

## THE LONG BEACH HOUSING DEVELOPMENT COMPANY

### ~~PROPOSED~~ LOCAL HOUSING PREFERENCE POLICY AND PRIORITY SYSTEM GUIDELINES

To the extent permissible under applicable state and federal law, people who live and/or work in the City of Long Beach shall have priority over other persons to rent or purchase affordable housing units which are assisted or supported by the City of Long Beach or the The Long Beach Housing Development Company (LBHDC). The Local Preference and Priority System Guidelines presented herewith shall apply to all developers, owners and their agents, successors and assigns proposing affordable housing assisted or supported by the City/LBHDC in whole or part. The policy shall apply to newly assisted projects (projects for which a Management Plan, and Marketing Plan have not been approved by the LBHDC as required by an LBHDC Development Agreement or Loan Agreement). The policy applies to all housing programs except the LBHDC Second Mortgage Assistance Program (SMAP), which mandates that participants either live or work in Long Beach. The SMAP program has a goal of providing home ownership opportunities to Long Beach residents, and is funded with local housing funds.

#### 1. PREFERENCES

The City of Long Beach and the LBHDC shall utilize the following priority order whenever ownership or rental housing units are made available to applicants who are income eligible households:

- a. First priority is given to eligible households that have been involuntarily displaced from the City of Long Beach or its agencies due to activities or actions of the City or other public agencies, including homeless individuals / families referred by the City's Multi Service Center for the Homeless;

~~b. Second priority is given to eligible households that reside and work within the City of Long Beach;~~

~~c.b. Third-Second~~ priority is given to eligible households that reside within the City of Long Beach;

~~d.c. Fourth-Third~~ priority is given to eligible households that work, or are enrolled in an educational or job training program within the City of Long Beach.

#### 2. INVOLUNTARY DISPLACEMENT

- a. ~~Definition of involuntary displacement.~~ To qualify as an applicant who has been involuntarily displaced from the City of Long Beach, the applicant responsible for renting or purchasing the affordable housing unit must demonstrate that, by no fault of the applicant (such as an eviction or termination of tenancy for cause), one of the

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following criteria has been met including the submission of the appropriate documentation to the developer/owner as cited below:

- i. Disaster or Government Action. Written verification or notice by the displacing unit or agency of government (i.e., HUD, City Departments code enforcement, discreSSIONary approval or permit, or government acquisition or demolition, etc.) or by a service agency such as the Red Cross.
- ~~ii. Termination of tenancy. Written notification by the property owner/agent to the applicant of the termination of the applicant tenancy for no fault (i.e., sales agreements, foreclosure notices, condominium conversion, building permits, etc.).~~
- ~~iii. Domestic Violence. Written verification from police, social service agency, court, clergy person, physician, and/or public or private facility giving shelter and/or counseling to victims.~~
- ~~iv. Witness Protection Program. Certification by a law enforcement agency of the applicant's participation in the Witness Protection Program.~~
- ~~v. Hate Crimes. Written statement from law enforcement agency, HUD, Housing Rights Center or other agencies responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.~~
- ~~vi. Inaccessibility of Unit. Statement from the property owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications.~~
- ~~vii. Substandard Housing. Written verification from a reliable, knowledgeable professional familiar with residential construction and possessing skills and professional licenses and/or certifications consistent with those of a City of Long Beach Code Enforcement Officer.~~
- ~~viii. Homelessness. Written verification by a public or private facility providing shelter, the police, or a social services agency from the City's Multi Service Center for the Homeless certifying that the applicant lacks a fixed, regular, and adequate nighttime residence.~~

### 3. RESIDENCY

- a. Definition of residency. To qualify as an applicant who is a resident of the City of Long Beach, the applicant responsible for renting or purchasing the affordable housing unit must have their principal place of residence within the City of Long Beach as of the date of application.



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- b. Evidence of residency. The developer/owner shall require the applicant to submit a driver's license, voter registration, utility bill, or other evidence as proof of residency in Long Beach.

#### 4. EMPLOYMENT

- a. Definition of employment. To qualify as an applicant who is employed within the City of Long Beach, the applicant responsible for renting or purchasing the affordable housing unit must demonstrate that ~~both of the following criteria have been met:~~
  - ~~i. Location of Work. At least at least~~ one of the signators of the tenant lease or purchase agreement for the applicant's household must be employed within the City of Long Beach, notified that they are hired to work in Long Beach, or are enrolled in educational or job training programs in Long Beach as of the date of application.
  - ~~ii. Hours of Work. At least one signators of the tenant lease or purchase agreement for the applicant's household must have been employed within the City of Long Beach an average of at least 20 hours per week over the 90 day period prior to the date of application.~~
- b. Evidence of employment. The developer/owner shall require applicants to submit pay stubs, W-2 forms, tax returns, employer certification, job offer letter, evidence of enrollment in an educational or job training program, or other evidence as proof of employment at a business location or educational / job training facility within the City of Long Beach.

