

12-15-09
#18

Olive Court



Recommendation

- 1) City Council to respectfully request the Long Beach Housing Development Company to consider the following:
 - To allow the funds already allocated for homeowners assistance to include low income applicants
 - To change the requirements of Long Beach residents only to preferred Long Beach residents. The owner would demonstrate good faith best efforts to attract Long Beach residents
- 2) All city resources, with zero net general fund cost, should be utilized to attract new home ownership opportunities in Long Beach

Background & Facts- Old Developer

- Old developer filed for bankrupt late 2008
- 18 months to sell condo units
- Total of 58 units
- Old developer sold 26 units all had silent second to qualify
- 10 Low income & 16 moderate income
- 15 Long Beach residents
- 11 came from out side Long Beach
- Never sold any units at market rate!
- City spent total of \$9.8 Million

Background & Facts - NEW Developer

- Purchased property 5 Million
- 1.2 Million budget (Performa) Total 6.2 Million
- The developer budgeted over \$638,000 on making it possible to sell the remaining properties.
- Long Beach Development Company allocated 2.3 Million for Second Mortgage Assistance Program (SMAP)
- Over \$150,000 in marketing and promotion
 - 6 Units sold at market rate (over 4 months)

MODERATE INCOME RESTRICTIONS

The current SMAP is available only to moderate income families and is not provided to low income purchasers.

- The initial Olive Court assistance program was available to all income levels.
- All of the existing homeowners have SMAP and it is believed that many were below moderate income at the time of their purchase.
- This restriction is contrary to the Long Beach Housing Development Company's Mission which states "...very low-income, low-income and moderate-income...(Source: www.lbhdc.gov)."
- Excluding very low to low-income could be viewed as unfair and/or discriminatory.

RESIDENCY REQUIREMENT

The current SMAP requires that the purchaser already live and/or work in the City of Long Beach.

Local Mandate vs. Preference Requirement

- We are only asking for an exception for this project. Given the problems associated with selling the condo units.
- Upon purchasing at Olive Court, new residents benefit the City of Long Beach by becoming active members of the community.

Olive Court – Vanity Powder Room

BEFORE



AFTER

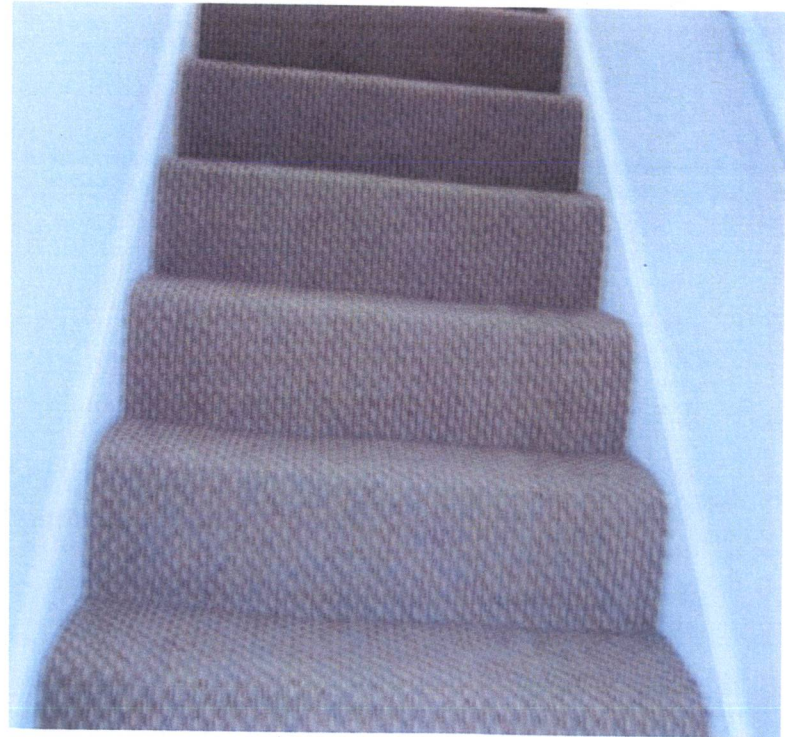


Olive Court – Interior Stairs

BEFORE



AFTER



Olive Court – Kitchen

BEFORE



AFTER



Olive Court – Bathroom & Industrial

NEW BATHROOM

BEFORE



AFTER



Olive Court - Hall

BEFORE



AFTER



Conclusion

- Please HELP build a community!
- If we do nothing New Developer will auction property
- City and home owner values would diminish.
- Community Members are here to speak