



# CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

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May 2, 2017

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Receive and file the proposed 2017 Report on Revenue Tools and Incentives for the Production of Affordable and Workforce Housing, adopt recommendations, and direct the City Manager to work with the appropriate departments to take necessary steps to implement recommendations. (Citywide)

## DISCUSSION

The issue of housing affordability has become increasingly urgent in California, with rising housing costs and limited supply taking their toll on communities statewide. In January 2016, Mayor Robert Garcia issued a call to action to address the increasingly tenuous challenge of producing affordable and workforce housing for the residents of Long Beach. In February 2016, a group of area housing leaders and advocates were assembled to comprise the ad hoc Affordable and Workforce Housing Study Group (Study Group). The Study Group worked with staff to prepare the attached Report on Revenue Tools and Incentives for the Production of Affordable and Workforce Housing (Housing Report). The goal of the Housing Report is to recommend policies that may increase the production of affordable housing. The Housing Report was developed through a collaborative process that included research, input from the Study Group, community meetings with stakeholders and industry experts, and public study sessions.

The Study Group held over 15 meetings between February 2016 and February 2017 to discuss issues, review data, and formulate a list of potential policy items for consideration. In the fall of 2016, the Study Group and City staff hosted a series of community meetings, which were intended to facilitate conversation between affordable housing advocacy groups, the development community, and the public. Two roundtable meetings were held, one featuring a panel of housing advocates, and another featuring a panel of housing developers. Additionally, a community forum and resource fair offered opportunities for the public to provide comments on housing issues, and learn more about a variety of housing programs and services offered by the Departments of Development Services and Health and Human Services.

On February 21, 2017, City Council held a Study Session on Revenue Tools and Incentives for the Production of Affordable Housing. Staff presented an overview of the Housing Report. City staff and the Study Group described the rationale behind the list of draft recommendations from the Study Group. The presentation was followed by City Council discussion and public comment. A number of issues were requested to be

investigated further and included in the final Housing Report. Staff's research on the following topics can be found in the Housing Report (Exhibit A).

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|--|---|
| A. Housing Tenure                              | M. Shipping Container Construction                            |
| B. Vacancy Rates                               | N. Density Bonus Requirements and<br>Accessory Dwelling Units |
| C. Population Growth                           | O. Condominium Conversion                                     |
| D. Evictions                                   | P. One-For-One Replacement                                    |
| E. Existing Restricted Property<br>Information | Q. Homebuyer Programs   |
| F. Housing Project Entitlements                | R. Real Estate Transaction<br>Recording Fee                   |
| G. California Energy-Efficient<br>Mortgage     | S. Bond Measure for Affordable<br>Housing                     |
| H. Housing Choice Voucher Usage                | T. Code Enforcement Actions                                   |
| I. Veterans Initiative                         | U. Historic Appreciation in Home<br>Sale Prices               |
| J. Homeless Information                        |   |
| K. Utility Turn-off Information                |   |
| L. Micro-Units                                 |   |

Staff has updated the Housing Report to include research on all of these items, except for information on evictions. Staff has been unable to receive timely information despite repeated attempts to do so through the Los Angeles County Court records staff. Staff will continue to seek this information going forward, but was unable to address this information in the Housing Report. Additionally, under separate cover, staff transmitted a Draft Report on Citywide Rental Rates (Rent Report) in response to the City Council's request for staff to conduct additional research on rental rates. The Rent Report contains preliminary information obtained using several rental data sources. Staff will contract with a firm that provides professional real estate data to provide current and accurate rental rates and will transmit to the City Council an updated Rental Report at a later date.

The final Housing Report includes policy recommendations for the City Council's consideration. The recommendations have been separated into three categories that focus on housing production (Exhibit B), as follows:

1. Short-Term Recommendations
2. Mid-Term Recommendations
3. Long-Term Recommendations

If the City Council chooses to adopt these recommendations, staff will take the necessary steps to implement them, including drafting or revising portions of the Long Beach Municipal Code for future City Council consideration.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 11, 2017 and by Budget Management Officer Rhutu Amin Gharib on April 14, 2017.

#### TIMING CONSIDERATIONS

City Council action is requested on May 2, 2017, to allow staff to begin developing and implementing these policies as soon as possible.

FISCAL IMPACT

The Housing Report is a policy document that provides options for increasing the production of affordable housing but does not commit the City Council to expend funds on any particular program or project at this time. The City Council will consider implementation items in future City Council actions. As such, there is no fiscal or local job impact associated with this recommendation.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:



PATRICK H. WEST  
CITY MANAGER

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Attachments: Exhibit A - Report on Revenue Tools and Incentives for the Production of Affordable Housing  
Exhibit B - Policy Recommendations for the Production of Affordable Housing