#### 5. MARKETING AND SELECTION PLAN

The developer/owner and/or its agent shall affirmatively market the affordable housing units to ensure that all applicants, regardless of eligibility for the preference, are aware of the housing opportunity.

- a. Marketing Plan. Prior to the developer/owner's publication of the availability of affordable units, developer/owner shall prepare a Marketing Plan and Selection Plan for approval by the President of the LBHDC or his designee (President) for both attracting and selecting qualified applicants. Upon approval by the President, the developer/owner shall be responsible for implementing the marketing plan. The marketing plan shall include the initial sales prices or rents of each unit, and the preference and priority system. The plan shall initially target advertising and marketing efforts within a one-mile radius of the project site for a minimum 30-day period, and then within the City of Long Beach. City/LBHDC may assist the developer/owner in the marketing of the affordable units to qualified applicants

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under any program that City/LBHDC may offer and may provide names of prospective qualified applicants to developer/owner.

- b. Notification to City. Whenever an affordable unit becomes available, the developer shall immediately notify the President in writing.
- c. Publication requirement. Whenever an affordable housing unit becomes available during the first year after the receipt of a City certificate of occupancy, the developer/owner shall publish notices of the availability of the units in newspapers circulated widely in the City of Long Beach, including newspapers that reach minority communities, and the notices shall be published in English, Spanish, and Khmer. At least one notice shall be published in a Spanish language newspaper of general circulation. The notice should briefly explain what affordable housing is, state the applicable income requirements, indicate where applications are available, state when the application period opens and closes, and provide a telephone number for questions. Applications may require the name, address, and telephone number of the applicant; the number of persons to occupy the household; and any other information relevant to determine whether the applicant is eligible for local preferences and to occupy unit. The developer/owner shall submit proof of publication to the President.
- d. Selection Plan. Prior to the developer/owner's acceptance of the first application for an affordable housing unit and no later than six months before issuance of a certificate of occupancy, the developer/owner shall prepare a Selection Plan for approval by the President which shall set forth the process for selection of qualified applicants. The Selection Plan shall contain, but is not limited to, the following information:
  - i. Unit Description. A brief description of the affordable unit(s) including the unit-mix, location, structure, size and whether the unit(s) is for ownership or rental.
  - ii. Income Criteria. The eligible income range for rent or purchase affordable units.
  - iii. Priority System. The preference and priority system to be utilized by the developer/owner based primarily on an applicant's residence and employment location, with higher priority allocated to persons who live and/or work within the City of Long Beach.
  - iv. Application Submission. Description of the application requirements. The conditions by which interested parties must submit a completed application to the developer/owner, including form of application, the stipulated date and time for application, number of applications to be submitted, disqualifications, etc.
  - v. Selection Criteria. Explanation of the developer's selection criteria and process based on the review of information submitted on the applications. Identification



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of corrective actions if a review of an application results in a determination that the City preferences assigned to the applicant was inaccurate.

## 6. DETERMINATION OF ELIGIBILITY

- a. Verification of Preference. As part of the review process, applicants will be contacted directly to provide verification of their residence and employment history and evidence supporting any of the preferences identified. For persons who are retired at the time of application, the applicant's work history immediately prior to retirement can be considered.
- b. Verification of Income. The developer/owner of affordable housing units, which are offered for rent, sale, or lease, shall require the applicant to provide proof that he/she meets the occupancy and income criteria set forth by the applicable City or LBHDC program(s).

