



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

R-14

March 17, 2009

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 assistance of up to \$17,000,000 and authorize the City Manager to execute all documents necessary to accept and expend the funds for the proposed project, upon funding approval. (District 1)

DISCUSSION

The Department of Community Development requests authorization to submit an application for a grant 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 grants are available to provide mortgage assistance to low- and moderate-income buyers 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 second funding round for the TOD Housing Program. There is \$95 million available in this round, just as there was in the first. It is unknown at this time whether additional rounds will be forthcoming because of the State budget deficit. However, it was announced that a total of \$285 million would be available over three years.

The City of Long Beach (City) 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). The City and Meta Housing were also co-applicants for the first funding round, and although a high score was received on the application, funds were not awarded. However, in preparation for the second funding round, staff continued working with Meta Housing on development plans for the site. The proposed project now has Site Plan and Tentative Map approval from the Planning Commission, which significantly improves the chance of funding this round.

The proposed development site contains 151,643 square feet, or 3.48 acres, and encompasses three mixed-use buildings, a large park-like open space for all residents, a quad dedicated to lifelong learning activities for senior residents, community rooms, a pool and BBQ area for condo owners, and two rooftop terraces. Two large public plazas are also provided, one open to Long Beach Boulevard and the other to Anaheim Street, allowing for pedestrian-friendly retail uses and a vibrant urban corner. In total, the project provides 2.2 acres of open space. Each of the three buildings varies in design, size and height. A rendering is attached (Attachment A). Approximately 30 percent of the total residential units are proposed to be affordable to low- and moderate-income households. Further details for each building are as follows:

- Building A, ranges in height from three to six stories and faces Long Beach Boulevard along the southern edge of the development site. This building contains 18,000 square feet of retail space, 61 condominiums and 39 senior rental units;
- Building B, located at the corner of Long Beach Boulevard and Anaheim Street, is the signature building of the project, reaching a height of 180 feet and 13 stories. This tower building provides the remainder of the condominium (109) units and 14,700 square feet of retail space. It is designed in modern architecture with vertical elements to emphasize the corner;
- Building C, facing Anaheim Street, is entirely a senior rental component with 147 units and 9,300 square feet of retail and resident activity space. This building is more traditional in design and ranges in height from three to six stories; and,
- Parking will be provided within a structure, with one partial level at grade (behind the retail space fronting Long Beach Boulevard and Anaheim Street) and one subterranean parking level.

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 condominium units. 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 percent cash match from the City.

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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 segment of the application.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on February 19, 2009, and Budget Management Officer Victoria Bell on February 27, 2009.

TIMING CONSIDERATIONS

City Council action is requested on March 17, 2009, as the application for TOD Housing Program funds is due on April 2, 2009. 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 is not necessary at this time but will be requested if and when funds are 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,



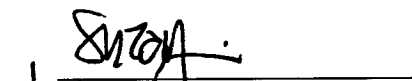
DENNIS J. THYS, DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

DJT:ET:PU:MS
3-17-09 Res for TOD Application v3.doc

Attachments: Attachment A – Rendering

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

APPROVED:


PATRICK H. WEST
CITY MANAGER



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, as amended by HCD on
24 02/04/2009; 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 Section 1. The City shall submit to HCD an application to participate in
2 the TOD Program in response to the NOFA issued on January 30, 2009 which will
3 request a funding allocation in the amount of up to \$17,000,000 for (i) the construction of
4 rental units, (ii) the construction of capital improvements, and the (iii) the funding of loans
5 to 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 Section 2. If the application for funding is approved, the City hereby
8 agrees to use the TOD Program funds for eligible activities in the manner presented in
9 the 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 Section 3. The City Manager is authorized to execute in the name of the
13 City, the application, the Standard Agreement, and all other documents required by HCD
14 for participation in the TOD Program, and any amendments thereto.

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

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
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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 _____, 2009 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk