

Patrick Brown, Chair  
Stacy McDaniel, Vice Chair  
Jonathan Gotz, Director  
Kevin Cwayna, Director



Michael McCarthy, Director  
Kristie Kinney Pabst, Director  
Patrice Wong, Director  
Anna Ulaszewski, Director

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## FINISHED AGENDA AND MINUTES

### CALL TO ORDER - 4:01 P.M.

### ROLL CALL

**Boardmembers** Jonathan Gotz, Patrice Wong, Stacy McDaniel, Kristie Kinney  
**Present:** Pabst, Patrick Brown, C. Anna Ulaszewski and Michael W. McCarthy

**Boardmembers** Kevin Cwayna  
**Absent:**

Staff present: Dennis Thys, President; Ellie Tolentino, Vice President; Angela Reynolds, Neighborhood Services Bureau Manager; Patrick Ure, Housing Development Officer; LaVerne Duncan, Housing Communications Officer; Dale Hutchinson, Housing Operations Officer; Meggan Sorensen, Development Project Manager; Norma Lopez, Development Project Manager; Silvia Medina; Community Development Analyst; and Pat Parga, Bureau Secretary.

### PUBLIC PARTICIPATION

No members of the public were present.

### 09-018HC

### LBHDC BOARD RETREAT

President Thys opened the retreat.

Vice President Tolentino reviewed the presentation regarding background information, slides 1 to 13.

Vice Chair McDaniel inquired about the original goals and target percentages for the allocation of resources between ownership and rental opportunities.

Vice President Tolentino responded that there was a broad goal of 50/50 as set by Council.

Boardmember McCarthy inquired about the above-moderate units

indicated in the presentation.

Vice President responded that the LBHDC does not fund the above-moderate units, but these units are still counted as part of the RHNA numbers.

President Thys spoke about balancing ownership and rental, meeting the RHNA number requirements, and the cost of new construction versus rehabilitation.

Chair Brown spoke about needing to invest more in acquisition rehab to reduce density in certain areas.

Boardmember Ulaszewski asked about the percentage of local owned versus absentee owners of rental units.

President Thys spoke about the importance of understanding the Housing Action Plan areas, including knowing ownership patterns and getting owners to work together to improve their neighborhoods.

President Thys reviewed the presentation regarding present and future opportunities, slides 14 to 24.

President Thys reviewed Future Development Opportunity #1 – 1905-1911 Pine Ave.

Boardmember McCarthy asked if this site was a multifamily building.

President Thys confirmed that it was a multifamily building.

Vice Chair McDaniel asked about doing new rental or ownership and what the neighborhood wanted.

President Thys confirmed that staff was considering replacing old rental with new rental.

Vice President Tolentino stated that Staff Duncan has met with the owners on this block.

Staff Duncan stated that the owners have formed a Strategic Planning Committee whose primary issue is to get rid of the undesirable element.

Vice Chair McDaniel asked if the area lent itself to ownership because most of the area is rental.

Boardmember Pabst confirmed that most of the area was rental.

President Thys stated that there is one "own-your-own" but the rest were rental. He stated that residents may like ownership opportunities, but the market is not there to support it.

Vice Chair McDaniel asked if the Strategic Planning Committee believes the owners are interested in investing in their own buildings to bring them up to a more livable standard.

Staff Duncan stated the owners are interested and that Staff Reynolds' group presented the owners with various ways to improve their existing buildings. The Committee is working to ensure that all the owners participate.

President Thys asked Staff Reynolds to discuss the recent marketing done in this area.

Staff Reynolds stated that staff presented to the owners the Multifamily Home Loan Program with a grant that represents the 30% for the Davis Bacon prevailing wages; however, the majority of the owners live out of town and did not like the forced affordability term.

President Thys spoke about looking for creative ways to provide financing and incentives.

Vice Chair McDaniel asked what the current investment is in these two properties.

Staff Hutchinson stated that it was \$1.5 million.

Boardmember Ulaszewski asked if a "rent to own" option has ever been considered.

Vice President Tolentino stated that staff considered it, but it did not work.

President Thys spoke about the Lyon West Gateway project which is designed as rental with an opportunity for ownership at a later date. He noted that the affordability would remain when the units were sold.

President Thys stated that Project Hope approached staff about providing assistance on another site. Staff requested a proforma be submitted, but has not received it as yet.