## 7. PRIORITY RANKING; SELECTION OF QUALIFIED APPLICANT

- a. Priority System. The priority order for categories are as follows:
  - i. Applicant where at least one of the signators of the tenant lease or purchase agreement had been involuntarily displaced from the City of Long Beach at the time of application but had previously lived ~~and worked~~ within the City of Long Beach, including homeless individuals / families referred by the City's Multi Service Center for the Homeless.
  - ~~ii. Applicant where at least one of the signators of the tenant lease or purchase agreement had been involuntarily displaced from the City of Long Beach at the time of application but had previously lived within the City of Long Beach.~~
  - ~~iii. Applicant where at least one of the signators of the tenant lease or purchase agreement is a Long Beach resident and employed within the City of Long Beach at the time of application.~~
  - ~~iv.ii.~~ Applicant where at least one of the signators of the tenant lease or purchase agreement is a Long Beach resident at the time of application.
  - ~~v.iii.~~ Applicant where at least one of the signators of the tenant lease or purchase agreement is employed within the City of Long Beach at the time of application.
  - iv.vi. All other applicants.
- b. Priority List. Applicants for affordable housing units shall be maintained on a priority list. Applicants shall be listed in order of total preferences. Applicants equal in preferences shall be prioritized by date and time of receipt of their applications. All

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applicants must meet income eligibility requirements as established for the applicable affordable housing units.

The priority list shall be utilized to select applicant for the sale or rent of available affordable housing units for one year after receipt of a City certificate of occupancy for the designated unit. For rental affordable units, developer/owner shall annually update the priority list in accord with the priority order.

- c. **Applicant Selection.** The developer/owner of affordable housing units is required to fill vacant units by:
  - i. **Selecting Income-Eligible applicants themselves as long as the developer/owner complies with the local preferences and priority ranking system and publication requirements set forth herein. The following selection processes are permissible:**
    - Selection from the Priority List in rank order, or
    - Lottery of the top candidates on Priority List.
- d. **Unit Sale or Rental.** The actual sale or rental of a unit will be based on the ability of the qualified applicant(s) to meet applicable eligibility guidelines and/or obtain financing within a time frame established by the developer/owner.

**8. COMPLIANCE MONITORING**

- a. **Compliance Report.** The developer/owner shall provide a written compliance report to the President upon selection of the qualified applicants. The report shall include, but is not limited to, the following information:
  - i. **Summary of Selection Process including the Marketing and Selection Plan; and**
  - ii. **Name, Address, Telephone and Preference Category and ranking of Selected Applicants.**
- b. **Certification of Compliance.** The developer/owner of affordable units shall certify the local preferences awarded to applicants were consistent with these guidelines. A certification form approved by the City shall be completed and submitted with the Compliance Report.
- c. **Record Retention.** The developer/owner shall retain records of the evidence and documents utilized to select applicant(s) for the sale or rent of available affordable and/or workforce housing units in accordance with these guidelines for two year after the date of occupancy by the first applicant.



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- d. Compliance Monitoring. City/LBHDC shall monitor the developer/owner's compliance with these guidelines, which may include an on-site monitoring visit to review the developer/owner's records, interviews with selected applicant(s), and/or other methods deemed appropriate.

## 9. PENALTIES FOR NON-COMPLIANCE

- a. Notice of Non-compliance. Except as otherwise provided herein, if it is determined that a violation of these guidelines has occurred, the President shall issue a notice of non-compliance and require the developer, owner or tenant (as applicable) to cure the violation within 30 days, unless a different period is provided at the President's discretion.
- b. Monetary Penalty. Any party who sells or rents an affordable housing unit in violation of these guidelines shall be required to forfeit all monetary amounts so obtained. Recovered funds shall be deposited into the LBHDC's Housing Trust Fund.
- c. Litigation. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with these guidelines, including but not limited to: (1) actions to revoke, deny, suspend or refuse to issue any permit, including a building permit, certificate of occupancy, or discretionary approval; and (2) actions for injunctive relief or damages.
- d. Legal Costs. In any action to enforce these guidelines, the City shall be entitled to recover its reasonable attorney's fees and costs.

## DISPARATE IMPACT

As a matter of legal due diligence, City/LBHDC staff conducted a preliminary demographic analysis of waiting lists for recently completed affordable housing projects in Long Beach to see if the racial or ethnic breakdown of Long Beach residents on the lists are significantly different from the racial or ethnic breakdown of non-residents. The results of that analysis showed no disparate impacts to any protected class if a residency preference is applied. First, an average of 67% of households on the waiting lists and about 62% of households selected for units are already Long Beach residents. Thus the impact of instituting a residency preference would be relatively limited, since the majority of households selected for new units are already Long Beach residents. Second, the composition of Long Beach residents on the lists compared to the non-residents is actually more ethnically diverse. Third, when the ethnic composition of Long Beach residents is compared to Los Angeles County residents, Long Beach is more ethnically diverse. Therefore, based on data from recent projects and the US Census, there is no evidence that imposing a Long Beach resident and worker local housing preference policy would have a significant disparate impact on any class protected by the US Constitution or fair housing laws.