EDMUND G. BROWN JR., Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



August 26, 2013

Amy J. Bodek, Director Development Services City of Long Beach 333 W. Ocean Blvd., 3rd Floor Long Beach, CA 90802

Dear Ms. Bodek:

RE: Review of the City of Long Beach's 5th Cycle (2013-2021) Draft Housing Element

Thank you for submitting the City of Long Beach's draft housing element received for review on June 27, 2013, along with additional revisions received on August 21, 2013. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. A telephone conversation on August 15, 2013 with you, City staff and Ms. Veronica Tam, the City's consultant, facilitated the review. In addition, the Department considered comments from the Legal Aid Foundation of Los Angeles and Housing Long Beach pursuant to GC Section 65585(c).

The Department conducted a streamlined review of the draft housing element based on the City meeting all eligibility criteria detailed in the Department's Housing Element Update Guidance. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2013 for SCAG localities. If adopted after this date, the City will be required to revise the housing element every four years until adopting at least two consecutive revisions by the statutory deadline (GC Section 65588(e)(4)). For information on housing element adoption requirements, please visit our website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.

Long Beach must continue to engage the community on housing element issues and to fully consider public comments in adopting programs and policies. Diligently engaging the community through the revision and adoption process is of critical importance in developing effective housing elements and in complying with the law.

The Department appreciates the assistance of Ms. Tam during the course of our review. We are committed to assist the City of Long Beach in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Brett Arriaga, of our staff, at (916) 263-7425.

Sincerely,

Glen A. Campora

Assistant Deputy Director

Enclosure

APPENDIX CITY OF LONG BEACH

The following changes would bring Long Beach's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Among other resources, the Housing Element section contains the Department's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at www.hcd.ca.gov/hpd/housing_element2/index.php and includes the Government Code addressing State housing element law and other resources.

1. Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).

To address the program requirements of Government Code Section 65583(c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

Program 1.3 (First Right of Refusal for Displaced Lower-income Households with Assisted Federal Funds): The element should describe the city's role to "explore local options." For example, the element could indicate options and criteria to be examined during this process. Given the importance of such a program, the date for completing research should occur earlier than 2017 to allow for implementation early in the planning period should a program be feasible. In addition, the program could indicate an implementation date if additional districts are found to be feasible.

Program 2.2 (Zoning Code Update for Special Needs Housing): Revisions to the housing element, received on August 21, 2013, included revised language to "consider zoning byright emergency shelters in additional districts...." However, the program should 1) describe the actions to be undertaken, 2) the general criteria to be analyzed and 3) include a completion date for the analysis. The program should also include actions, with an implementation date, to amend zoning for by-right emergency shelters to other districts depending on the outcome of the analysis. This is particularly important given significant public comment, timing and implementation in the prior planning period and the Department's comments in its June 3, 2009 review.

2. The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).

Long Beach Transit Oriented Development: While the City intends to focus much of its future development potential along the downtown transit corridors in the Planned Development (PD) districts, it does not offer strategies to preserve and create affordable housing opportunities within these districts. For example, the City's prime downtown development district, PD-30, allows unlimited housing "densities available to high-rise buildings in the Downtown Core" (page 57). The opportunity to redevelop existing downtown residential uses to unlimited high rise development could place significant gentrification and displacement pressure on existing lower-income residents in PD districts. However, the City has not implemented nor proposed comprehensive policies and programs to add new or preserve housing affordable to lower-income households to address potential displacement and relocation of existing lower-income residents. In addition, many of the resident comments documented in the element (App. A) and from local stakeholders (Legal Aid Housing & Housing Long Beach comment letters) indicate a need to locate new housing on major corridors near public transportation and the need to incorporate mixed-income housing.

The Long Beach Transit Oriented Development areas present a unique opportunity to focus new housing development near transportation modes and a mix of uses. Given the potential for gentrification in the PD districts and considering the extensive public comments mentioned above, the City should integrate housing policies and progams that preserve and create housing affordable to lower-income households within these transit oriented districts.

Boomerang and other Funds: As mentioned in Finding B1 above, funding resources for the development of housing affordable to lower-income households are scarce. The availability of Boomerang funds resulting from the termination of redevelopment agencies (of which 20% were from the Agency's low and moderate income fund) should be considered an opportunity to fund housing programs serving Long Beach's lower-income populations. In addition, the City should strongly consider the recommendations from the Long Beach Housing Development Company (LBHDC) to include programmatic commitments in the housing element to preserve this funding and others for the development of housing affordable to lower-income households (please see enclosed letter from LBHDC dated August 12, 2013). While the Department recognizes the decision for allocation of these funds will not occur until October, the City could still include a program with appropriate actions to commit some of these monies for the development of housing affordable to lower-income households.