President Thys reviewed several of the options for the properties.

Boardmember Gotz asked about the number of current units.

Vice President Tolentino stated that there were currently 13 units.

Chair Brown asked what was being done to discourage overcrowding from happening again.

President Thys responded that they would be changing the unit count and placing covenants on the units.

Vice Chair McDaniel asked what staff wanted from the Board.

President Thys stated that he looking for feedback on whether staff was going in the right direction.

Vice Chair McDaniel stated that before getting into specifics, she would like the Board to discuss their strategic direction.

President Thys stated that the Board has already invested money in these properties which have been sitting vacant for two years.

Further discussion ensued.

Boardmember Ulaszewski asked to continue the presentation and consider the strategic direction for properties where we have not already invested funds.

President Thys stated that staff would be bringing this project back to the Board once the specific cost variations are worked out.

Boardmember McCarthy stated that there is a major shortage in the larger units and a lack of parking.

Further discussion ensued.

Boardmember McCarthy stated that the Multifamily Loan Program should be more marketable.

Boardmember Pabst asked how the Decro properties are performing.

Staff Grainger stated that all the properties are well maintained.

Boardmember Pabst stated that she agrees with Vice Chair McDaniel

that the Board does not have a clear vision.

President Thys stated that they have already made an investment in this property and are looking for the Board's guidance on the direction to go on this site.

Boardmember Wong stated that it might be helpful when a project is presented to include how the project fulfills the Board's mission.

President Thys reviewed Future Development Opportunity #2 – 1836-1850 Locust Ave.

Chair Brown stated that the Andy Street property had some of the same problems.

Boardmember Ulaszewski asked if they had any figures for the various options.

President Thys stated that they were still working out the figures, but when they had them, they would come back to the Board with the information.

Vice Chair McDaniel stated that she does not understand how these properties fit into the Board's overall goals.

President Thys stated that these are rental units that will help meet the RHNA rental numbers.

Boardmember McCarthy stated that he can see the strategic view very clearly, that City Council has stated that they want a 50/50 split between ownership and rental.

Further discussion ensued.

President Thys reviewed Future Development Opportunity #3 – 1900-1940 Long Beach Blvd.

Boardmember McCarthy asked if this property has been cleared.

President Thys stated the property has been cleared and has a clean state as far as deciding what direction to take, ownership or rental; low-income or moderate.

Boardmember Wong stated the original idea was for ownership and she inquired if we were married to that plan.

President Thys stated that we were not. He stated that this project could be set aside for now and come back later with ownership when the market is better.

President Thys reviewed Future Development Opportunity #4 – 469 W. 17th Street & 1718-1760 Magnolia Ave.

Boardmember Ulaszewski asked if any of the units were salvageable.

President Thys replied that none of the units would be salvageable if we go in the direction indicated.

Boardmember Pabst inquired who would want to buy in that area.

Further discussion ensued.

Board member Ulaszewski asked how much has been invested in that area.

Staff Ure stated that about \$3 million, with approximately 7 properties including one multifamily.

President Thys reviewed Future Development Opportunity #5 – 14th Street between Pacific and Pine Ave.

Boardmember Wong asked if the Long Beach Rescue Mission had a master plan.

President Thys stated staff is still waiting for the master plan.

Further discussion ensued.

Vice Chair McDaniel asked what was the purpose for acquiring the site.

President Thys stated that the goal was homeownership.

Vice Chair McDaniel asked how these units fit into the overall percentage of ownership.

President Thys stated that it was a minuscule amount, but the area is struggling.

Boardmember Gotz asked if staff thought about these problems before they purchased the properties.

Staff Ure stated that when staff acquired the properties the market was different and subsequently one house burned down.

Further discussion ensued.

President Thys reviewed Future Development Opportunity #6 – Villages Phase IV.

Vice Chair McDaniel asked that if the mix is being tilted more toward rental than ownership, and how to justify the decision to City Council.

Further discussion ensued.

Boardmember Wong stated there was a lack of clarity as to what is in the pipeline and how they affect the broader goal.

President Thys stated that it would vary depending on the direction taken.

Boardmember McCarthy stated that he would like to see a matrix with the various options.

Further discussion ensued.

President Thys stated that he wanted to highlight where the Board is with the properties they currently hold and on which the Board needs to make some type of decision.

