors to support new housing development.

It is in the shared interest of each of these institutions to ensure that there are sufficient housing opportunities so that students, families, educators, and the skilled workers that our growth sectors depend on are able to live near the places they learn and work.

The urgency of this issue creates the opportunity for our partners to continue to innovate in ways that are aligned with their organizational mission and funding sources. Through existing cross-sector partnerships like the Long Beach College Promise, which creates accessible pathways for LBUSD graduates to pursue higher education at LBCC and CSULB, we have already demonstrated a willingness and capacity to work together to expand opportunities that help position Long Beach students and families for success.

Exploring and pursuing new strategic partnerships with educational institutions around housing aligns geographically with the parcels identified as likely developable in the City's housing element. Of the 26,502 units the city is required to build, identified sites for 26,446 of them fall within half a mile of a public school. These could all be potential sites for new housing for students and families with young children enrolled in LBUSD. Using similar metrics that are used for the federal National School Lunch Program, students and families with the highest need could be prioritized for these housing opportunities as a way to support their long-term growth and academic success.

Now is our moment to tackle the humanitarian crisis of our time by joining together with our local educational partners to take the holistic approach we need to expand affordable housing options, generate thousands of good-paying union construction jobs, and prevent our most vulnerable families from falling into homelessness.

Fiscal Impact

This matter has been reviewed by Recovery Budget Officer Dee Okam on March 29, 2023.

This recommendation requests the City Manager to work with local educational institutions to pursue strategic partnerships and cooperation agreements that make meaningful investments to support housing production and add to Long Beach's existing housing stock and refer to the Educational Partnerships Committee and the Housing and Public Health Committee for input and discussion. This recommendation is anticipated to require a significant level of staff hours beyond the normal budgeted scope of duties and expected to have a moderate impact on existing City Council priorities. There is no local job impact associated with this item.

Suggested Action

Approve recommendation.

¹⁰ "Housing Element, City of Long Beach General Plan," February 2022. https://longbeach.gov/globalassets/lbds/media-library/documents/planning/housing-element-update/housing-element-final-adopted-february-2022

Respectfully submitted,

Mayor Rex Richardson April 4, 2023