



# CITY OF LONG BEACH

# R-15

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

March 4, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt the attached resolution authorizing the submission of an application to the California State Department of Housing and Community Development Transit Oriented Development Housing Program for funding assistance of up to \$17,000,000 and authorize the City Manager to execute all necessary documents upon funding approval. (District 1)

## DISCUSSION

The Department of Community Development requests authorization to submit an application for funding assistance of up to \$17,000,000 under the State Department of Housing and Community Development's (HCD) Transit Oriented Development (TOD) Housing Program. The TOD Housing Program is designed to increase the overall supply of housing, increase the supply of affordable housing, increase public transit ridership, and minimize automobile trips. The program seeks to accomplish these objectives by providing financial assistance for the development of housing and related infrastructure near public transit stations. Under the program, low-interest loans are available as gap financing for rental housing developments that include affordable housing units, and as mortgage assistance for homeownership developments. In addition, grants are available for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.

Funds for the TOD Housing Program were allocated under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). This is the first funding round for the TOD Housing Program. There is \$95 million in the first round. It is anticipated that two additional rounds will be forthcoming. A total of \$285 million will be available over three years.

The City of Long Beach and Meta Housing Corporation will apply as co-applicants for rental, homeownership and infrastructure funds in connection with a proposed mixed-use development at 1235 Long Beach Boulevard (southwest corner of Long Beach

Boulevard and Anaheim Street). Housing Services Bureau and Redevelopment Agency staffs have been working with Meta Housing on development plans for the site. The site contains approximately 150,000 square feet (SF) or 3.4 acres. The proposed project includes the following:

- Subterranean and above ground parking (above retail level).
- 70,000 SF of retail space with outdoor dining, plaza areas, public outdoor performance areas, improved access to public transportation, and widened pedestrian right of ways with landscaping and street trees.
- Rental and for-sale housing in two distinct residential buildings, 20% affordable and 80% market-rate. Building one contains 145 1-bedroom and 2-bedroom apartment units designed for active seniors age 55 and above. Building two contains 221 condominium units ranging in size from one to three bedrooms. The project includes community rooms, classrooms, a fitness center, and resident services. The unit breakdown and affordability restrictions are as follows:

	Senior Rental	For-Sale	<b>Total</b>
Very Low	4	-	4
Low	26	23	49
Moderate	-	23	23
<b>Subtotal Affordable</b>	<b>30</b>	<b>46</b>	<b>76</b>
Market-Rate	115	175	290
<b>Total Units</b>	<b>145</b>	<b>221</b>	<b>366</b>

If the application is successful, the rental housing funds will be awarded to Meta Housing as a low-interest loan and will be used to help finance the senior rental housing component of the proposed development. Meta Housing will be responsible for repayment of those funds under a separate agreement with HCD. The homeownership funds will be awarded to the City in the form of a grant and will be used as silent second mortgage loans to the buyers of the affordable units on the for-sale component of the development. Those buyers will be responsible for repaying the City once their units are re-sold. The infrastructure funds will be awarded to the City in the form of a grant and will be used for infrastructure improvements benefiting the entire development and the area surrounding the Anaheim Transit Station. The infrastructure funds require a 20% cash match from the City. The Long Beach Housing Development Company has already made an acquisition loan of \$5,152,000 to Meta Housing. This application will be submitted with the understanding that a portion of the \$5,152,000 will count as the match towards the infrastructure portion of the application.

HONORABLE MAYOR AND CITY COUNCIL

March 4, 2008

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This letter was reviewed by Deputy City Attorney Richard F. Anthony on February 19, 2008, and Budget Management Officer Victoria Bell on February 22, 2008.

TIMING CONSIDERATIONS

City Council action is requested on March 4, 2008, as the application for TOD Housing Program funds is due on March 7, 2008. A resolution authorizing the submittal of this application is required in the application package.

FISCAL IMPACT

The application will be submitted in the amount of up to \$17,000,000, the maximum amount allowed under the TOD Housing Program funding announcement. A budget adjustment will be requested if and when funds are received, and in accordance with the amount of funds awarded to the City. The City will not be obligated to repay the funds, if awarded. The proposed action will not impact the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



\_\_\_\_\_  
Dennis J. Thys, Director  
DEPARTMENT OF COMMUNITY DEVELOPMENT

APPROVED:



\_\_\_\_\_  
Patrick H. West  
CITY MANAGER

Attachment: Resolution Authorizing the Submittal of an Application to the California State Department of Housing and Community Development for Funding Under the Transit Oriented Development Housing Program

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 RESOLUTION NO.

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING THE CITY TO (I)  
5 SUBMIT AN APPLICATION TO THE CALIFORNIA STATE  
6 DEPARTMENT OF HOUSING AND COMMUNITY  
7 DEVELOPMENT FOR FUNDING UNDER THE TRANSIT-  
8 ORIENTED DEVELOPMENT (TOD) HOUSING PROGRAM;  
9 AND (II) EXECUTE ALL DOCUMENTS NECESSARY TO  
10 PARTICIPATE IN THE TOD HOUSING PROGRAM IF  
11 SELECTED FOR SUCH FUNDING.

12  
13 WHEREAS, the City of Long Beach ("City"), a political subdivision of the  
14 State of California, wishes to apply for and receive an allocation of funds through the  
15 TOD Housing Program (the "TOD Program"); and

16 WHEREAS, the California Department of Housing and Community  
17 Development ("HCD") has issued a Notice of Funding Availability ("NOFA") for the TOD  
18 Program established under the Housing and Emergency Shelter Trust Fund Act of 2006  
19 (Proposition 1C) pursuant to the TOD Implementation Program established by Part 13 of  
20 Division 31 of the Health & Safety Code, commencing with Section 53560. Pursuant to  
21 the statute, HCD is authorized to approve funding allocations utilizing monies made  
22 available by the State Legislature to the TOD Program, subject to the terms and  
23 conditions of the statute and the TOD Program Guidelines implemented as amended by  
24 HCD on 12/03/2007; and

25 WHEREAS, City wishes to submit an application to obtain from HCD an  
26 allocation of TOD Program funds in an amount up to \$17,000,000.

27 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
28 follows:

1           Sec. 1. The City shall submit to HCD an application to participate in the  
2 TOD Program in response to the NOFA issued on December 11, 2007 which will request  
3 a funding allocation in the amount of up to \$17,000,000 for (i) the construction of rental  
4 units, (ii) the construction of capital improvements, and the (iii) the funding of loans to  
5 qualified first time homebuyers, each in connection with a project located at 1235 Long  
6 Beach Boulevard (corner of Long Beach Boulevard and Anaheim Street).

7           Sec. 2. If the application for funding is approved, the City hereby agrees to  
8 use the TOD Program funds for eligible activities in the manner presented in the  
9 application as approved by HCD and in accordance with the program Guidelines cited  
10 above. It also may execute any and all other instruments necessary or required by HCD  
11 for participation in the TOD Program.

12           Sec. 3. The City Manager is authorized to execute in the name of the City,  
13 the application, the Standard Agreement, and all other documents required by HCD for  
14 participation in the TOD Program, and any amendments thereto.

15           Sec. 4. This resolution shall take effect immediately upon its adoption by  
16 the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2008 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk

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