Boardmember Gotz asked about not accepting any new projects until our current properties are underway.

Further discussion ensued.

Vice Chair McDaniel inquired about asking the City Council to change or clarify the direction they have given us, even if the changes are only temporary.

Boardmember McCarthy inquired about producing a matrix that would list the numbers for the completed projects and projects under construction; then have the proposed projects as deltas to those numbers.

Vice Chair McDaniel stated that the matrix should divide the projects by completed, committed, and future opportunities, and then indicate: numbers of units, how they fit in with the RHNA numbers, the percentage

of financial resources and overall units delivered.

Boardmember McCarthy stated that Council could change to 50/50 by unit, instead of by dollars.

Boardmember Wong asked if there was a process for a mid-plan adjustments.

President Thys stated that the Board can always go back to City Council, however, the risk is starting the whole process over again. He also mentioned the upcoming study session on the 10-year Plan to End Homelessness on December 15 might point to this Board's numbers.

Vice Chair McDaniel stated that an Action Plan would show the progress and be something that shows why we did what we did.

President Thys stated that staff would develop a matrix as requested to assist the Board in deciding the best use for each site and the consequences of those decisions.

Further discussion ensued.

President Thys spoke about the success of the Neighborhood Stabilization Program (NSP) and that staff should hear about the grant for the NSP-2 within two weeks.

Vice Chair McDaniel asked about the average expenditure per home for the NSP-1.

Staff Reynolds stated that the average expenditure per home was around \$200,000 with about \$50,000 to \$60,000 for rehab.

Staff Hutchinson stated that second mortgage assistance (SMAP) was about \$200,000.

Boardmember McCarthy stated he felt very low- and low-income buyers may not be able to afford to maintain the property.

Staff Hutchinson stated that the SMAP homebuyer's housing costs are in line with their income, so maintenance should not be a problem.

Further discussion ensued.

Vice President Tolentino stated that the SMAP homes must be up to code before escrow closes.



Staff Reynolds stated that with the major rehab the NSP-I homes receive, they should not need any major repairs for 10 to 15 years.

Boardmember Gotz asked if the SMAP houses are monitored for maintenance.

Staff Hutchinson stated that the units are monitored annually for income eligibility, plus staff does a drive by.

Vice Chair McDaniel stated that the numbers indicate that it would be better to do mortgage assistance or rehab projects instead of new construction.

Boardmember McCarthy stated that mortgage assistance and rehab do not increase the stock.

Further discussion ensued.

Boardmember Pabst inquired if there is enough money to acquire other properties and complete what we have.

President Thys replied that there is enough, plus there will be even more money in the next few years due to the repayment of housing set aside not received in FY10.

Further discussion ensued.

Boardmember McCarthy would like the guidance from City Council clearly stated on one sheet of paper.

Further discussion ensued.

President Thys spoke about the December Holiday meeting, the Study Session on Local Housing Preference, the January meeting and deferring responding to this discussion until the February meeting.

Vice Chair McDaniel spoke about needing a plan prior to accepting any new projects.

President Thys stated that in January staff would like to bring forward the Ramona Senior Housing Project to assist the developer in applying for tax credits.

Further discussion ensued.

Vice President Tolentino asked for clarification on what Vice Chair McDaniel wanted as far as the overall mission of the Board.

Vice Chair McDaniel replied.

Chair Brown suggested putting on hold all new projects, except the Ramona Senior Housing, until after the February meeting.

Further discussion ensued.

Boardmembers agreed with the exception of the Ramona Senior Housing project and the rehab projects, that all new projects will be put on hold until after the follow up discussion at the February Board meeting.

Further discussion ensued.

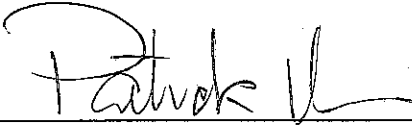
**ADJOURNMENT - 5:36 P.M.**

Chair Brown adjourned the meeting.

**NOTES:**

A digital recording of this meeting is available in the Housing Services Bureau, please call the Housing Services Bureau at (562) 570-6359.

Respectfully submitted,

  
for \_\_\_\_\_  
DENNIS J. THYS, PRESIDENT

Approved by:

  
PATRICK BROWN, CHAIR

PP